

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 2008 Budget for HUD includes major reform proposals for the Federal Housing Administration (FHA), the Housing Choice Voucher program, and the Community Development Block Grant (CDBG) program. These reforms will enhance the effectiveness of HUD's programs.

The Department continues to emphasize expanding homeownership opportunities for all. Toward that goal, in 2007 FHA will introduce financing options for families who have good credit histories but lack the savings needed for the downpayment on a home, and for families who have impaired credit histories and who would normally be served only by the sub-prime market. Also, the Budget provides nearly \$2 billion for the HOME Investment Partnerships Program, including \$50 million for the American Dream Downpayment Initiative. The improved performance of FHA and other homeownership efforts will help meet the goal of adding 5.5 million new minority homeowners by 2010.

While maintaining a budget-based approach, the 2008 Budget proposes changes to the Housing Choice Voucher Program to give State and local housing authorities more decision-making authority to better address the unique needs of their communities, such as the flexibility to serve more households. The Budget also proposes to update the funding allocation formula to better reflect current needs.

HUD continues to support and improve Public Housing and has initiated the effort to adopt asset-based project management to allow significant improvements and efficiencies. The Budget provides \$4 billion for the Public Housing Operating subsidies and \$2 billion for the Public Housing Capital Fund.

HUD continues to support reduction of over-crowding in Indian country with \$627 million in housing grants. The Budget also continues support for Indian community development.

HUD continues to focus on combating homelessness and eliminating chronic homelessness with \$1.6 billion for Homeless Assistance, including up to \$50 million for a Samaritan initiative to provide supportive housing linked to services for chronically homeless persons. Homeless assistance includes \$25 million for HUD's part in a three-agency faith-based initiative for ex-offender activities.

Funding in the 2008 Budget for the Fair Housing Assistance and Fair Housing Initiatives programs (FHAP and FHIP) will continue to 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, along with other Federal programs for community and economic development, will be reformed in 2008 to increase the focus and effectiveness of Federal efforts to provide adequate economic opportunity in low-income communities. HUD has proposed legislation to revise the CDBG allocation formula to better target needy communities, to provide bonus funds tied to performance, and to make further reforms to increase CDBG's effectiveness.

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 2008 Budget includes \$116 million in lead hazard reduction grants to continue the 10-year program to eradicate lead hazards in housing.

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 evaluate 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 2007 and 2008 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 PROGRAMS

Federal Funds

PREVENTION OF RESIDENT DISPLACEMENT

Program and Financing (in millions of dollars)

Identification code 86-0311-0-1-604	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
09.00 Reimbursable program	36		
10.00 Total new obligations (object class 41.0)	36		
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	69	7	7
22.00 New budget authority (gross)	-26		
23.90 Total budgetary resources available for obligation	43	7	7
23.95 Total new obligations	-36		
24.40 Unobligated balance carried forward, end of year	7	7	7
New budget authority (gross), detail:			
Discretionary:			
58.00 Spending authority from offsetting collections: Offsetting collections (cash)	-26		
Change in obligated balances:			
72.40 Obligated balance, start of year	10	1	1
73.10 Total new obligations	36		
73.20 Total outlays (gross)	-45		
74.40 Obligated balance, end of year	1	1	1
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	-26		
86.93 Outlays from discretionary balances	71		
87.00 Total outlays (gross)	45		
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	26		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	71		

HUD received \$79 million from FEMA in 2005 via a mission assignment to provide housing assistance to families that

PREVENTION OF RESIDENT DISPLACEMENT—Continued

were affected by Hurricane Katrina. Eligible recipients included families that were previously assisted by HUD or those that were homeless prior to Hurricane Katrina. Similar activities will be continued under the \$390 million supplemental appropriation pursuant to P.L. 109–148, the Robert T. Stafford Disaster Relief and Emergency Act (42 U.S.C. 5121 et seq.) under the Tenant-Based Rental Assistance account.

TENANT-BASED RENTAL ASSISTANCE
(INCLUDING TRANSFER OF FUNDS)

For activities and assistance for the provision of tenant-based rental assistance authorized under the United States Housing Act of 1937, as amended (42 U.S.C. 1437 et seq.) (“the Act” herein), not otherwise provided for, \$16,000,000,000, to remain available until expended, of which \$11,800,000,000 shall be available on October 1, 2007, and \$4,200,000,000 shall be available on October 1, 2008: Provided, That the amounts made available under this heading are provided as follows:

(1) \$14,444,506,000 for renewals of expiring section 8 tenant-based annual contributions contracts (including renewals of enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act): Provided, That notwithstanding any other provision of law, from amounts provided under this paragraph, the Secretary for the calendar year 2008 funding cycle shall provide renewal funding for each public housing agency based on the amount public housing agencies were eligible to receive in calendar year 2007, and by applying the 2008 Annual Adjustment Factor as established by the Secretary, and by making any necessary adjustments for the costs associated with deposits to Family Self-Sufficiency Program escrow accounts or the first-time renewal of tenant protection or HOPE VI vouchers: Provided further, That the Secretary shall, to the extent necessary to stay within the amount provided under this paragraph, pro rate each public housing agency’s allocation otherwise established pursuant to this paragraph: Provided further, That public housing agencies participating in the Moving to Work demonstration shall be funded pursuant to their Moving to Work agreements and shall be subject to the same pro rata adjustments under the previous proviso: Provided further, That up to \$100,000,000 shall be available for additional rental subsidy due to unforeseen exigencies as determined by the Secretary and for the one-time funding of housing assistance payments resulting from the portability provisions of the housing choice voucher program;

(2) \$150,000,000 for section 8 rental assistance for relocation and replacement of housing units under lease that are demolished or disposed of pursuant to the Omnibus Consolidated Rescissions 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, HOPE VI vouchers, mandatory and voluntary conversions, and tenant protection assistance including replacement and relocation assistance: Provided, That additional section 8 tenant protection rental assistance costs may be funded in 2008 by utilizing unobligated balances, including recaptures and carryover, remaining from funds appropriated to the Department of Housing and Urban Development under this heading, the heading “Annual Contributions for Assisted Housing”, the heading “Housing Certificate Fund”, and the heading “Project-based rental assistance”, for fiscal year 2007 and prior years;

(3) \$48,000,000 for family self-sufficiency coordinators under section 23 of the Act;

(4) \$6,494,000 shall be transferred to the Working Capital Fund; and

(5) \$1,351,000,000 for administrative and other expenses of public housing agencies in administering the section 8 tenant-based rental assistance program, of which up to \$5,000,000 shall be available as an incentive bonus as determined by the Secretary for administrative expenses for PHAs that voluntarily consolidate, and of which up to \$35,000,000 shall be available to the Secretary to allocate

to public housing agencies that need additional funds to administer their section 8 programs, with up to \$30,000,000 to be for fees associated with section 8 tenant protection rental assistance: Provided, That no less than \$1,311,000,000 of the amount provided in this paragraph shall be allocated for the calendar year 2008 funding cycle to public housing agencies based on a formula tied to the number of assisted households, as determined by the Secretary: Provided further, That all amounts provided under this paragraph shall be only for activities related to the provision of tenant-based rental assistance authorized under section 8, including related development activities.

Note.—A regular 2007 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. 109–289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)			
Identification code 86–0302–0–1–604	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Tenant Protection	139	215	150
00.02 Administrative Fees	1,023	1,243	1,351
00.03 Family Self Sufficiency Coordinators	93	48	48
00.05 Working Capital Fund	6	6	6
00.06 Contract Renewals	12,404	14,035	14,445
00.07 Disaster Assistance	132	258	.....
10.00 Total new obligations (object class 41.0)	13,797	15,805	16,000
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	87	724	.....
22.00 New budget authority (gross)	14,401	15,081	16,000
22.10 Resources available from recoveries of prior year obligations	33	.....	.....
23.90 Total budgetary resources available for obligation	14,521	15,805	16,000
23.95 Total new obligations	–13,797	–15,805	–16,000
24.40 Unobligated balance carried forward, end of year	724	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	11,764	10,881	11,800
40.35 Appropriation permanently reduced	–114	.....	.....
40.36 Unobligated balance permanently reduced	–1,407	.....	.....
43.00 Appropriation (total discretionary)	10,243	10,881	11,800
55.00 Advance appropriation	4,200	4,200	4,200
55.35 Advance appropriation permanently reduced	–42	.....	.....
55.90 Advance appropriation (total discretionary)	4,158	4,200	4,200
70.00 Total new budget authority (gross)	14,401	15,081	16,000
Change in obligated balances:			
72.40 Obligated balance, start of year	482	1,280	1,763
73.10 Total new obligations	13,797	15,805	16,000
73.20 Total outlays (gross)	–12,966	–15,322	–15,987
73.45 Recoveries of prior year obligations	–33	.....	.....
74.40 Obligated balance, end of year	1,280	1,763	1,776
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	12,517	13,875	14,720
86.93 Outlays from discretionary balances	449	1,447	1,267
87.00 Total outlays (gross)	12,966	15,322	15,987
New budget authority and outlays:			
89.00 Budget authority	14,401	15,081	16,000
90.00 Outlays	12,966	15,322	15,987

Tenant Based Rental Assistance.—The Tenant-based Rental Assistance program (also known as the Housing Choice Voucher Program) provides approximately 2 million families with subsidies to afford housing in the private market. Congress and the Administration have implemented a number of policy changes over the past several years to assist the most needy families and encourage Public Housing Authorities (PHAs) to spend their allotted funds. For example, the Voucher program no longer funds a set number of units,

but appropriates funds to PHAs on a budget-based system making them more accountable in managing their budgets.

The Budget proposes legislative changes that would: 1) provide incentives for PHAs to spend their funds to maximize assistance; 2) maximize appropriated funds by changing the way funds are allocated to PHAs; and 3) factor unused funds into future allocations. First, the Administration proposes to require administrative fees to be distributed according to the number of families housed. Currently, PHAs receive a flat amount per year for administrative costs based on a distribution that does not provide an incentive to increase the number of families served. Second, the Budget proposes eliminating the cap on the number of families that each PHA can assist, thereby unlocking funds at PHAs that are unable to spend funds beyond their authorized number of units. A new funding allocation formula for PHAs would follow elimination of the cap, and would be based on the level of spending by PHAs over the most recent year. Current funding is based on the higher of a three-month snapshot of PHA's expenditures from summer 2004 or full year expenditures in 2004, which distributes funds across the 2,400 PHAs that administer Vouchers. Third, the Budget proposes to identify and adjust for unspent prior year balances from PHAs. PHAs that end a year with significant unspent balances, despite having been given the opportunity to draw down such balances by providing housing for additional low-income families, would have their funds for the next year reduced. According to HUD, at the end of 2006, over one billion dollars in balances remained in PHA accounts, of which more than half represents balances that could not be spent due to the current cap on the number of units. In addition, in order to encourage the consolidation of small PHAs, a bonus administrative fee will be offered to PHAs that participate in this streamlining effort. Legislation to implement the Administration's reform proposal will be submitted to Congress early in 2007.

HOUSING CERTIFICATE FUND
(CANCELLATION)

Of the unobligated balances, including recaptures and carryover, remaining from funds appropriated to the Department of Housing and Urban Development under this heading, the heading "Annual contributions for assisted housing", the heading "Tenant-based rental assistance", and the heading "Project-based rental assistance", for fiscal year 2007 and prior years, \$1,300,000,000 is cancelled, to be effected by the Secretary no later than September 30, 2008: Provided, That, if insufficient funds exist under these headings, the remaining balance may be derived from any other heading under this title: Provided further, That any such balances governed by reallocation provisions under the statute authorizing the program for which the funds were originally appropriated shall be available for the cancellation: Provided further, That any obligated balances of contract authority from fiscal year 1974 and prior that have been terminated shall be cancelled.

Note.—A regular 2007 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. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 86-0319-0-1-604	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Contract renewals	156	3	
00.02 Contract Administrator	94		
00.03 Rental Assistance	27		
00.05 Section 8 Amendments	275	300	300
00.11 Administrative Fees	3		
10.00 Total new obligations (object class 41.0)	555	303	300
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,414	1,329	
22.00 New budget authority (gross)	-605	-2,050	-1,300

22.10 Resources available from recoveries of prior year obligations	1,076	1,189	1,600
22.75 Balance of contract authority withdrawn	-1	-165	
23.90 Total budgetary resources available for obligation	1,884	303	300
23.95 Total new obligations	-555	-303	-300
24.40 Unobligated balance carried forward, end of year	1,329		
New budget authority (gross), detail:			
Discretionary:			
40.36 Unobligated balance permanently reduced	-605	-2,050	-1,300
Mandatory:			
60.00 Appropriation	2,500	3,000	3,000
60.49 Portion applied to liquidate contract authority	-2,500	-3,000	-3,000
62.50 Appropriation (total mandatory)			
70.00 Total new budget authority (gross)	-605	-2,050	-1,300
Change in obligated balances:			
72.40 Obligated balance, start of year	18,808	13,087	9,248
73.10 Total new obligations	555	303	300
73.20 Total outlays (gross)	-5,200	-2,953	-2,881
73.45 Recoveries of prior year obligations	-1,076	-1,189	-1,600
74.40 Obligated balance, end of year	13,087	9,248	5,067
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	5,200	2,953	2,881
Net budget authority and outlays:			
89.00 Budget authority	-605	-2,050	-1,300
90.00 Outlays	5,200	2,953	2,881
Memorandum (non-add) entries:			
93.03 Obligated balance, start of year: Contract authority	13,241	10,740	7,740
93.04 Obligated balance, end of year: Contract authority	10,740	7,740	4,740

The Housing Certificate Fund, until 2005, provided funding to both project-based and tenant-based components of the Section 8 program. Project-based Rental Assistance and Tenant-based Rental Assistance are now separately funded accounts. The Housing Certificate Fund retains and recovers balances from previous years' appropriations. In 2008, a cancellation of \$1.3 billion of those balances is proposed.

PROJECT-BASED RENTAL ASSISTANCE
(INCLUDING TRANSFER OF FUNDS)

For activities and assistance for the provision of project-based subsidy contracts under the United States Housing Act of 1937, as amended (42 U.S.C. 1437 et seq.) ("the Act" herein), not otherwise provided for, \$5,813,000,000, to remain available until expended: Provided, That the amounts made available under this heading are provided as follows:

(1) no less than \$5,522,810,000 for expiring or terminating section 8 project-based subsidy contracts (including section 8 moderate rehabilitation contracts), for amendments to section 8 project-based subsidy contracts (including section 8 moderate rehabilitation contracts), for contracts entered into pursuant to section 441 of the McKinney-Vento Homeless Assistance Act, for renewal 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, and for administrative and other expenses associated with project-based activities and assistance funded under this paragraph;

(2) up to \$286,230,000 for performance-based contract administrators for section 8 project-based assistance;

(3) \$3,960,000 to be transferred to the Working Capital Fund; and

(4) amounts which are recaptured under this heading, the heading "Annual Contributions for Assisted Housing", or the heading "Housing Certificate Fund," may be used for renewals of or amendments to section 8 project-based contracts or for performance-based contract administrators, notwithstanding the purposes for which such amounts were appropriated.

PROJECT-BASED RENTAL ASSISTANCE—Continued
(INCLUDING TRANSFER OF FUNDS)—Continued

Note.—A regular 2007 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. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 86-0303-0-1-604	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Contract Renewals	5,336	5,499	5,523
00.02 Contract Administrators	168	147	286
00.03 Working Capital Fund	1	1	4
10.00 Total new obligations (object class 41.0)	5,505	5,647	5,813
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	610	189	.....
22.00 New budget authority (gross)	5,037	5,458	5,813
22.10 Resources available from recoveries of prior year obligations	47	.....	.....
23.90 Total budgetary resources available for obligation	5,694	5,647	5,813
23.95 Total new obligations	-5,505	-5,647	-5,813
24.40 Unobligated balance carried forward, end of year	189	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	5,088	5,458	5,813
40.35 Appropriation permanently reduced	-51	.....	.....
43.00 Appropriation (total discretionary)	5,037	5,458	5,813
Change in obligated balances:			
72.40 Obligated balance, start of year	2,530	2,620	2,555
73.10 Total new obligations	5,505	5,647	5,813
73.20 Total outlays (gross)	-5,368	-5,712	-5,752
73.45 Recoveries of prior year obligations	-47	.....	.....
74.40 Obligated balance, end of year	2,620	2,555	2,616
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	2,710	3,002	3,197
86.93 Outlays from discretionary balances	2,658	2,710	2,555
87.00 Total outlays (gross)	5,368	5,712	5,752
Net budget authority and outlays:			
89.00 Budget authority	5,037	5,458	5,813
90.00 Outlays	5,368	5,712	5,752

Project-based Rental Assistance.—HUD subsidizes rents for approximately 1.3 million families in over 19,000 projects under the Section 8 project-based rent subsidy program. Unlike the tenant-based Section 8 program, subsidies in the project-based program are tied directly to the project. Tenants pay up to 30 percent of income toward the rent with HUD subsidizing the remainder. Rents are adjusted periodically subject to HUD guidelines and approval. The Section 8 project-based program provides essential assistance to maintain the stock of affordable housing for low- and moderate-income families and individuals, many of whom are elderly or disabled. Program activity includes the following:

Contract Renewals.—Original Section 8 assistance contracts were entered into between HUD and project owners for periods of up to 40 years. As contract terms expire they are renewed on an annual funding cycle and additional renewal budget authority is required to maintain the housing stock. Currently, roughly 80 percent of contracts are renewed annually; the other 20 percent of contracts are funded from previously appropriated funds for long-term contracts.

Section 8 Amendments.—A funding amendment to a Section 8 contract is required to maintain the project until its contract expiration date when actual costs incurred exceed the amount of budget authority originally set-aside for the project. These additional costs are proposed to be entirely funded in 2008

by utilizing recoveries of excess balances remaining on expired Section 8 contracts that utilized less than anticipated resources in completing the contract. No new BA is requested in 2008 for Section 8 Amendment activity.

Contract Administrators.—HUD utilizes Performance Based Contract Administrators (PBCAs) to administer and monitor a vast majority of the project-based portfolio. Funding of \$286 million is requested for 2008.

Project-based Tenant Protection.—Voucher assistance is provided to tenants who face dislocation as a result of actions taken by project owners or by HUD that are beyond their control. This occurs as a result of owners opting out of the program or being terminated by HUD. HUD's property disposition activities and prepayment activity under the Preservation program may also lead to Project-Based Tenant Protection requirements. These project-based requirements, which are met through voucher assistance, are funded under the Tenant-Based heading.

Working Capital Fund Transfer.—\$4 million is requested in 2008 to fund development of and modifications to technology systems that service or are related to the programs or activities under this heading.

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") \$2,024,000,000, to remain available until September 30, 2011: Provided, That notwithstanding any other provision of law or regulation, during fiscal year 2008, the Secretary may not delegate to any Department official other than the Deputy Secretary and the Assistant Secretary for Public and Indian Housing any authority under paragraph (2) of section 9(j) regarding the extension of the time periods under such section: Provided further, That for purposes of such section 9(j), the term "obligate" means, with respect to amounts, that the amounts are subject to a binding agreement that will result in outlays, immediately or in the future: Provided further, That of the total amount provided under this heading, up to \$14,890,000 shall be for carrying out activities under section 9(h) of such Act; \$16,847,000 shall be transferred to the Working Capital Fund; up to \$10,000,000 is to support the costs of administrative and judicial receiverships; and up to \$15,345,000 shall be to support the ongoing Public Housing Financial and Physical Assessment activities of the Real Estate Assessment Center (REAC): Provided further, That no funds may be used under this heading for the purposes specified in section 9(k) of the Act.

Note.—A regular 2007 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. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 86-0304-0-1-604	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Capital Grants	2,235	2,115	1,967
00.02 Emergency/Disaster	46	20	.....
00.03 Technical Assistance	39	11	15
00.04 Working Capital Fund	16	15	17
00.05 Neighborhood Networks	15	.....	.....
00.06 Resident Opportunities and Supportive Services	51	24	.....
00.07 Administrative Receivership	7	8	10
00.08 Financial and Physical Assessment Support .....	.....	15	15
10.00 Total new obligations (object class 41.0)	2,409	2,208	2,024
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	322	335	335
22.00 New budget authority (gross)	2,420	2,208	2,024
22.10 Resources available from recoveries of prior year obligations	16	.....	.....
22.35 Unexpired unobligated balance transfer to expired account (-)	-8	.....	.....
23.90 Total budgetary resources available for obligation	2,750	2,543	2,359

23.95	Total new obligations	-2,409	-2,208	-2,024
23.98	Unobligated balance expiring or withdrawn	-6		
24.40	Unobligated balance carried forward, end of year	335	335	335
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	2,464	2,208	2,024
40.35	Appropriation permanently reduced	-25		
40.36	Unobligated balance permanently reduced	-19		
43.00	Appropriation (total discretionary)	2,420	2,208	2,024
Mandatory:				
60.00	Appropriation	550	500	500
60.49	Portion applied to liquidate contract authority	-550	-500	-500
62.50	Appropriation (total mandatory)			
70.00	Total new budget authority (gross)	2,420	2,208	2,024
Change in obligated balances:				
72.40	Obligated balance, start of year	9,142	8,373	7,499
73.10	Total new obligations	2,409	2,208	2,024
73.20	Total outlays (gross)	-3,161	-3,082	-3,076
73.40	Adjustments in expired accounts (net)	-1		
73.45	Recoveries of prior year obligations	-16		
74.40	Obligated balance, end of year	8,373	7,499	6,447
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	116	43	46
86.93	Outlays from discretionary balances	3,045	3,039	3,030
87.00	Total outlays (gross)	3,161	3,082	3,076
Net budget authority and outlays:				
89.00	Budget authority	2,420	2,208	2,024
90.00	Outlays	3,161	3,082	3,076
Memorandum (non-add) entries:				
93.03	Obligated balance, start of year: Contract authority	2,139	1,582	1,082
93.04	Obligated balance, end of year: Contract authority	1,582	1,082	582

The Public Housing Capital Fund, a formula-driven program based on estimated need, is designed to respond to the capital and management improvement requirements of public housing.

Of the \$2.02 billion requested for the Public Housing Capital Fund, approximately \$1.96 billion is provided to cover annual accrual needs. Other uses include up to \$15 million for technical assistance, \$17 million for the Working Capital Fund, up to \$15 million for public housing financial and physical assessment support, and up to \$10 million for administrative and judicial receiverships. Funds for the Resident Opportunity and Supportive Services are not requested in 2008 in order to eliminate an unusually large pipeline of unobligated funds. Funds for disaster relief will no longer be requested; the FEMA disaster assistance is available for any needs that are not covered by the required property insurance.

PUBLIC HOUSING OPERATING FUND

For 2008 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)), \$4,000,000,000 of which \$5,940,000 shall be for technical assistance related to the transition and implementation of asset-based management in public housing: Provided, That in fiscal year 2008 and all fiscal years hereafter, no amounts under this heading in any appropriations Act may be used for payments to public housing agencies for the costs of operation and management of public housing for any year prior to the current year of such Act: Provided further, That no funds may be used under this heading for the purposes specified in section 9(k) of the United States Housing Act of 1937, as amended.

Note.—A regular 2007 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. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 86-0163-0-1-604	2006 actual	2007 est.	2008 est.	
Obligations by program activity:				
00.01	Operating Subsidy	3,564	3,565	3,994
00.02	Transition to asset management fund			6
10.00	Total new obligations (object class 41.0)	3,564	3,565	4,000
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	1	1	
22.00	New budget authority (gross)	3,564	3,564	4,000
23.90	Total budgetary resources available for obligation	3,565	3,565	4,000
23.95	Total new obligations	-3,564	-3,565	-4,000
24.40	Unobligated balance carried forward, end of year	1		
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	3,600	3,564	4,000
40.35	Appropriation permanently reduced	-36		
43.00	Appropriation (total discretionary)	3,564	3,564	4,000
Change in obligated balances:				
72.40	Obligated balance, start of year	872	940	891
73.10	Total new obligations	3,564	3,565	4,000
73.20	Total outlays (gross)	-3,496	-3,614	-3,891
74.40	Obligated balance, end of year	940	891	1,000
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	2,673	2,673	3,000
86.93	Outlays from discretionary balances	823	941	891
87.00	Total outlays (gross)	3,496	3,614	3,891
Net budget authority and outlays:				
89.00	Budget authority	3,564	3,564	4,000
90.00	Outlays	3,496	3,614	3,891

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 2008 request proposes a 12 percent increase in operating subsidies. This reflects recognition of higher utility costs as well as providing more funding for day-to-day expenses.

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

Category (in millions of dollars)	Annual income	Percent of total
Operating Subsidies	\$4,000	58%
Dwelling Rental	2,522	37%
Investment	114	2%
Other Income	187	3%
Total, Operating Revenue	\$6,823	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. AEL is not based on actual cost data from PHAs. HUD, after consultation with PHAs, has adopted a new operating subsidy formula based on the

PUBLIC HOUSING OPERATING FUND—Continued

previously congressionally sanctioned cost study conducted by the Harvard Graduate School of Design.

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.

Housing Authorities' Operating Expenditures

Category (in millions of dollars)	Annual expenditures	Percent of total
Utilities	\$1,602	23%
Administration	1,999	29%
General Operating Expenses	565	8%
Maintenance	2,286	34%
Tenant Services	189	3%
Protective Services	182	3%
Total, Operating Expenses	\$6,823	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.—Covers 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.

Asset-Based Management Technical Assistance.—Provides contracting and consultative services to support PHA's transitioning to project-based accounting and asset-based management.

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

Program and Financing (in millions of dollars)

Identification code 86-0197-0-1-604	2006 actual	2007 est.	2008 est.
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	-3		
22.10 Resources available from recoveries of prior year obligations	3		
23.90 Total budgetary resources available for obligation			
New budget authority (gross), detail:			
Discretionary:			
40.36 Unobligated balance permanently reduced	-3		
Change in obligated balances:			
72.40 Obligated balance, start of year	7	3	1
73.20 Total outlays (gross)	-1	-2	-1
73.45 Recoveries of prior year obligations	-3		
74.40 Obligated balance, end of year	3	1	

Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1		
86.93 Outlays from discretionary balances	2		1
87.00 Total outlays (gross)	1	2	1
Net budget authority and outlays:			
89.00 Budget authority	-3		
90.00 Outlays	1	2	1

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 tenant screening and eviction, are effective in reducing drug-related crime in public housing; and fighting crime and drugs is not directly related to HUD's core mission—it is the mission of 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)

Of the unobligated balances remaining from funds appropriated in fiscal year 2007 under the heading "Revitalization of Severely Distressed Public Housing (HOPE VI)" for grants to public housing agencies for demolition site revitalization, replacement housing, and tenant-based assistance grants to projects as authorized by section 24 of the United States Housing Act of 1937 as amended, \$99,000,000 is cancelled: Provided, That any remaining unobligated amounts under this heading, including recoveries and carryover, may be used for grants, technical assistance and other eligible activities as provided under this heading, of which up to \$2,000,000 may be used for technical assistance and contract expertise, for grants, contracts or cooperative agreements, including training and cost of necessary travel for participants and employees of the Department: Provided further, That the Department shall recover unexpended obligations from nonperforming grantees as determined by the Secretary from funds appropriated for fiscal year 2001 and prior years under this heading.

Note.—A regular 2007 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. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 86-0218-0-1-604	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct program activity	182	56	
00.02 Technical Assistance	1	3	
10.00 Total new obligations (object class 41.0)	183	59	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	143	59	183
22.00 New budget authority (gross)	99	183	-99
23.90 Total budgetary resources available for obligation	242	242	84
23.95 Total new obligations	-183	-59	
24.40 Unobligated balance carried forward, end of year	59	183	84
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	100	183	
40.35 Appropriation permanently reduced	-1		-99
43.00 Appropriation (total discretionary)	99	183	-99
Change in obligated balances:			
72.40 Obligated balance, start of year	2,138	1,754	1,253
73.10 Total new obligations	183	59	
73.20 Total outlays (gross)	-567	-560	-535
74.40 Obligated balance, end of year	1,754	1,253	718
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	3		-3

86.93	Outlays from discretionary balances	564	560	538
87.00	Total outlays (gross)	567	560	535
Net budget authority and outlays:				
89.00	Budget authority	99	183	-99
90.00	Outlays	567	560	535

The HOPE VI program in coordination with funding from the Public Housing Capital Fund has completed its goal of contributing to the demolition of 100,000 severely distressed public housing units. The HOPE VI program, while completing its goal, was found to be more costly than other programs and slow to complete redevelopments. The budget proposes no additional funds and requests a cancellation of the expected 2007 appropriation, currently estimated at \$99 million.

The remaining balance in this program of over \$1.8 billion at the end of 2006 will spend out over several years as the redevelopment projects are completed. Cumulative results of the HOPE VI program as of March 31, 2006 follow: 63,885 households have been relocated, 78,115 units have been demolished, 50,482 units (new and rehabilitated) have been completed, and 48,012 completed units have been occupied.

In an effort to encourage the completion of delayed HOPE VI projects and to promote the efficient use of funds, the budget proposes that the Department recover unexpended HOPE VI obligations from nonperforming grantees whose funds were appropriated in fiscal year 2001 and prior years. These recovered funds may then be reused for new HOPE VI grants and technical assistance. Grants to Public Housing Authorities that are part of the Moving to Work demonstration and those in receivership will be exempt from these recoveries.

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.), \$626,965,000, to remain available until expended: Provided, That, notwithstanding the Native American Housing Assistance and Self-Determination Act of 1996, to determine the amount of the allocation under title I of such Act for each Indian tribe, the Secretary shall apply the formula under section 302 of such Act with the need component based on single-race Census data and with the need component based on multi-race Census data, and the amount of the allocation for each Indian tribe shall be the greater of the two resulting allocation amounts: Provided further, That of the amounts made available under this heading, \$4,250,000 shall be to support the inspection of Indian housing units, contract expertise, training, and technical assistance in the training, oversight, and management of such Indian housing and tenant-based assistance, including up to \$300,000 for related travel: Provided further, That of the amount provided under this heading, \$1,980,000 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 \$17,000,000: Provided further, That for administrative expenses to carry out the guaranteed loan program, up to \$148,500 from amounts in the third proviso, which shall be transferred to and merged with the appropriation for "Salaries and Expenses."

Note.—A regular 2007 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. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)				
Identification code 86-0313-0-1-604	2006 actual	2007 est.	2008 est.	
Obligations by program activity:				
00.02	Title VI Loan Guarantee Subsidy	2	2	2
00.07	Upward reestimate	2	2	
00.10	Indian Housing Block Grants	606	620	621
00.11	Technical Assistance	2	4	4
00.13	National American Indian Housing Council	1		
10.00	Total new obligations (object class 41.0)	613	628	627
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	61	77	75
22.00	New budget authority (gross)	626	626	627
22.10	Resources available from recoveries of prior year obligations	3		
23.90	Total budgetary resources available for obligation	690	703	702
23.95	Total new obligations	-613	-628	-627
24.40	Unobligated balance carried forward, end of year	77	75	75
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	630	624	627
40.35	Appropriation permanently reduced	-6		
43.00	Appropriation (total discretionary)	624	624	627
Mandatory:				
60.00	Appropriation	2	2	
70.00	Total new budget authority (gross)	626	626	627
Change in obligated balances:				
72.40	Obligated balance, start of year	910	933	975
73.10	Total new obligations	613	628	627
73.20	Total outlays (gross)	-587	-586	-579
73.45	Recoveries of prior year obligations	-3		
74.40	Obligated balance, end of year	933	975	1,023
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	175	175	176
86.93	Outlays from discretionary balances	410	409	403
86.97	Outlays from new mandatory authority	2	2	
87.00	Total outlays (gross)	587	586	579
Net budget authority and outlays:				
89.00	Budget authority	626	626	627
90.00	Outlays	587	586	579

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

Identification code 86-0313-0-1-604	2006 actual	2007 est.	2008 est.	
Guaranteed loan levels supportable by subsidy budget authority:				
215001	Title VI	13	17	17
215999	Total loan guarantee levels	13	17	17
Guaranteed loan subsidy (in percent):				
232001	Title VI	12.26	11.99	12.12
232999	Weighted average subsidy rate	12.26	11.99	12.12
Guaranteed loan subsidy budget authority:				
233001	Title VI	2	2	2
233999	Total subsidy budget authority	2	2	2
Guaranteed loan subsidy outlays:				
234001	Title VI	1	2	2
234999	Total subsidy outlays	1	2	2
Guaranteed loan upward reestimates:				
235001	Title VI	2	2	
235999	Total upward reestimate budget authority	2	2	
Guaranteed loan downward reestimates:				
237001	Title VI	-2	-7	
237999	Total downward reestimate subsidy budget authority	-2	-7	

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

NATIVE AMERICAN HOUSING BLOCK GRANTS—Continued
(INCLUDING TRANSFER OF FUNDS)—Continued

thorized 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 \$17 million is proposed for this loan guarantee program for 2008. 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.), \$5,940,000, to remain available until expended of which \$299,211 shall be for training and technical activities, including up to \$100,000 for related travel.

Note.—A regular 2007 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. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 86-0235-0-1-604	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Native Hawaiian Housing Block Grant		6	6
10.00 Total new obligations (object class 41.0)		6	6
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		9	3
22.00 New budget authority (gross)	9		6
23.90 Total budgetary resources available for obligation	9	9	9
23.95 Total new obligations		-6	-6
24.40 Unobligated balance carried forward, end of year	9	3	3
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	9		6
Change in obligated balances:			
72.40 Obligated balance, start of year			4
73.10 Total new obligations		6	6
73.20 Total outlays (gross)		-2	-3
74.40 Obligated balance, end of year		4	7
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			1
86.93 Outlays from discretionary balances		2	2
87.00 Total outlays (gross)		2	3
Net budget authority and outlays:			
89.00 Budget authority	9		6
90.00 Outlays		2	3

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 based on the needs and priorities established in its five- and one-year housing plans.

LOW-RENT PUBLIC HOUSING—LOANS AND OTHER EXPENSES

Program and Financing (in millions of dollars)

Identification code 86-4098-0-3-604	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
09.01 Reimbursable program: Capital investment loans to PHAs	2	2	2
10.00 Total new obligations (object class 33.0)	2	2	2
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	20		
22.00 New budget authority (gross)	98	95	101
22.40 Capital transfer to general fund	-28		
22.60 Portion applied to repay debt	-88	-93	-99
23.90 Total budgetary resources available for obligation	2	2	2
23.95 Total new obligations	-2	-2	-2
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	10	2	2
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	88	93	99
70.00 Total new budget authority (gross)	98	95	101
Change in obligated balances:			
72.40 Obligated balance, start of year	369	305	212
73.10 Total new obligations	2	2	2
73.20 Total outlays (gross)	-66	-95	-101
74.40 Obligated balance, end of year	305	212	113
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	66	95	101
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-88	-93	-99
Net budget authority and outlays:			
89.00 Budget authority	10	2	2
90.00 Outlays	-22	2	2
Status of Direct Loans (in millions of dollars)			
Identification code 86-4098-0-3-604	2006 actual	2007 est.	2008 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	973	885	792
1251 Repayments: Repayments and prepayments	-88	-93	-99
1290 Outstanding, end of year	885	792	693
Status of Guaranteed Loans (in millions of dollars)			
Identification code 86-4098-0-3-604	2006 actual	2007 est.	2008 est.
Cumulative balance of guaranteed loans outstanding:			

2210	Outstanding, start of year	1,390	1,140	873
2251	Repayments and prepayments	-250	-267	-267
2290	Outstanding, end of year	1,140	873	606
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	1,123	790	600

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, \$10 million borrowed from the Treasury was forgiven in 2006, \$2 million will be borrowed from the Treasury and forgiven in 2007, and an estimated \$2 million will be borrowed from the Treasury and forgiven in 2008.

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 net operating income for 2005 and 2006 follows:

Balance Sheet (in millions of dollars)

Identification code 86-4098-0-3-604	2005 actual	2006 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	389	305
1601 Direct loans, gross	973	885
1602 Interest receivable	59	54
1604 Direct loans and interest receivable, net	1,032	939
1699 Value of assets related to direct loans	1,032	939
1999 Total assets	1,421	1,244
LIABILITIES:		
Federal liabilities:		
2102 Interest payable	118	107
2104 Resources payable to Treasury	972	884
2999 Total liabilities	1,090	991
NET POSITION:		
3100 Appropriated capital	338	259
3300 Cumulative results of operations	-7	-6
3999 Total net position	331	253
4999 Total liabilities and net position	1,421	1,244

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), \$7,450,000, 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, up to \$367,000,000: Provided further, That up to \$750,000 shall be for administrative contract expenses including information technology to carry out the loan guarantee program.

In addition, for administrative expenses to carry out the guaranteed loan program, up to \$247,500 from amounts in the first paragraph which shall be transferred to and merged with the appropriation for "Salaries and Expenses."

Note.—A regular 2007 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. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 86-0223-0-1-371	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.02 Guaranteed loan subsidy	5	6	6
00.07 Upward reestimate	1	1	1
10.00 Total new obligations (object class 41.0)	5	7	6
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	4	4	2
22.00 New budget authority (gross)	4	5	7
22.10 Resources available from recoveries of prior year obligations	1	1	1
23.90 Total budgetary resources available for obligation	9	9	9
23.95 Total new obligations	-5	-7	-6
24.40 Unobligated balance carried forward, end of year	4	2	3
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	4	4	7
Mandatory:			
60.00 Appropriation	1	1	1
70.00 Total new budget authority (gross)	4	5	7
Change in obligated balances:			
72.40 Obligated balance, start of year	3	2	7
73.10 Total new obligations	5	7	6
73.20 Total outlays (gross)	-5	-2	-5
73.45 Recoveries of prior year obligations	-1	1	1
74.40 Obligated balance, end of year	2	7	8
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1	1	1
86.93 Outlays from discretionary balances	4	4	4
86.97 Outlays from new mandatory authority	1	1	1
87.00 Total outlays (gross)	5	2	5
Net budget authority and outlays:			
89.00 Budget authority	4	5	7
90.00 Outlays	5	2	5

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

Identification code 86-0223-0-1-371	2006 actual	2007 est.	2008 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Indian Housing Loan Guarantee	190	251	367
215999 Total loan guarantee levels	190	251	367
Guaranteed loan subsidy (in percent):			
232001 Indian Housing Loan Guarantee	2.42	2.35	2.42
232999 Weighted average subsidy rate	2.42	2.35	2.42
Guaranteed loan subsidy budget authority:			
233001 Indian Housing Loan Guarantee	5	5	6
233999 Total subsidy budget authority	5	5	6
Guaranteed loan subsidy outlays:			
234001 Indian Housing Loan Guarantee	4	1	4
234999 Total subsidy outlays	4	1	4
Guaranteed loan upward reestimates:			
235001 Indian Housing Loan Guarantee	1	1	1
235999 Total upward reestimate budget authority	1	1	1
Guaranteed loan downward reestimates:			
237001 Indian Housing Loan Guarantee	-1	-1	-1
237999 Total downward reestimate subsidy budget authority	-1	-1	-1

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the loan guarantees committed in 1992 and beyond (including modifications of guarantees that resulted from obligations in any year). The subsidy amounts are estimated

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT—
Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

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	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Default Claims	1	1	1
08.02 Downward Re-estimate	1	1	.....
10.00 Total new obligations	2	2	1
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	10	14	14
22.00 New financing authority (gross)	6	2	4
23.90 Total budgetary resources available for obligation	16	16	18
23.95 Total new obligations	-2	-2	-1
24.40 Unobligated balance carried forward, end of year	14	14	17
New financing authority (gross), detail:			
Mandatory:			
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	7	2	4
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-1	.....	.....
69.90 Spending authority from offsetting collections (total mandatory)	6	2	4
Change in obligated balances:			
72.40 Obligated balance, start of year	-3	-2	.....
73.10 Total new obligations	2	2	1
73.20 Total financing disbursements (gross)	-2	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	1	.....	.....
74.40 Obligated balance, end of year	-2	.....	1
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	2	.....	.....
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources: Payments from program account	-4	-1	-4
88.00 Federal sources Upward Restimate .....	.....	-1	.....
88.25 Interest on uninvested funds	-1	.....	.....
88.40 Non-Federal sources	-2	.....	.....
88.90 Total, offsetting collections (cash)	-7	-2	-4
Against gross financing authority only:			
88.95 Change in receivables from program accounts	1	.....	.....
Net financing authority and financing disbursements:			
89.00 Financing authority .....	.....	.....	.....
90.00 Financing disbursements	-5	-2	-4

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4104-0-3-604	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	116	158	367
2121 Limitation available from carry-forward	169	98	5

2142 Uncommitted loan guarantee limitation	3	.....	.....
2143 Uncommitted limitation carried forward	-98	-5	-5
2150 Total guaranteed loan commitments	190	251	367
2199 Guaranteed amount of guaranteed loan commitments	190	251	367
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	192	362	584
2231 Disbursements of new guaranteed loans	171	251	367
2251 Repayments and prepayments .....	.....	-28	-28
2263 Adjustments: Terminations for default that result in claim payments	-1	-1	-1
2290 Outstanding, end of year	362	584	922
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	362	581	916

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	2005 actual	2006 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	7	13
1999 Total assets	7	13
LIABILITIES:		
Non-Federal liabilities:		
2204 Liabilities for loan guarantees	7	10
2207 Unearned revenues and advances .....	.....	3
2999 Total liabilities	7	13
4999 Total liabilities and net position	7	13

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), \$1,044,000, 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 \$41,504,255.

In addition, for administrative expenses to carry out the guaranteed loan program, up to \$34,650 from amounts in the first paragraph which shall be transferred to and merged with the appropriation for "Salaries and Expenses."

Note.—A regular 2007 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. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 86-0233-0-1-371	2006 actual	2007 est.	2008 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	4	5	4
22.00 New budget authority (gross)	1	.....	1
23.90 Total budgetary resources available for obligation	5	5	5

23.95	Total new obligations		-1	-1
24.40	Unobligated balance carried forward, end of year	5	4	4
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	1		1
Change in obligated balances:				
73.10	Total new obligations		1	1
73.20	Total outlays (gross)		-1	
Outlays (gross), detail:				
86.93	Outlays from discretionary balances		1	
Net budget authority and outlays:				
89.00	Budget authority	1		1
90.00	Outlays		1	

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

Identification code 86-0233-0-1-371	2006 actual	2007 est.	2008 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Native Hawaiian Housing		43	41
215999 Total loan guarantee levels		43	41
Guaranteed loan subsidy (in percent):			
232001 Native Hawaiian Housing	2.42	2.35	2.42
232999 Weighted average subsidy rate	0.00	2.35	2.42
Guaranteed loan subsidy budget authority:			
233001 Native Hawaiian Housing		1	1
233999 Total subsidy budget authority		1	1
Guaranteed loan subsidy outlays:			
234001 Native Hawaiian Housing		1	1
234999 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	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.02	Direct Program Activity	1	1
10.00	Total new obligations	1	1
Budgetary resources available for obligation:			
22.00	New financing authority (gross)	1	1
23.95	Total new obligations	-1	-1
New financing authority (gross), detail:			
Mandatory:			
69.00	Spending authority from offsetting collections: Offsetting collections (cash)	1	1
Change in obligated balances:			
72.40	Obligated balance, start of year		1
73.10	Total new obligations	1	1

74.40	Obligated balance, end of year	1	2
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	2006 actual	2007 est.	2008 est.	
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders	36	36	41
2121	Limitation available from carry-forward	155	191	184
2143	Uncommitted limitation carried forward	-191	-184	-184
2150	Total guaranteed loan commitments		43	41
2199	Guaranteed amount of guaranteed loan commitments		43	41
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	2	2	43
2231	Disbursements of new guaranteed loans		43	41
2251	Repayments and prepayments		-2	-4
2290	Outstanding, end of year	2	43	80
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	2	43	80

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	2006 actual	2007 est.	2008 est.	
Obligations by program activity:				
00.01	Default Claims	2	2	
08.02	Downward Reestimate	2	6	
08.04	Interest on Downward Reestimate	1		
08.91	Direct Program by Activities—Subtotal (1 level)	2	7	
10.00	Total new obligations	2	9	
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	15	18	13
22.00	New financing authority (gross)	5	4	2
23.90	Total budgetary resources available for obligation	20	22	15
23.95	Total new obligations	-2	-9	-2
24.40	Unobligated balance carried forward, end of year	18	13	13
New financing authority (gross), detail:				
Mandatory:				
Spending authority from offsetting collections:				
69.00	Offsetting collections (cash)	4	4	2
69.10	Change in uncollected customer payments from Federal sources (unexpired)	1		
69.90	Spending authority from offsetting collections (total mandatory)	5	4	2

TITLE VI INDIAN FEDERAL GUARANTEES FINANCING ACCOUNT—
Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-4244-0-3-604	2006 actual	2007 est.	2008 est.
Change in obligated balances:			
72.40 Obligated balance, start of year		-1	8
73.10 Total new obligations	2	9	2
73.20 Total financing disbursements (gross)	-2		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1		
74.40 Obligated balance, end of year	-1	8	10
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	2		
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-2	-2	-2
88.00 Upward Reestimate	-1	-2	
88.25 Interest on uninvested funds	-1		
88.90 Total, offsetting collections (cash)	-4	-4	-2
Against gross financing authority only:			
88.95 Change in receivables from program accounts	-1		
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements	-2	-4	-2

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4244-0-3-604	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	17	17	17
2121 Limitation available from carry-forward	30	35	35
2142 Uncommitted loan guarantee limitation	1		
2143 Uncommitted limitation carried forward	-35	-35	-35
2150 Total guaranteed loan commitments	13	17	17
2199 Guaranteed amount of guaranteed loan commitments	12	17	17
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	80	83	92
2231 Disbursements of new guaranteed loans	9	15	15
2251 Repayments and prepayments	-6	-4	-5
2263 Adjustments: Terminations for default that result in claim payments		-2	-2
2290 Outstanding, end of year	83	92	100
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	79	92	100

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

Balance Sheet (in millions of dollars)

Identification code 86-4244-0-3-604	2005 actual	2006 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	15	17
1999 Total assets	15	17
LIABILITIES:		
2204 Non-Federal liabilities: Liabilities for loan guarantees	15	17

2999 Total liabilities	15	17
4999 Total liabilities and net position	15	17

COMMUNITY PLANNING AND DEVELOPMENT

Federal 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.), \$300,100,000, to remain available until September 30, 2009, except that amounts allocated pursuant to section 854(c)(3) of such Act shall remain available until September 30, 2010: 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 \$1,485,000 of the funds under this heading for training, oversight, and technical assistance activities; and \$1,485,000 shall be transferred to the Working Capital Fund.

Note.—A regular 2007 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. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 86-0308-0-1-604	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Housing for Persons with HIV/AIDS	296	296	300
10.00 Total new obligations (object class 41.0)	296	296	300
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	99	89	89
22.00 New budget authority (gross)	286	296	300
23.90 Total budgetary resources available for obligation	385	385	389
23.95 Total new obligations	-296	-296	-300
24.40 Unobligated balance carried forward, end of year	89	89	89
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	289	296	300
40.35 Appropriation permanently reduced	-3		
43.00 Appropriation (total discretionary)	286	296	300
Change in obligated balances:			
72.40 Obligated balance, start of year	468	455	442
73.10 Total new obligations	296	296	300
73.20 Total outlays (gross)	-309	-309	-309
74.40 Obligated balance, end of year	455	442	433
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1	6	6
86.93 Outlays from discretionary balances	308	303	303
87.00 Total outlays (gross)	309	309	309
Net budget authority and outlays:			
89.00 Budget authority	286	296	300
90.00 Outlays	309	309	309

The Housing Opportunities for Persons with AIDS (HOPWA) 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. HOPWA funds provide stable housing arrangements, help reduce risks of homelessness and improve access to care for program participants. The requested funding for 2008 will support approximately 67,000 housing units for persons with HIV/AIDS and their families. A legislative proposal to amend the HOPWA authorization language will be transmitted to Congress allowing HUD the oppor-

tunity to update the current program formula. Whereas the current formula distributes formula grant resources by the cumulative number of AIDS cases, the revised formula will account for the present number of people living with AIDS as well as the housing costs in that jurisdiction.

States and metropolitan areas receive 90 percent of 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 that do not qualify for a formula allocation. In addition, \$1.5 million is used for technical assistance to grantees and project sponsors to strengthen management of programs and ensure responsiveness in meeting client needs. Another \$1.5 million is transferred to the Working Capital Fund.

COMMUNITY DEVELOPMENT FUND
(INCLUDING TRANSFERS OF FUNDS)
(INCLUDING CANCELLATION)

For assistance to units of State and local government, and to other entities, for economic and community development activities, and for other purposes, \$3,036,570,000, to remain available until September 30, 2010, unless otherwise specified: Provided, That of the amount provided, \$2,974,580,000 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.): Provided further, That unless explicitly provided for under this heading (except for planning grants provided in the second paragraph and amounts made available under the third paragraph), not to exceed 20 percent of any grant made with funds appropriated under this heading shall be expended for planning and management development and administration: Provided further, That \$1,570,000 shall be transferred to the Working Capital Fund: Provided further, That \$3,000,000 is for technical assistance as authorized by section 107(b)(4) of such Act: Provided further, That \$57,420,000 shall be for grants to federally-recognized Indian tribes notwithstanding section 106(a)(1) of such Act, of which, notwithstanding any other provision of law (including section 305 of this Act), up to \$3,960,000 may be used for emergencies that constitute imminent threats to health and safety.

Of the unobligated balances remaining from funds appropriated in fiscal year 2007 and prior years under this heading, for grants for the Economic Development Initiative (EDI), \$306,900,000 is cancelled.

Of the unobligated balances remaining from funds appropriated in fiscal year 2007 and prior years under this heading, for grants for neighborhood initiatives, \$49,500,000 is cancelled.

Note.—A regular 2007 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. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 86-0162-0-1-451	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Community Development Formula Grants	3,823	4,355	2,619
00.02 Working Capital Fund	2		2
00.03 Indian Tribes	70	119	57
00.04 Special Purpose Grants	38	5	3
00.05 Youthbuild	64	50	
00.06 Self Help Homeownership Opportunity Program	25		
00.07 Economic Development Initiative Grants	255	598	
00.08 Neighborhood Initiative Demonstration	41	67	
00.09 National Council of La Raza	5		
00.10 Disaster Assistance	11,436	5,257	
00.11 Native Hawaiian Block Grants	8	1	
00.12 Hudson River Park Trust Grant	31		
10.00 Total new obligations (object class 41.0)	15,798	10,452	2,681

Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	1,181	6,237
22.00	New budget authority (gross)	20,851	4,215
22.10	Resources available from recoveries of prior year obligations		2,681
		1	
22.22	Unobligated balance transferred from other accounts	3	
23.90	Total budgetary resources available for obligation	22,036	10,452
23.95	Total new obligations	-15,798	-10,452
23.98	Unobligated balance expiring or withdrawn	-1	
24.40	Unobligated balance carried forward, end of year	6,237	

New budget authority (gross), detail:			
Discretionary:			
40.00	Appropriation	20,920	4,215
40.35	Appropriation permanently reduced	-42	
40.36	Unobligated balance permanently reduced		-356
41.00	Transferred to other accounts	-27	
43.00	Appropriation (total discretionary)	20,851	4,215

Change in obligated balances:			
72.40	Obligated balance, start of year	10,659	21,413
73.10	Total new obligations	15,798	10,452
73.20	Total outlays (gross)	-5,012	-7,828
73.40	Adjustments in expired accounts (net)	-31	
73.45	Recoveries of prior year obligations	-1	
74.40	Obligated balance, end of year	21,413	24,037

Outlays (gross), detail:			
86.90	Outlays from new discretionary authority	130	84
86.93	Outlays from discretionary balances	4,882	7,744
87.00	Total outlays (gross)	5,012	7,828

Net budget authority and outlays:			
89.00	Budget authority	20,851	4,215
90.00	Outlays	5,012	7,828

The Community Development Block Grant (CDBG) program provides flexible annual formula grants to State and local governments to benefit mainly low- to moderate-income persons. The funding is used for a wide-range of community and economic development activities, such as housing rehabilitation and construction, job creation and retention, public services, and improving public infrastructure.

The Budget will re-propose the CDBG Reform Act, which adopts an improved formula to better target funds to communities with the greatest need and to hold communities accountable for results. The current formula has not been updated in almost 30 years and results in many lower-income communities receiving less assistance than wealthier communities. The reformed program would be designed with a Challenge Grant Fund component, a new allocation formula to better target funds to communities most in need of assistance, and other reforms to achieve greater results and enable communities to focus on addressing deficiencies and opportunities for improvement as noted in the PART analysis. Legislation to authorize these reforms will be transmitted in early 2007.

As part of the reforms, HUD programs such as Brownfields Economic Development Initiative, Community Development Loan Guarantee Program (Section 108), and Rural Housing and Economic Development are proposed for termination. These programs are duplicative—their activities are eligible to be funded by CDBG and other Federal programs.

The Indian Community Development Block Grant program will continue to be funded in this account at \$57 million. This program provides eligible grantees with direct grants for use in developing viable Indian and Alaska Native Communities, including decent housing, a suitable living environment, and economic opportunities, primarily for low and moderate income persons.

The Youthbuild Transfer Act (P.L. 109-281), signed in September 2006, transferred the Youthbuild program from HUD to the Department of Labor, as recommended by the White House Task Force on Disadvantaged Youth, to allow for great-

COMMUNITY DEVELOPMENT FUND—Continued
(INCLUDING CANCELLATION)—Continued

er coordination of the program with Job Corps and other employment and training programs. Funding for this program in 2007 was included in the budget for the Department of Labor. Youthbuild provides grants to local organizations to provide education and training to disadvantaged youth ages 16–24. In addition to participating in classroom training, young people/participants learn construction skills by helping to build affordable housing.

EMPOWERMENT ZONES/ENTERPRISE COMMUNITIES/RENEWAL COMMUNITIES

Program and Financing (in millions of dollars)

Identification code 86-0315-0-1-451	2006 actual	2007 est.	2008 est.
Change in obligated balances:			
72.40 Obligated balance, start of year	133	94	59
73.20 Total outlays (gross)	-39	-35	-30
74.40 Obligated balance, end of year	94	59	29
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	39	35	30
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	39	35	30

No funding is requested for Empowerment Zones/Enterprise Communities/Renewal Communities (EZ/EC/RC). No authorization for new grants or tax incentives have been provided for this program since 2001. Prior grants and tax benefits to communities that are still active complement the goals of the proposed Community Development Block Grant program reforms.

The EZ/EC/RC initiative helps revitalize distressed neighborhoods by attracting business development and providing employment opportunities to residents of high poverty urban areas.

BROWNFIELDS REDEVELOPMENT

Program and Financing (in millions of dollars)

Identification code 86-0314-0-1-451	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Cleanup and develop contaminated sites	15	11	
10.00 Total new obligations (object class 41.0)	15	11	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	24	11	
22.10 Resources available from recoveries of prior year obligations	2		
23.90 Total budgetary resources available for obligation	26	11	
23.95 Total new obligations	-15	-11	
24.40 Unobligated balance carried forward, end of year	11		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	10		
40.36 Unobligated balance permanently reduced	-10		
43.00 Appropriation (total discretionary)			
Change in obligated balances:			
72.40 Obligated balance, start of year	127	122	111
73.10 Total new obligations	15	11	
73.20 Total outlays (gross)	-18	-22	-28
73.45 Recoveries of prior year obligations	-2		

74.40 Obligated balance, end of year	122	111	83
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	18	22	28
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	18	22	28

The 2008 Budget requests no funding for the Brownfields Economic Development Initiative (BEDI) program. BEDI activities can be funded with Community Development Block Grant (CDBG) funds. The program is proposed to be terminated as a part of the broader CDBG program reforms.

BEDI is a competitive grant program designed to stimulate and promote economic and community development, and is used in conjunction with the Community Development Loan Guarantee program. Brownfields are abandoned, idled, and underused industrial and commercial facilities and land where expansion and redevelopment is burdened by real or potential environmental contamination.

Grants are made in accordance with selection criteria deemed appropriate for brownfield projects, including the extent to which an applicant is currently operating a brownfields program and is working with environmental regulatory agencies, as well as the projected future economic benefits of its development to the community.

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, \$1,916,640,000, to remain available until September 30, 2010, of which \$3,465,000 shall be transferred to the Working Capital Fund: Provided further, That up to \$9,900,000 shall be available for technical assistance.

In addition to amounts otherwise made available under this heading, \$50,000,000, to remain available until September 30, 2010, for assistance to homebuyers as authorized under title I of the American Dream Downpayment Act.

Note.—A regular 2007 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. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 86-0205-0-1-604	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 HOME grants	1,807	1,805	1,967
10.00 Total new obligations (object class 41.0)	1,807	1,805	1,967
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	318	270	270
22.00 New budget authority (gross)	1,757	1,805	1,967
22.10 Resources available from recoveries of prior year obligations	2		
23.90 Total budgetary resources available for obligation	2,077	2,075	2,237
23.95 Total new obligations	-1,807	-1,805	-1,967
24.40 Unobligated balance carried forward, end of year	270	270	270
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,775	1,805	1,967
40.35 Appropriation permanently reduced	-18		
43.00 Appropriation (total discretionary)	1,757	1,805	1,967
Change in obligated balances:			
72.40 Obligated balance, start of year	5,557	5,550	5,485
73.10 Total new obligations	1,807	1,805	1,967
73.20 Total outlays (gross)	-1,812	-1,870	-1,901
73.45 Recoveries of prior year obligations	-2		

74.40	Obligated balance, end of year	5,550	5,485	5,551
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	15	36	39
86.93	Outlays from discretionary balances	1,797	1,834	1,862
87.00	Total outlays (gross)	1,812	1,870	1,901
Net budget authority and outlays:				
89.00	Budget authority	1,757	1,805	1,967
90.00	Outlays	1,812	1,870	1,901

The HOME Investment Partnerships Program is authorized by the National Affordable Housing Act (P.L. 101-625). This program provides annual formula grant assistance to States and units of local government to increase homeownership and expand the supply of affordable housing for low to very-low income persons. Eligible activities include acquisition, rehabilitation, and new construction of housing, and tenant-based rental assistance.

In its PART assessment, the HOME program received a "Moderately Effective" rating based on the program's potentially significant impact on affordable housing problems, the progress towards its annual performance goals, and its ability to demonstrate improved efficiency over time. The 2008 Budget supports the PART analysis and will result over time in the production of 91,150 units of affordable housing through new construction, rehabilitation, and/or acquisition. Tenant-based rental assistance will be provided for 18,750 units.

In addition, the \$50 million requested for the American Dream Downpayment Initiative (ADDI) will help expand homeownership opportunities to 6,500 low-income first-time homebuyers and also support expansion of minority homeownership. Legislation to reauthorize ADDI will be submitted in early 2007.

SELF-HELP AND ASSISTED HOMEOWNERSHIP OPPORTUNITY PROGRAM

For the Self-Help and Assisted Homeownership Opportunity Program, as authorized under Section 11 of the Housing Opportunity Program Extension Act of 1996, as amended, \$69,700,000, to remain available until September 30, 2010, of which up to \$990,000 is for technical assistance, and of which \$30,000,000 is for capacity building for community development and affordable housing for the Local Initiatives Support Corporation and the Enterprise Community Partners, Inc. for activities 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.

Note.—A regular 2007 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. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 86-0176-0-1-604	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01	Self Help Housing Opportunity Program	20	40
00.02	Capacity Building	29	30
00.03	National American Indian Housing Council	1	1
00.04	Housing Assistance Council	3	3
00.05	Special Olympics	1	1
00.06	National Council of La Raza	4	4
00.07	National Housing Development Corporation	2	2
10.00	Total new obligations (object class 41.0)	11	60
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	49	70
22.00	New budget authority (gross)	60	70
23.90	Total budgetary resources available for obligation	60	70
23.95	Total new obligations	-11	-70
24.40	Unobligated balance carried forward, end of year	49	
New budget authority (gross), detail:			
Discretionary:			

40.00	Appropriation	61	11	70
40.35	Appropriation permanently reduced	-1		
43.00	Appropriation (total discretionary)	60	11	70
Change in obligated balances:				
72.40	Obligated balance, start of year		7	48
73.10	Total new obligations	11	60	70
73.20	Total outlays (gross)	-4	-19	-28
74.40	Obligated balance, end of year	7	48	90

Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	4		
86.93	Outlays from discretionary balances		19	28
87.00	Total outlays (gross)	4	19	28
Net budget authority and outlays:				
89.00	Budget authority	60	11	70
90.00	Outlays	4	19	28

Self-Help Homeownership Opportunity Program (SHOP) funds assist low-income homebuyers willing to contribute "sweat equity" toward the construction of their houses. The funds increase the ability of non-profit organizations to leverage funds from other sources and will produce at least 2,000 new homeownership units. The 2006 PART Assessment found SHOP to be "Effective."

SHOP was previously funded as a set-aside within the Community Development Fund, but became a separate account in 2006. The Budget requests \$40 million for grants to eligible national and regional non-profits and consortia for land acquisition for home siting and improvement of utilities and other site infrastructure, of which, \$990,000 will be used for technical assistance.

In addition, the Budget requests \$30 million for the National Community Development Initiative (NCDI), which is authorized by Section 4 of the HUD Demonstration Act of 1993. These funds are provided to national non-profit intermediaries (Local Initiatives Support Corporation and the Enterprise Community Partners, Inc.) to develop the capacity of community development corporations to undertake community development and affordable housing projects.

**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, \$1,560,990,000, of which \$1,540,990,000 shall remain available until September 30, 2010, and of which \$20,000,000 shall remain available until expended: 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 funding through the Mental Health and Substance Abuse Block Grant, Workforce Investment

HOMELESS ASSISTANCE GRANTS—Continued
(INCLUDING TRANSFER OF FUNDS)—Continued

Act, and the Welfare-to-Work grant program: Provided further, That up to \$8,000,000 of the funds appropriated under this heading shall be available for the national homeless data analysis project and technical assistance: Provided further, That \$2,475,000 of the funds appropriated under this heading shall be transferred to the Working Capital Fund: Provided further, That all balances for Shelter Plus Care renewals previously funded from the Shelter Plus Care Renewal account and transferred to this account shall be available, if recaptured, for Shelter Plus Care renewals in fiscal year 2008. In addition, \$25,000,000 is provided for fiscal year 2008, to be transferred to "Training and Employment Services," Employment and Training Administration, Department of Labor, and shall be for the Prisoner Re-Entry Initiative as established under that heading.

Note.—A regular 2007 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. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 86-0192-0-1-604	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Homeless assistance grants	1,403	1,577	1,680
10.00 Total new obligations (object class 41.0)	1,403	1,577	1,680
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,572	1,546	1,372
22.00 New budget authority (gross)	1,327	1,353	1,586
22.10 Resources available from recoveries of prior year obligations	68	50	50
23.90 Total budgetary resources available for obligation	2,967	2,949	3,008
23.95 Total new obligations	-1,403	-1,577	-1,680
23.98 Unobligated balance expiring or withdrawn	-18		
24.40 Unobligated balance carried forward, end of year	1,546	1,372	1,328
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,340	1,353	1,586
40.35 Appropriation permanently reduced	-13		
43.00 Appropriation (total discretionary)	1,327	1,353	1,586
Change in obligated balances:			
72.40 Obligated balance, start of year	2,517	2,474	2,623
73.10 Total new obligations	1,403	1,577	1,680
73.20 Total outlays (gross)	-1,346	-1,378	-1,395
73.40 Adjustments in expired accounts (net)	-32		
73.45 Recoveries of prior year obligations	-68	-50	-50
74.40 Obligated balance, end of year	2,474	2,623	2,858
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	7	14	16
86.93 Outlays from discretionary balances	1,339	1,364	1,379
87.00 Total outlays (gross)	1,346	1,378	1,395
Net budget authority and outlays:			
89.00 Budget authority	1,327	1,353	1,586
90.00 Outlays	1,346	1,378	1,395

The Homeless Assistance Grants account provides funds for the Shelter Plus Care, Supportive Housing, Emergency Shelter Grants, and Section 8 Moderate Rehabilitation Single Room Occupancy programs. These programs, which award funds through the Continuum of Care process, enable localities to shape and implement comprehensive, flexible, coordinated approaches to address the multiple issues of homelessness. Many communities have made great strides in creating comprehensive approaches to ending chronic homelessness through the development of State Interagency Councils and local ten-year plans. Requested funding will be available for a wide range of activities to assist homeless persons and prevent future homelessness. Increased funding will support

the Administration's goal to end chronic homelessness by creating new permanent supportive housing for this population. In addition, the Budget places a major emphasis on permanent housing by requiring 30 percent of funds to be used for this purpose.

The Administration will again propose legislation to combine HUD's three competitive grant programs—Shelter Plus Care, Supportive Housing, and Section 8 Moderate Rehabilitation Single Room Occupancy—into a single program with flexibility to better meet community needs. The new consolidated program will incorporate up to \$50 million for the Samaritan Housing Initiative that will specifically address the supportive housing needs of chronically homeless individuals. The Department continues to pursue expanded interagency efforts to meet the needs of the homeless and to accomplish the Administration's goal of ending chronic homelessness.

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

The Budget also includes \$25 million for Reintegration of Ex-Offenders, involving the Departments of Justice, Labor, and Housing and Urban Development, to help individuals exiting prison make a successful transition to community life and long-term employment. Upon enactment, these funds will be transferred to the Department of Labor.

RURAL HOUSING AND ECONOMIC DEVELOPMENT

Program and Financing (in millions of dollars)

Identification code 86-0324-0-1-604	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Rural Housing	24	44	
10.00 Total new obligations (object class 41.0)	24	44	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	27	20	
22.00 New budget authority (gross)	17	24	
23.90 Total budgetary resources available for obligation	44	44	
23.95 Total new obligations	-24	-44	
24.40 Unobligated balance carried forward, end of year	20		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	17	24	
Change in obligated balances:			
72.40 Obligated balance, start of year	39	42	64
73.10 Total new obligations	24	44	
73.20 Total outlays (gross)	-21	-22	-27
74.40 Obligated balance, end of year	42	64	37
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	21	22	27
Net budget authority and outlays:			
89.00 Budget authority	17	24	
90.00 Outlays	21	22	27

The 2008 Budget requests no funding for the Rural Housing and Economic Development (RHED) program. The program is duplicative particularly with programs provided through the U.S. Department of Agriculture, which manages a portfolio of rural housing and economic development grants programs that vastly exceed HUD's RHED program in terms of programs and services, budget and staffing.

The RHED program was created to encourage innovative approaches to serve the housing and economic development needs of the nation's rural communities.

URBAN DEVELOPMENT ACTION GRANTS

Program and Financing (in millions of dollars)

Identification code 86-0170-0-1-451	2006 actual	2007 est.	2008 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	5	2	2
22.21 Unobligated balance transferred to other accounts	-3		
23.90 Total budgetary resources available for obligation	2	2	2
24.40 Unobligated balance carried forward, end of year	2	2	2
Change in obligated balances:			
72.40 Obligated balance, start of year	4	4	2
73.20 Total outlays (gross)		-2	-2
74.40 Obligated balance, end of year	4	2	
Outlays (gross), detail:			
86.93 Outlays from discretionary balances		2	2
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays		2	2

The Urban Development Action Grants program was terminated in 1990. 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.

REVOLVING FUND (LIQUIDATING PROGRAMS)

Program and Financing (in millions of dollars)

Identification code 86-4015-0-3-451	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Section 312 expenses		1	1
10.00 Total new obligations (object class 32.0)		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	2	2
22.40 Capital transfer to general fund	-1	-2	-1
23.90 Total budgetary resources available for obligation	1	1	1
23.95 Total new obligations		-1	-1
24.40 Unobligated balance carried forward, end of year	1		
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	1	1	1
69.00 Spending authority from offsetting collections: Offsetting collections (cash)		1	1
70.00 Total new budget authority (gross)	1	2	2
Change in obligated balances:			
72.40 Obligated balance, start of year	2	2	
73.10 Total new obligations		1	1
73.20 Total outlays (gross)		-3	-3
74.40 Obligated balance, end of year	2		-2
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority		2	2
86.98 Outlays from mandatory balances		1	1
87.00 Total outlays (gross)		3	3
Offsets:			
Against gross budget authority and outlays:			

88.40 Offsetting collections (cash) from: Non-Federal sources		-1	-1
Net budget authority and outlays:			
89.00 Budget authority	1	1	1
90.00 Outlays		2	2

Status of Direct Loans (in millions of dollars)

Identification code 86-4015-0-3-451	2006 actual	2007 est.	2008 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	6	6	4
1251 Repayments: Repayments and prepayments		-1	-1
1263 Write-offs for default: Direct loans		-1	-1
1290 Outstanding, end of year	6	4	2

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 operational expenses are financed from repayments of loans and recaptures, therefore no appropriation is requested.

The Section 312 loan program portfolio, which provided first and junior lien financing at below market interest rates for the rehabilitation of homes in low-income neighborhoods, constituted a large portion of the account activities. This program ceased to originate new loans over ten years ago. Since the sale of the Section 312 loan portfolio to the private sector, activity in this account has been considerably reduced.

Balance Sheet (in millions of dollars)

Identification code 86-4015-0-3-451	2005 actual	2006 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	3	3
1601 Direct loans, gross	6	6
1603 Allowance for estimated uncollectible loans and interest (-)	-6	-6
1604 Direct loans and interest receivable, net		
1606 Foreclosed property	2	2
1699 Value of assets related to direct loans	2	2
1999 Total assets	5	5
LIABILITIES:		
2207 Non-Federal liabilities: Other	1	1
2999 Total liabilities	1	1
NET POSITION:		
3100 Appropriated capital	4	4
3999 Total net position	4	4
4999 Total liabilities and net position	5	5

COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-0198-0-1-451	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.02 Community development loan guarantee credit subsidy	5	3	1
00.07 Upward Reestimate of Loan Guarantee	2	7	
00.08 Interest on reestimate		1	
00.09 Administrative expense	1		
10.00 Total new obligations	8	11	1
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3	2	2
22.00 New budget authority (gross)	7	11	
23.90 Total budgetary resources available for obligation	10	13	2
23.95 Total new obligations	-8	-11	-1
24.40 Unobligated balance carried forward, end of year	2	2	1

COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM
ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-0198-0-1-451	2006 actual	2007 est.	2008 est.
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	4	3	
Mandatory:			
60.00 Appropriation	3	8	
70.00 Total new budget authority (gross)	7	11	
Change in obligated balances:			
72.40 Obligated balance, start of year	17	13	8
73.10 Total new obligations	8	11	1
73.20 Total outlays (gross)	-11	-16	-5
73.40 Adjustments in expired accounts (net)	-1		
74.40 Obligated balance, end of year	13	8	4
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	3		
86.93 Outlays from discretionary balances	5	8	5
86.97 Outlays from new mandatory authority	3	8	
87.00 Total outlays (gross)	11	16	5
Net budget authority and outlays:			
89.00 Budget authority	7	11	
90.00 Outlays	11	16	5

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

Identification code 86-0198-0-1-451	2006 actual	2007 est.	2008 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Community development loan guarantee levels	220	136	45
215999 Total loan guarantee levels	220	136	45
Guaranteed loan subsidy (in percent):			
232001 Community development loan guarantee levels	2.20	2.17	2.20
232999 Weighted average subsidy rate	2.20	2.17	2.20
Guaranteed loan subsidy budget authority:			
233001 Community development loan guarantee levels	5	3	1
233999 Total subsidy budget authority	5	3	1
Guaranteed loan subsidy outlays:			
234001 Community development loan guarantee levels	7	7	5
234999 Total subsidy outlays	7	7	5
Guaranteed loan upward reestimates:			
235001 Community development loan guarantee levels	3	8	
235999 Total upward reestimate budget authority	3	8	
Guaranteed loan downward reestimates:			
237001 Community development loan guarantee levels	-6	-5	
237999 Total downward reestimate subsidy budget authority	-6	-5	
Administrative expense data:			
3510 Budget authority	1		
3590 Outlays from new authority	1		

Guaranteed Loans.—The 2008 Budget requests no funding for the Community Development Loan Guarantee program (Section 108). The program activities can be funded with Community Development Block Grant (CDBG) funds and/or other private financing options, and is proposed to be terminated as a part of the broader CDBG and federal economic development program reforms.

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.

Object Classification (in millions of dollars)

Identification code 86-0198-0-1-451	2006 actual	2007 est.	2008 est.
Direct obligations:			
12.1 Civilian personnel benefits	1		
33.0 Investments and loans	5	10	1
43.0 Interest and dividends	2	1	
99.9 Total new obligations	8	11	1

COMMUNITY DEVELOPMENT LOAN GUARANTEES FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4096-0-3-451	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
08.02 Payment of Downward Reestimate to Receipt Account	5	4	
08.04 Payment of Downward Reestimate to Receipt Account (Interest)	1	2	
10.00 Total new obligations	6	6	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	86	90	104
22.00 New financing authority (gross)	10	20	9
23.90 Total budgetary resources available for obligation	96	110	113
23.95 Total new obligations	-6	-6	
24.40 Unobligated balance carried forward, end of year	90	104	113
New financing authority (gross), detail:			
Mandatory:			
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	14	20	9
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-4		
69.90 Spending authority from offsetting collections (total mandatory)	10	20	9
Change in obligated balances:			
72.40 Obligated balance, start of year	-17	-13	-7
73.10 Total new obligations	6	6	
73.20 Total financing disbursements (gross)	-6		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	4		
74.40 Obligated balance, end of year	-13	-7	-7
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	6		
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal Sources: Payments from Program Account	-10	-16	-5
88.25 Interest on uninvested funds	-4	-4	-4
88.90 Total, offsetting collections (cash)	-14	-20	-9
Against gross financing authority only:			
88.95 Change in receivables from program accounts	4		
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements	-8	-20	-9

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4096-0-3-451	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	135	136	
2121 Limitation available from carry-forward	159	74	74

2142	Uncommitted loan guarantee limitation			
2143	Uncommitted limitation carried forward	-74	-74	-29
2150	Total guaranteed loan commitments	220	136	45
2199	Guaranteed amount of guaranteed loan commitments	220	136	45
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	2,302	2,386	2,473
2231	Disbursements of new guaranteed loans	358	270	198
2251	Repayments and prepayments	-274	-183	-175
2290	Outstanding, end of year	2,386	2,473	2,496
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	2,386	2,473	2,496

Guaranteed loans.—The Community Development Loan Guarantee program has provided a mechanism for the Federal guarantee of private loans. The financing account shows the status of privately financed guaranteed loan commitments made in and after 1992. No funding is requested for new section 108 loans in 2008. An accompanying liquidating account shows activity for Federal Financing Bank (FFB) direct loan activity obligated prior to July 1, 1986, and any pre-1992 loan guarantee activity.

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

Balance Sheet (in millions of dollars)

Identification code 86-4096-0-3-451		2005 actual	2006 actual
ASSETS:			
1101	Federal assets: Fund balances with Treasury	70	77
1999	Total assets	70	77
LIABILITIES:			
2204	Non-Federal liabilities: Liabilities for loan guarantees	70	77
2999	Total liabilities	70	77
4999	Total liabilities and net position	70	77

COMMUNITY DEVELOPMENT LOAN GUARANTEES LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4097-0-3-451		2006 actual	2007 est.	2008 est.
New budget authority (gross), detail:				
Mandatory:				
Spending authority from offsetting collections:				
69.00	Offsetting collections (cash)	1		
69.47	Portion applied to repay debt	-1		
69.90	Spending authority from offsetting collections (total mandatory)			
Change in obligated balances:				
72.40	Obligated balance, start of year	-4	-3	-3
74.10	Change in uncollected customer payments from Federal sources (expired)	1		
74.40	Obligated balance, end of year	-3	-3	-3
Offsets:				
Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources	-1		
Net budget authority and outlays:				
89.00	Budget authority	-1		

90.00	Outlays	-1		
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Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4097-0-3-451		2006 actual	2007 est.	2008 est.
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	39	39	37
2251	Repayments and prepayments		-2	-2
2290	Outstanding, end of year	39	37	35
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	39	37	35

Guaranteed loans.—Guaranteed loan assistance under the Community Development Loan Guarantee program is 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. Until 1986, the Federal Financing Board (FFB) in the Department of Treasury financed these guaranteed loans. The Consolidated Omnibus Budget Reconciliation Act of 1985 required private financing of all loan guarantees committed after July 1, 1986. The 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.

As required by the Federal Credit Reform Act of 1990, this liquidating 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.

Balance Sheet (in millions of dollars)

Identification code 86-4097-0-3-451		2005 actual	2006 actual
ASSETS:			
Federal assets:			
1101	Fund balances with Treasury	-4	-4
Investments in US securities:			
1106	Receivables, net	4	4
1999	Total assets		

HOUSING PROGRAMS

Federal 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, and for supportive services associated with the housing, \$575,000,000, to remain available until September 30, 2011, of which up to \$415,450,000 shall be for capital advance and project-based rental assistance awards, including up to \$25,000,000 for a demonstration program that leverages project awards with other sources of development financing, such as tax credit incentives, to expand housing assistance: Provided, That, of the amount provided under this heading, up to \$71,000,000 shall be for service coordinators and the continuation of existing congregate service grants for residents of assisted housing projects, and of which up to \$24,750,000 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 and for emergency capital repairs as determined by the Secretary: Provided further, That amounts under this heading shall be available for Real Estate Assessment Center inspections and inspection-related activities associated with section 202 capital advance projects: Pro-

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

vided further, That \$1,400,000 of the total amount made available under this heading shall be transferred to the Working Capital Fund: Provided further, That the Secretary may waive the provisions of section 202 governing the terms and conditions of project rental assistance, except that the initial contract term for such assistance shall not exceed 5 years in duration.

Note.—A regular 2007 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. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 86-0320-0-1-604	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Expansion	753	725	700
00.02 Rental assistance renewal and operating expenses	138	165	189
10.00 Total new obligations (object class 41.0)	891	890	889
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,009	834	691
22.00 New budget authority (gross)	726	747	575
22.10 Resources available from recoveries of prior year obligations	16		
23.90 Total budgetary resources available for obligation	1,751	1,581	1,266
23.95 Total new obligations	-891	-890	-889
23.98 Unobligated balance expiring or withdrawn	-26		
24.40 Unobligated balance carried forward, end of year	834	691	377
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	742	747	575
40.35 Appropriation permanently reduced	-7		
40.36 Unobligated balance permanently reduced	-9		
43.00 Appropriation (total discretionary)	726	747	575
Change in obligated balances:			
72.40 Obligated balance, start of year	4,266	4,212	4,227
73.10 Total new obligations	891	890	889
73.20 Total outlays (gross)	-922	-875	-874
73.40 Adjustments in expired accounts (net)	-7		
73.45 Recoveries of prior year obligations	-16		
74.40 Obligated balance, end of year	4,212	4,227	4,242
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	922	875	874
Net budget authority and outlays:			
89.00 Budget authority	726	747	575
90.00 Outlays	922	875	874

This account consolidates activities under the Section 202 Housing for the Elderly Program. It funds capital grants for construction of low-income housing, operating subsidies, conversion of existing properties to assisted living, and service coordinators. For the first time in 2008, the account is displayed as two general activities—"Expansion" and "Rental Assistance Renewal and Operating Expenses"—to provide better information on programmatic functions and resource usage. Expansion funds include capital grants for new unit construction and project rental assistance provided for an initial period to each new project, while Rental Assistance Renewal and Operating Expenses cover the cost of activities associated with existing units and other expenses. Up to \$25 million of 2008 Expansion funds may be used for a demonstration project that leverages additional capital from various sources—such as private investors through tax credits—to support the construction of additional elderly housing units.

The 2008 Budget expands the number of housing units assisted by this program by providing \$415 million to construct approximately 3,000 new units of housing. In addition,

all housing previously supported will continue to receive operating subsidies. Finally, congregate services and other supportive social services for residents, such as benefit counseling, will receive \$71 million, and upgrades of developments to assisted living facilities are funded at \$25 million.

HOUSING FOR THE ELDERLY

	2006 actual	2007 est.	2008 est.
Units eligible for payment	82,359	88,418	94,351

HOUSING FOR PERSONS WITH DISABILITIES
(INCLUDING TRANSFER OF FUNDS)

For capital advance contracts, including amendments to capital advance contracts, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013), 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, 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, \$125,000,000, to remain available until September 30, 2011: Provided, That \$600,000 shall be transferred to the Working Capital Fund: Provided further, That up to \$29,500,000 shall be for additional housing assistance under section 811(b)(2) including up to \$15,000,000 for a demonstration program that leverages project awards with other sources of development financing, such as tax credit incentives, to expand housing assistance: Provided further, That, of the amount provided under this heading up to \$74,745,000 shall be for tenant-based assistance contracts including renewal or amendment of such contracts: Provided further, That all tenant-based assistance made available under this heading shall continue to remain available only to persons with disabilities: Provided further, That the Secretary may waive the provisions of section 811 governing the terms and conditions of project rental assistance and tenant-based assistance, except that the initial contract term for such assistance shall not exceed 5 years in duration: Provided further, That amounts made available under this heading shall be available for Real Estate Assessment Center Inspections and inspection-related activities associated with section 811 Capital Advance Projects.

Note.—A regular 2007 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. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 86-0237-0-1-604	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Expansion	177	160	150
00.02 Rental assistance renewal and operating expenses	92	95	100
10.00 Total new obligations (object class 41.0)	269	255	250
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	276	230	215
22.00 New budget authority (gross)	231	240	125
22.10 Resources available from recoveries of prior year obligations	10		
23.90 Total budgetary resources available for obligation	517	470	340
23.95 Total new obligations	-269	-255	-250
23.98 Unobligated balance expiring or withdrawn	-18		
24.40 Unobligated balance carried forward, end of year	230	215	90
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	239	240	125
40.35 Appropriation permanently reduced	-2		
40.36 Unobligated balance permanently reduced	-6		
43.00 Appropriation (total discretionary)	231	240	125

Change in obligated balances:				
72.40	Obligated balance, start of year	1,215	1,170	1,165
73.10	Total new obligations	269	255	250
73.20	Total outlays (gross)	-301	-260	-259
73.40	Adjustments in expired accounts (net)	-3		
73.45	Recoveries of prior year obligations	-10		
74.40	Obligated balance, end of year	1,170	1,165	1,156
Outlays (gross), detail:				
86.93	Outlays from discretionary balances	301	260	259
Net budget authority and outlays:				
89.00	Budget authority	231	240	125
90.00	Outlays	301	260	259

This account consolidates all activities funded under section 811, Housing for Persons With Disabilities program, including new capital grants, project rental assistance, main stream vouchers, and renewal and amendments as appropriate. For the first time in 2008, the account is displayed as two general activities—"Expansion" and "Rental Assistance Renewal and Operating Expenses"—to provide better information on programmatic functions and resource usage. Expansion funds include capital grants for new housing unit construction and project rental assistance provided for an initial period to each new project, while Rental Assistance Renewal and Operating Expenses cover costs associated with existing units and other expenses. Up to \$15 million of 2008 Expansion funds may be used for a demonstration project that leverages additional capital from various sources—such as private investors through tax credits—to support the construction of additional disabled housing units..

HOUSING FOR PERSONS WITH DISABILITIES

	2006 actual	2007 est.	2008 est.
Units eligible for payment	23,243	24,759	26,180

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, \$50,000,000, to remain available until September 30, 2009: 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, meeting their financial needs by accessing home equity, and meeting the responsibilities of tenancy or homeownership, including provisions for training and for support of voluntary agencies and services.

Note.—A regular 2007 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. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 86-0156-0-1-604	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Housing Assistance			5
10.00 Total new obligations (object class 41.0)			5
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			50
23.95 Total new obligations			-5
24.40 Unobligated balance carried forward, end of year			45
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			50
Change in obligated balances:			
73.10 Total new obligations			5

73.20	Total outlays (gross)			-5
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 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. However, in 2008, it is being proposed as a stand alone account.

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 underserved groups in comparison to the National homeownership rate.

OTHER ASSISTED HOUSING PROGRAMS

RENTAL HOUSING ASSISTANCE

For amendments to contracts under section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s) and section 236(f)(2) of the National Housing Act (12 U.S.C. 1715z-1) in State-aided, non-insured rental housing projects, \$27,600,000, to remain available until expended.

(CANCELLATION)

Of the amounts made available under the heading "Rent Supplement" in Public Law 98-63 for amendments to contracts under section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s) and section 236(f)(2) of the National Housing Act (12 U.S.C. 1715z-1) in State-aided, non-insured rental housing projects, \$27,600,000 is cancelled.

Note.—A regular 2007 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. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 86-0206-0-1-999	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Rent supplement	3	7	8
00.02 Homeownership and rental housing assistance (Sections 235 and 236)	11	18	20
10.00 Total new obligations (object class 41.0)	14	25	28
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	492	970	970
22.00 New budget authority (gross)	26	25	
22.10 Resources available from recoveries of prior year obligations	466		
23.90 Total budgetary resources available for obligation	984	995	970
23.95 Total new obligations	-14	-25	-28
24.40 Unobligated balance carried forward, end of year	970	970	942
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	26	25	28
40.36 Unobligated balance permanently reduced			-28
43.00 Appropriation (total discretionary)	26	25	
Mandatory:			
60.00 Appropriation	623	578	578
60.49 Portion applied to liquidate contract authority	-623	-578	-578

OTHER ASSISTED HOUSING PROGRAMS—Continued

(CANCELLATION)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-0206-0-1-999	2006 actual	2007 est.	2008 est.
62.50 Appropriation (total mandatory)			
70.00 Total new budget authority (gross)	26	25	
Change in obligated balances:			
72.40 Obligated balance, start of year	6,861	5,833	5,307
73.10 Total new obligations	14	25	28
73.20 Total outlays (gross)	-576	-551	-505
73.45 Recoveries of prior year obligations	-466		
74.40 Obligated balance, end of year	5,833	5,307	4,830
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		15	
86.93 Outlays from discretionary balances	576	536	505
87.00 Total outlays (gross)	576	551	505
Net budget authority and outlays:			
89.00 Budget authority	26	25	
90.00 Outlays	576	551	505
Memorandum (non-add) entries:			
93.01 Unobligated balance, start of year: Contract authority	104	509	457
93.02 Unobligated balance, end of year: Contract authority	509	457	356
93.03 Obligated balance, start of year: Contract authority	6,861	5,833	5,307
93.04 Obligated balance, end of year: Contract authority	5,833	5,307	4,813

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 17,239 units which have not converted to Section 8.

Section 235.—The Housing and Urban-Rural Recovery Act of 1983 (Public Law 98-181) authorized a restructured Section 235 (Homeownership Assistance) program that provided homeowners a 10-year interest reduction subsidy on their mortgages.

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.

This account includes funding necessary to amend Rent Supplement and Rental Assistance Payment (RAP) contracts in state-aided multifamily housing projects to address cost increases beyond the maximum annual payment limitation previously established for the affected contracts. As some of these rental assistance contracts are terminated due to prepayments or other reasons, remaining balances are recovered. The account includes language to cancel the amounts recovered from projects where rental assistance has been terminated.

The table below provides a summary of outlays by program.

SUMMARY OF OUTLAYS

(in millions of dollars)

	2006 actual	2007 est.	2008 est.
Total	576	551	505
Rent supplement	50	50	50
Homeownership assistance (Section 235)	4	4	3
Rental housing assistance (Section 236)	516	491	446
College housing grants	6	6	6

HOMEOWNERSHIP AND OPPORTUNITY FOR PEOPLE EVERYWHERE
GRANTS (HOPE GRANTS)

Program and Financing (in millions of dollars)

Identification code 86-0196-0-1-604	2006 actual	2007 est.	2008 est.
Change in obligated balances:			
72.40 Obligated balance, start of year	8	7	6
73.20 Total outlays (gross)	-1	-1	-1
74.40 Obligated balance, end of year	7	6	5
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 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 I, from FHA-insured and Government-held multifamily properties in HOPE II, and from Government-owned or -held single family properties in HOPE III. 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. This schedule reflects the expenditure of prior year balances.

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.), up to \$16,000,000, 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 2008 so as to result in a final fiscal year 2008 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 2008 appropriation: Provided further, That for the dispute resolution and installation programs, the Secretary of Housing and Urban Development may assess and collect fees from any program participant: Provided further, That such collections shall be deposited into the Fund, and the Secretary, as provided herein, may use such collections, as well as fees collected under section 620, for necessary expenses of such Act: Provided further, That notwithstanding the requirements of section 620 of such Act, the Secretary may carry out responsibilities of the Secretary under such Act through the use of approved service providers that are paid directly by the recipients of their services.

Note.—A regular 2007 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. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 86-0234-0-1-376	2006 actual	2007 est.	2008 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	16	20	20
22.00 New budget authority (gross)	4		
23.90 Total budgetary resources available for obligation	20	20	20
24.40 Unobligated balance carried forward, end of year	20	20	20
New budget authority (gross), detail:			
Discretionary:			

40.00	Appropriation	4		
Change in obligated balances:				
74.40	Obligated balance, end of year			
Net budget authority and outlays:				
89.00	Budget authority	4		
90.00	Outlays			

INTERSTATE LAND SALES

Special and Trust Fund Receipts (in millions of dollars)

Identification code 86-5270-0-2-376	2006 actual	2007 est.	2008 est.
01.00	Balance, start of year		
01.99	Balance, start of year		
Receipts:			
02.60	Interstate land sales fund	1	1
04.00	Total: Balances and collections	1	1
Appropriations:			
05.00	Interstate land sales	-1	-1
07.99	Balance, end of year		

Program and Financing (in millions of dollars)

Identification code 86-5270-0-2-376	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01	Transfer to salaries and expenses	1	1
10.00	Total new obligations (object class 25.2)	1	1
Budgetary resources available for obligation:			
22.00	New budget authority (gross)	1	1
23.95	Total new obligations	-1	-1
New budget authority (gross), detail:			
Mandatory:			
60.20	Appropriation (special fund)	1	1
Change in obligated balances:			
73.10	Total new obligations	1	1
73.20	Total outlays (gross)	-1	-1
Outlays (gross), detail:			
86.97	Outlays from new mandatory authority	1	1
Net budget authority and outlays:			
89.00	Budget authority	1	1
90.00	Outlays	1	1

The Interstate Land Sales Full Disclosure Act provides protection to the public with respect to purchase 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.

RENTAL HOUSING ASSISTANCE FUND

Program and Financing (in millions of dollars)

Identification code 86-4041-0-3-604	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
09.01	Refunds of Excess Income	11	14
10.00	Total new obligations (object class 25.2)	11	14

Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	10	4
22.00	New budget authority (gross)	5	14
23.90	Total budgetary resources available for obligation	15	18
23.95	Total new obligations	-11	-14
24.40	Unobligated balance carried forward, end of year	4	4

New budget authority (gross), detail:

Mandatory:			
69.00	Spending authority from offsetting collections: Offsetting collections (cash)	5	14

Change in obligated balances:

72.40	Obligated balance, start of year		-14
73.10	Total new obligations	11	14
73.20	Total outlays (gross)	-11	-28
74.40	Obligated balance, end of year		-14

Outlays (gross), detail:

86.97	Outlays from new mandatory authority	5	14
86.98	Outlays from mandatory balances	6	14
87.00	Total outlays (gross)	11	28

Offsets:

Against gross budget authority and outlays:			
88.40	Offsetting collections (cash) from: Non-Federal sources	-5	-14

Net budget authority and outlays:

89.00	Budget authority		
90.00	Outlays	6	14

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

Program and Financing (in millions of dollars)

Identification code 86-4044-0-3-604	2006 actual	2007 est.	2008 est.
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	3	41
22.00	New budget authority (gross)	38	33
23.90	Total budgetary resources available for obligation	41	74
24.40	Unobligated balance carried forward, end of year	41	74

New budget authority (gross), detail:

Discretionary:			
58.00	Spending authority from offsetting collections: Offsetting collections (cash)	38	33

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	

FLEXIBLE SUBSIDY FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-4044-0-3-604	2006 actual	2007 est.	2008 est.
Outlays (gross), detail:			
86.93 Outlays from discretionary balances		1	
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-10	-5	-5
88.40 Non-Federal sources	-28	-28	-28
88.90 Total, offsetting collections (cash)	-38	-33	-33
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-38	-32	-33

Status of Direct Loans (in millions of dollars)

Identification code 86-4044-0-3-604	2006 actual	2007 est.	2008 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	703	699	695
1251 Repayments: Repayments and prepayments	-4	-4	-4
1290 Outstanding, end of year	699	695	691

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.

Balance Sheet (in millions of dollars)

Identification code 86-4044-0-3-604	2005 actual	2006 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	44	43
1601 Direct loans, gross	707	670
1602 Interest receivable	87	95
1603 Allowance for estimated uncollectible loans and interest (-)	-591	-567
1699 Value of assets related to direct loans	203	198
1999 Total assets	247	241
LIABILITIES:		
2207 Non-Federal liabilities: Other	3	4
2999 Total liabilities	3	4
NET POSITION:		
3100 Appropriated capital	-308	-376
3300 Cumulative results of operations	552	613
3999 Total net position	244	237
4999 Total liabilities and net position	247	241

NEHEMIAH HOUSING OPPORTUNITY FUND

Program and Financing (in millions of dollars)

Identification code 86-4071-0-3-604	2006 actual	2007 est.	2008 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		1	1
22.00 New budget authority (gross)	1		
23.90 Total budgetary resources available for obligation	1	1	1
24.40 Unobligated balance carried forward, end of year	1	1	1
New budget authority (gross), detail:			
Discretionary:			

58.00 Spending authority from offsetting collections: Offsetting collections (cash)		1	
Change in obligated balances:			
72.40 Obligated balance, start of year	11	11	10
73.20 Total outlays (gross)		-1	-1
74.40 Obligated balance, end of year	11	10	9
Outlays (gross), detail:			
86.93 Outlays from discretionary balances		1	1
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources		-1	
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-1	1	1

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.

FEDERAL HOUSING ADMINISTRATION
MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT
(INCLUDING TRANSFERS OF FUNDS)

During fiscal year 2008, commitments to guarantee loans to carry out the purposes of section 203(b) of the National Housing Act, as amended, shall not exceed a loan principal of \$185,000,000,000.

During fiscal year 2008, 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, \$351,450,000, of which not to exceed \$347,490,000 shall be transferred to the appropriation for "Salaries and expenses"; and not to exceed \$3,960,000 shall be transferred to the appropriation for "Office of Inspector General". In addition, for administrative contract expenses, \$77,400,000, of which \$25,550,000 shall be transferred to the Working Capital Fund, and of which up to \$5,000,000 shall be for education and outreach of FHA single family loan products: Provided, That to the extent guaranteed loan commitments exceed \$65,500,000,000 on or before April 1, 2008, 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 2007 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. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 86-0183-0-1-371	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.07 Reestimates of loan guarantee subsidy—upward re-estimate	2,881	1,148	
00.08 Interest on reestimates of loan guarantee subsidy	523	202	
00.09 Administrative expenses, salaries & expenses transfer	351	362	352
00.12 Non-overhead administrative expenses for FHA contracts	62	52	77
10.00 Total new obligations	3,817	1,764	429
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	414	414	429
22.22 Unobligated balance transferred from other accounts	3,404	1,350	

23.90	Total budgetary resources available for obligation	3,818	1,764	429
23.95	Total new obligations	-3,817	-1,764	-429
23.98	Unobligated balance expiring or withdrawn	-1		
24.40	Unobligated balance carried forward, end of year			
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	418	414	429
40.35	Appropriation permanently reduced	-4		
43.00	Appropriation (total discretionary)	414	414	429
Change in obligated balances:				
72.40	Obligated balance, start of year	94	82	82
73.10	Total new obligations	3,817	1,764	429
73.20	Total outlays (gross)	-3,818	-1,764	-426
73.40	Adjustments in expired accounts (net)	-11		
74.40	Obligated balance, end of year	82	82	85
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	378	346	358
86.93	Outlays from discretionary balances	36	68	68
86.98	Outlays from mandatory balances	3,404	1,350	
87.00	Total outlays (gross)	3,818	1,764	426
Net budget authority and outlays:				
89.00	Budget authority	414	414	429
90.00	Outlays	3,818	1,764	426

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

Identification code 86-0183-0-1-371	2006 actual	2007 est.	2008 est.
Direct loan levels supportable by subsidy budget authority:			
115001 MMI Fund, Direct loans	3	50	50
115999 Total direct loan levels	3	50	50
Direct loan subsidy (in percent):			
132001 MMI Fund, Direct loans	0.00	0.00	0.00
Guaranteed loan levels supportable by subsidy budget authority:			
215001 MMI Fund, Section 203(b)	51,783	44,418	39,705
215999 Total loan guarantee levels	51,783	44,418	39,705
Guaranteed loan subsidy (in percent):			
232001 MMI Fund, Section 203(b)	-1.70	-0.37	-0.01
232999 Weighted average subsidy rate	-1.70	-0.37	-0.01
Guaranteed loan subsidy budget authority:			
233001 MMI Fund, Section 203(b)	-880	-164	-4
233999 Total subsidy budget authority	-880	-164	-4
Guaranteed loan subsidy outlays:			
234001 MMI Fund, Section 203(b)	-880	-164	-4
234999 Total subsidy outlays	-880	-164	-4
Guaranteed loan upward reestimates:			
235001 MMI Fund, Section 203(b)	3,404	1,350	
235999 Total upward reestimate budget authority	3,404	1,350	
Guaranteed loan downward reestimates:			
237001 MMI Fund, Section 203(b)	-103	-554	
237999 Total downward reestimate subsidy budget authority	-103	-554	
Administrative expense data:			
3510 Budget authority	414	414	429
3580 Outlays from balances	36	5	5
3590 Outlays from new authority	378	409	420

The Federal Housing Administration (FHA) provides mortgage insurance to encourage lenders to make credit available to expand homeownership and to serve borrowers for which the conventional market does not adequately provide. These include first-time homebuyers, minorities, lower-income families, and residents of underserved areas (central cities and rural areas).

In 2008, FHA is requesting an aggregate limitation of \$185 billion on loan guarantees and is proposing legislative changes

to reform FHA, including the consolidation of all single family programs under this account.

In 2002, the President issued America's Homeownership Challenge to increase first-time minority homeowners by 5.5 million through 2010. The Budget continues Administration efforts to modernize FHA with proposals for new mortgage products targeted toward families who face the obstacles of having poor credit histories or little savings. These new mortgages will have premiums tied to credit records and the size of downpayments. This will result in more families having access to mortgage financing and will reward families with lower mortgage payments for having good credit histories and saving more for downpayments. The Budget also proposes to increase the FHA single-family loan limit from 87 percent to 100 percent of the conforming loan limit.

Because of adverse loan performance and improved estimation techniques, the baseline credit subsidy rate for FHA's single family program—assuming no programmatic changes—is positive, meaning that total costs exceed receipts on a present value basis, and therefore would require appropriations of credit subsidy budget authority to continue operation. The 2008 baseline includes no budget authority to cover these costs and assumes FHA would use its existing authorities to increase premiums to avoid the need for credit subsidy appropriations. Under the Budget's policy proposals, FHA will be able to set premiums that are based on risk and are sufficient to avoid the need for credit subsidy appropriations. The Budget also proposes to move the Condominium, the Section 203(k) rehabilitation and Home Equity Conversion programs from the General and Special Risk funds to the MMI fund in order to consolidate single-family programs in one fund. The proposal includes a removal of the statutory cap on the number of Home Equity Conversion Mortgages insured by FHA. The effects of these proposals are illustrated in separate schedules published for the MMI and General and Special Risk funds.

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	2006 actual	2007 est.	2008 est.
Direct obligations:			
25.2 Other services	43	29	53
25.3 Other purchases of goods and services from Government accounts	370	385	376
41.0 Grants, subsidies, and contributions	2,881	1,148	
43.0 Interest and dividends	523	202	
99.9 Total new obligations	3,817	1,764	429

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

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

Identification code 86-0183-2-1-371	2006 actual	2007 est.	2008 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 MMI Fund, Section 203(b)			17,291
215004 MMI HECM			25,000
215999 Total loan guarantee levels			42,291
Guaranteed loan subsidy (in percent):			
232001 MMI Fund, Section 203(b)			-0.59
232004 MMI HECM			-1.35
232999 Weighted average subsidy rate			-0.82
Guaranteed loan subsidy budget authority:			
233001 MMI Fund, Section 203(b)			-338

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT—
ContinuedSummary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in
millions of dollars)—Continued

Identification code 86-0183-2-1-371	2006 actual	2007 est.	2008 est.
233004 MMI HECM			- 338
233999 Total subsidy budget authority			- 676
Guaranteed loan subsidy outlays:			
234001 MMI Fund, Section 203(b)			- 338
234004 MMI HECM			- 338
234999 Total subsidy outlays			- 676

FHA—MUTUAL MORTGAGE INSURANCE DIRECT LOAN FINANCING
ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4242-0-3-371	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct loans	3	50	50
00.02 Interest paid to Treasury		2	2
00.03 Claims & other	1	4	4
10.00 Total new obligations	4	56	56
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	5	5	
22.00 New financing authority (gross)	5	105	105
22.60 Portion applied to repay debt	- 1	- 54	- 49
23.90 Total budgetary resources available for obligation	9	56	56
23.95 Total new obligations	- 4	- 56	- 56
24.40 Unobligated balance carried forward, end of year	5		
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	1	50	50
69.00 Spending authority from offsetting collections: Off- setting collections (cash)	4	55	55
70.00 Total new financing authority (gross)	5	105	105
Change in obligated balances:			
73.10 Total new obligations	4	56	56
73.20 Total financing disbursements (gross)	- 4	- 56	- 56
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	4	56	56
Offsets:			
Against gross financing authority and financing dis- bursements:			
Offsetting collections (cash) from:			
88.25 Interest on uninvested funds		- 1	- 1
88.40 Repayment of principal	- 4	- 50	- 50
88.40 Repayment of interest		- 4	- 4
88.90 Total, offsetting collections (cash)	- 4	- 55	- 55
Net financing authority and financing disbursements:			
89.00 Financing authority	1	50	50
90.00 Financing disbursements		1	1

Status of Direct Loans (in millions of dollars)

Identification code 86-4242-0-3-371	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	50	50	50
1142 Unobligated direct loan limitation (-)	- 47		
1150 Total direct loan obligations	3	50	50
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1		

1231 Disbursements: Direct loan disbursements	3	50	50
1251 Repayments: Repayments and prepayments	- 4	- 50	- 50
1290 Outstanding, end of year			

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 2008 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.

Balance Sheet (in millions of dollars)

Identification code 86-4242-0-3-371	2005 actual	2006 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	5	5
Net value of assets related to post-1991 direct loans receiv- able:		
1401 Direct loans receivable, gross	1	1
1405 Allowance for subsidy cost (-)	- 3	- 3
1499 Net present value of assets related to direct loans	- 2	- 2
1999 Total assets	3	3
LIABILITIES:		
2103 Federal liabilities: Federal Liabilities—Debt	3	3
2999 Total liabilities	3	3
4999 Total liabilities and net position	3	3

FHA—MUTUAL MORTGAGE INSURANCE GUARANTEED LOAN
FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4587-0-3-371	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Loan guarantee default claim payments	5,317	5,685	6,185
00.02 Interest on Treasury Borrowing	342	278	245
00.03 Other capital investment & operating expenses	662	489	426
00.91 Subtotal, capital/operating expenses	6,321	6,452	6,856
08.01 Payment of negative subsidy to capital reserve for new business	880	190	4
08.02 Reestimate of loan guarantee subsidy (downward re- estimates)	39	512	
08.04 Interest on reestimates of loan guarantee subsidy	64	42	
08.05 Loan modification payment (negative subsidy) to cap- ital reserve account 86-0236	9	13	
08.91 Direct Program by Activities—Subtotal (1 level)	992	757	4
10.00 Total new obligations	7,313	7,209	6,860
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3,389	4,313	5,100
22.00 New financing authority (gross)	9,981	9,996	7,472
22.10 Resources available from recoveries of prior year obli- gations	1		
22.60 Portion applied to repay debt	- 1,745	- 2,000	- 2,000
23.90 Total budgetary resources available for obligation	11,626	12,309	10,572
23.95 Total new obligations	- 7,313	- 7,209	- 6,860
24.40 Unobligated balance carried forward, end of year	4,313	5,100	3,712

New financing authority (gross), detail:			
Mandatory:			
67.10	Authority to borrow	535	1,000 1,000
Spending authority from offsetting collections:			
69.00	Offsetting collections	3,404	1,350
69.00	Offsetting collections (cash)	6,042	7,646 6,472
69.90	Spending authority from offsetting collections (total mandatory)	9,446	8,996 6,472
70.00	Total new financing authority (gross)	9,981	9,996 7,472
Change in obligated balances:			
72.40	Obligated balance, start of year	1,080	1,159 1,304
73.10	Total new obligations	7,313	7,209 6,860
73.20	Total financing disbursements (gross)	-7,233	-7,064 -6,724
73.45	Recoveries of prior year obligations	-1	.....
74.40	Obligated balance, end of year	1,159	1,304 1,440
Outlays (gross), detail:			
87.00	Total financing disbursements (gross)	7,233	7,064 6,724
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00	Transfer of Reestimates from reserves in Capital Reserve account	-3,404	-1,350
88.25	Interest on uninvested funds	-293	-236 -196
88.40	Fees and premiums	-1,907	-2,092 -2,291
88.40	Recoveries on defaults	-3,842	-5,318 -3,985
88.90	Total, offsetting collections (cash)	-9,446	-8,996 -6,472
Net financing authority and financing disbursements:			
89.00	Financing authority	535	1,000 1,000
90.00	Financing disbursements	-2,213	-1,932 252

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4587-0-3-371	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on commitments:			
2111	Limitation on guaranteed loans made by private lenders	185,000	185,000 185,000
2142	Uncommitted loan guarantee limitation	-133,217	-140,582 -145,295
2150	Total guaranteed loan commitments	51,783	44,418 39,705
2199	Guaranteed amount of guaranteed loan commitments	51,783	44,418 39,705
Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year	319,846	304,476 304,372
2231	Disbursements of new guaranteed loans	51,783	44,418 39,705
2251	Repayments and prepayments	-60,715	-34,509 -33,220
Adjustments:			
2261	Terminations for default that result in loans receivable	-150	-49 -57
2262	Terminations for default that result in acquisition of property	-5,018	-5,566 -6,047
2263	Terminations for default that result in claim payments	-149	-70 -81
2264	Other adjustments, net	-1,121	-4,328 -4,381
2290	Outstanding, end of year	304,476	304,372 300,291
Memorandum:			
2299	Guaranteed amount of guaranteed loans outstanding, end of year	304,476	304,372 300,291
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310	Outstanding, start of year	343	341
2331	Disbursements for guaranteed loan claims	150	49 57
2351	Repayments of loans receivable	-291	.....
2364	Other adjustments, net	139	-390 -57
2390	Outstanding, end of year	341	.....

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	2005 actual	2006 actual
ASSETS:		
Federal assets:		
1101	Fund balances with Treasury	4,469 5,473
Investments in US securities:		
1106	Receivables, net	2,292 1,330
Non-Federal assets:		
1201	Investments in non-Federal securities, net	192 93
1206	Receivables, net	290 255
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:		
1501	Defaulted guaranteed loans receivable, gross	343 341
1502	Interest receivable	1 1
1504	Foreclosed property	2,405 2,539
1505	Allowance for subsidy cost	-1,441 -1,257
1599	Net value of assets related to defaulted guaranteed loan ...	1,308 1,624
1901	Other Federal assets: Other assets	363 481
1999	Total assets	8,914 9,256
LIABILITIES:		
Federal liabilities:		
2101	Accounts payable	103 576
2103	Federal liabilities, Debt	6,235 5,025
Non-Federal liabilities:		
2201	Accounts payable	671 613
2204	Liabilities for loan guarantees	1,803 2,828
2207	Other	102 214
2999	Total liabilities	8,914 9,256
4999	Total liabilities and net position	8,914 9,256

FHA—MUTUAL MORTGAGE INSURANCE GUARANTEED LOAN FINANCING ACCOUNT

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-4587-2-3-371	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01	Loan guarantee default claim payments .....	.....	41
00.02	Interest on Treasury Borrowing .....	.....	-36
00.91	Subtotal (capital/operating expenses) .....	.....	5
08.01	Payment of negative subsidy to capital reserve account for new business .....	.....	676
10.00	Total new obligations .....	.....	681
Budgetary resources available for obligation:			
22.00	New financing authority (gross) .....	.....	954
23.95	Total new obligations .....	.....	-681
24.40	Unobligated balance carried forward, end of year .....	.....	273
New financing authority (gross), detail:			
Mandatory:			
Spending authority from offsetting collections:			
69.00	Offsetting collections .....	.....	.....
69.00	Offsetting collections (cash) .....	.....	954
69.90	Spending authority from offsetting collections (total mandatory) .....	.....	954
Change in obligated balances:			
73.10	Total new obligations .....	.....	681
73.20	Total financing disbursements (gross) .....	.....	-829
74.40	Obligated balance, end of year .....	.....	-148
Outlays (gross), detail:			
87.00	Total financing disbursements (gross) .....	.....	829
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25	Interest on uninvested funds .....	.....	26

FHA—MUTUAL MORTGAGE INSURANCE GUARANTEED LOAN
FINANCING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-4587-2-3-371	2006 actual	2007 est.	2008 est.
88.40 Fees and premiums			-965
88.40 Recoveries on default			-15
88.90 Total, offsetting collections (cash)			-954
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements			-125
Status of Guaranteed Loans (in millions of dollars)			
Identification code 86-4587-2-3-371	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders			
2142 Uncommitted loan guarantee limitation			42,291
2150 Total guaranteed loan commitments			42,291
2199 Guaranteed amount of guaranteed loan commitments			42,291
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year			
2231 Disbursements of new guaranteed loans			42,291
2251 Repayments and prepayments			-1,467
Adjustments:			
2261 Terminations for default that result in loans receivable			-1
2262 Terminations for default that result in acquisition of property			-40
2263 Terminations for default that result in claim payments			
2264 Other adjustments, net			-349
2290 Outstanding, end of year			40,434
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year			40,434
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year			
2331 Disbursements for guaranteed loan claims			1
2331 Disbursements for guaranteed loan claims			
2364 Other adjustments, net			-1
2390 Outstanding, end of year			

FHA—MUTUAL MORTGAGE INSURANCE CAPITAL RESERVE ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-0236-0-1-371	2006 actual	2007 est.	2008 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	23,262	21,959	22,450
22.00 New budget authority (gross)	2,101	1,841	1,123
22.21 Unobligated balance transferred to other accounts	-3,404	-1,350	-4
23.90 Total budgetary resources available for obligation	21,959	22,450	23,569
24.40 Unobligated balance carried forward, end of year	21,959	22,450	23,569
New budget authority (gross), detail:			
Mandatory:			
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	1,273	1,664	1,119
69.00 Offsetting collections (cash)	889	177	4
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-61		
69.90 Spending authority from offsetting collections (total mandatory)	2,101	1,841	1,123

Change in obligated balances:			
72.40 Obligated balance, start of year	-260	-199	-199
74.00 Change in uncollected customer payments from Federal sources (unexpired)	61		
74.40 Obligated balance, end of year	-199	-199	-199

Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources—negative subsidy from new business	-881	-164	-4
88.00 Federal sources—downward reestimates	-103	-554	
88.00 Federal sources—loan modification	-9	-13	
88.20 Interest on Federal securities	-1,169	-1,110	-1,119
88.90 Total, offsetting collections (cash)	-2,162	-1,841	-1,123
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	61		

Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-2,162	-1,841	-1,123

Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities:			
Par value	22,642	22,030	21,433
92.02 Total investments, end of year: Federal securities:			
Net	22,030	21,433	20,804

Summary of Budget Authority and Outlays

	(in millions of dollars)		
	2006 actual	2007 est.	2008 est.
Enacted/requested:			
Budget Authority			
Outlays	-2,162	-1,841	-1,123
Legislative proposal, not subject to PAYGO:			
Budget Authority			
Outlays			-676
Total:			
Budget Authority			
Outlays	-2,162	-1,841	-1,799

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. In 2003, this new mandatory account started earning interest on Treasury investments, collecting negative subsidy and downward reestimates from the Financing account, and paying 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	2005 actual	2006 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	728	90
Investments in US securities:		
1102 Treasury securities, net	22,481	21,807
1106 Receivables, net	362	775
1999 Total assets	23,571	22,672
LIABILITIES:		
2101 Federal liabilities: Accounts payable	2,292	1,330
2999 Total liabilities	2,292	1,330
NET POSITION:		
3300 Cumulative results of operations	21,279	21,342
3999 Total net position	21,279	21,342
4999 Total liabilities and net position	23,571	22,672

FHA—MUTUAL MORTGAGE INSURANCE CAPITAL RESERVE ACCOUNT
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-0236-2-1-371	2006 actual	2007 est.	2008 est.
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			676
24.40 Unobligated balance carried forward, end of year			676
New budget authority (gross), detail:			
Mandatory:			
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)			676
69.00 Offsetting collections (cash)			676
69.90 Spending authority from offsetting collections (total mandatory)			676
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources—negative subsidy from new business			-676
88.00 Federal sources—downward reestimates			
88.00 Federal sources—loan modification			
88.90 Total, offsetting collections (cash)			-676
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			-676
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities: Par value			
92.02 Total investments, end of year: Federal securities: Net			846

Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	49	36	24
86.98 Outlays from mandatory balances	25	31	22
87.00 Total outlays (gross)	74	67	46
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.40 Fees and premiums	-2	-2	-2
88.40 Recoveries on defaulted mortgages	-47	-34	-22
88.40 Other			
88.90 Total, offsetting collections (cash)	-49	-36	-24
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	25	31	22

Status of Direct Loans (in millions of dollars)

Identification code 86-4070-0-3-371	2006 actual	2007 est.	2008 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	3	3	2
1264 Write-offs for default: Other adjustments, net		-1	-1
1290 Outstanding, end of year	3	2	1

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4070-0-3-371	2006 actual	2007 est.	2008 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	16,074	12,773	10,517
2251 Repayments and prepayments	-3,237	-2,219	-1,912
2262 Adjustments: Terminations for default that result in acquisition of property	-64	-37	-24
2290 Outstanding, end of year	12,773	10,517	8,581
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	12,773	10,517	8,581

Addendum:

Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	8	7	
2331 Disbursements for guaranteed loan claims	2	2	1
2361 Write-offs of loans receivable		-9	-1
2364 Other adjustments, net	-3		
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 (in-

FHA—MUTUAL MORTGAGE AND COOPERATIVE HOUSING INSURANCE
FUNDS LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4070-0-3-371	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
01.03 Acquisition of real properties	64	37	24
01.07 Capitalized expenses	2	9	6
01.08 Loss mitigation activities	4	2	2
01.91 Total capital investment	70	48	32
02.02 Other Operation expenses	14	14	14
10.00 Total new obligations	84	62	46
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	38	47	21
22.00 New budget authority (gross)	49	36	24
22.10 Resources available from recoveries of prior year obligations	44		
22.22 Unobligated balance transferred from other accounts			4
23.90 Total budgetary resources available for obligation	131	83	49
23.95 Total new obligations	-84	-62	-46
24.40 Unobligated balance carried forward, end of year	47	21	3
New budget authority (gross), detail:			
Mandatory:			
69.00 Spending authority from offsetting collections: Off- setting collections (cash)	49	36	24
Change in obligated balances:			
72.40 Obligated balance, start of year	266	232	227
73.10 Total new obligations	84	62	46
73.20 Total outlays (gross)	-74	-67	-46
73.45 Recoveries of prior year obligations	-44		
74.40 Obligated balance, end of year	232	227	227

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

cluding 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)

	2006 actual	2007 est.	2008 est.
Mortgage insurance written (in fiscal year):			
Amount (in millions of dollars)	\$51,783	\$44,418	\$81,996
Units	408,435	344,326	679,220
Insurance maintenance: Outstanding balance of insurance in force, end of year:			
Mortgage insurance (in millions of dollars)	\$317,249	\$314,889	\$349,306

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

Balance Sheet (in millions of dollars)

Identification code 86-4070-0-3-371	2005 actual	2006 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	304	279
1206 Non-Federal assets: Receivables, net	24	21
1601 Direct loans, gross	3	3
1701 Defaulted guaranteed loans, gross	8	7
1703 Allowance for estimated uncollectible loans and interest (-)	-3	-3
1704 Defaulted guaranteed loans and interest receivable, net	5	4
1706 Foreclosed property	16	6
1799 Value of assets related to loan guarantees	21	10
1901 Other Federal assets: Other assets	4	6
1999 Total assets	353	319
LIABILITIES:		
Non-Federal liabilities:		
2201 Accounts payable	227	196
2204 Liabilities for loan guarantees	53	51
2207 Unearned revenue and advances, and other	113	35
2999 Total liabilities	393	282
NET POSITION:		
3300 Cumulative results of operations	-40	37
3999 Total net position	-40	37
4999 Total liabilities and net position	353	319

Object Classification (in millions of dollars)

Identification code 86-4070-0-3-371	2006 actual	2007 est.	2008 est.
Direct obligations:			
25.2 Other services	14	14	14
32.0 Land and structures	66	46	30
42.0 Insurance claims and indemnities	4	2	2
99.9 Total new obligations	84	62	46

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, \$8,600,000, to remain available until expended: Provided, That commitments to guarantee loans shall not exceed \$35,000,000 in total loan principal, any part of which is to be guaranteed.

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, \$229,086,000, of which \$209,286,000 shall be transferred to the appropriation for "Salaries and Expenses"; and of which \$19,800,000 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, \$78,111,000, of which \$15,692,000 shall be transferred to the Working Capital Fund: Provided, That to the extent guaranteed loan commitments exceed \$8,426,000,000 on or before April 1, 2008, 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 2007 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. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 86-0200-0-1-371	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.02 Guaranteed loan subsidy	3	5	14
00.07 Reestimate of credit subsidy	303	107	.....
00.08 Interest on reestimates of loan guarantee subsidy	58	2	.....
00.09 Administrative expenses, salaries & expenses transfer	229	229	229
00.10 Administrative contract expenses	75	71	71
10.00 Total new obligations	668	414	314
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	51	57	63
22.00 New budget authority (gross)	678	420	316
23.90 Total budgetary resources available for obligation	729	477	379
23.95 Total new obligations	-668	-414	-314
23.98 Unobligated balance expiring or withdrawn	-4	.....	.....
24.40 Unobligated balance carried forward, end of year	57	63	65
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	320	311	316
40.35 Appropriation permanently reduced	-3	.....	.....
43.00 Appropriation (total discretionary)	317	311	316
Mandatory:			
60.00 Appropriation	361	109	.....
70.00 Total new budget authority (gross)	678	420	316
Change in obligated balances:			
72.40 Obligated balance, start of year	99	101	97
73.10 Total new obligations	668	414	314
73.20 Total outlays (gross)	-652	-418	-325
73.40 Adjustments in expired accounts (net)	-14	.....	.....
74.40 Obligated balance, end of year	101	97	86
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	251	293	299
86.93 Outlays from discretionary balances	40	16	26
86.97 Outlays from new mandatory authority	361	109	.....
87.00 Total outlays (gross)	652	418	325
Net budget authority and outlays:			
89.00 Budget authority	678	420	316

90.00	Outlays	652	418	325
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Summary of Budget Authority and Outlays

(in millions of dollars)

	2006 actual	2007 est.	2008 est.
Enacted/requested:			
Budget Authority	678	420	316
Outlays	652	418	325
Legislative proposal, not subject to PAYGO:			
Budget Authority			
Outlays			-8
Total:			
Budget Authority	678	420	316
Outlays	652	418	317

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

Identification code 86-0200-0-1-371	2006 actual	2007 est.	2008 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Apartments NC/SC	615	707	785
215002 221d3 NP/Coop owned apts	23	51	102
215003 Tax Credits NC	867	928	1,091
215005 Apartments Refinance	2,566	2,441	2,374
215006 241a Supplemental Loans for Apts	4	4	6
215007 Operating Loss Loans for Apts (plus 232)	1	2	3
215008 HFA Risk Sharing	140	149	156
215009 GSE Risk Sharing	9	9	11
215010 FHA Full Insurance for Health Care Facilities (plus 241/232)	303	312	339
215011 Health Care Refinances	1,450	2,180	3,069
215012 Hospitals	943	900	900
215013 Other Rental (incl 207(mph), 220, 231)	119	130	324
215014 Section 234: Condominiums	3,161	3,224	3,419
215015 Section 203(k): Rehabilitation Mortgages	406	421	446
215016 Home Equity Conversion Mortgages	17,994	8,939	
215017 Title 1 Property Improvement	57	43	59
215018 Title 1 Manufactured Housing	44	59	43
215022 Standby Authority		14,501	21,873
215999 Total loan guarantee levels	28,702	35,000	35,000
Guaranteed loan subsidy (in percent):			
232001 Apartments NC/SC	-0.18	-0.61	-2.02
232002 221d3 NP/Coop owned apts	9.74	6.31	5.67
232003 Tax Credits NC	-3.54	-2.78	-3.20
232005 Apartments Refinance	-1.84	-1.63	-4.09
232006 241a Supplemental Loans for Apts	5.43	3.93	2.99
232007 Operating Loss Loans for Apts (plus 232)	15.89	17.34	15.43
232008 HFA Risk Sharing	-0.67	-0.68	-1.25
232009 GSE Risk Sharing	-0.83	-0.89	-1.42
232010 FHA Full Insurance for Health Care Facilities (plus 241/232)	-0.76	-2.42	-0.68
232011 Health Care Refinances	-1.26	-0.91	-1.58
232012 Hospitals	-1.76	-1.83	-2.66
232013 Other Rental (incl 207(mph), 220, 231)	-0.73	-1.56	-1.82
232014 Section 234: Condominiums	-2.19	-1.49	-0.88
232015 Section 203(k): Rehabilitation Mortgages	-1.12	0.31	1.89
232016 Home Equity Conversion Mortgages	-1.74	-2.82	0.00
232017 Title 1 Property Improvement	1.79	0.97	0.52
232018 Title 1 Manufactured Housing	1.10	0.83	0.13
232999 Weighted average subsidy rate	-1.74	-2.01	-1.94
Guaranteed loan subsidy budget authority:			
233001 Apartments NC/SC	-1	-4	-16
233002 221d3 NP/Coop owned apts	2	3	6
233003 Tax Credits NC	-30	-25	-107
233005 Apartments Refinance	-45	-40	-107
233007 Operating Loss Loans for Apts (plus 232)			1
233008 HFA Risk Sharing	-1	-1	-2
233010 FHA Full Insurance for Health Care Facilities (plus 241/232)	-3	-10	-2
233011 Health Care Refinances	-22	-20	-48
233012 Hospitals	-17	-16	-24
233013 Other Rental (incl 207(mph), 220, 231)	-1	-2	-6
233014 Section 234: Condominiums	-69	-48	-30
233015 Section 203(k): Rehabilitation Mortgages	-5	1	8
233016 Home Equity Conversion Mortgages	-313	-252	
233017 Title 1 Property Improvement	1		
233018 Title 1 Manufactured Housing		1	
233999 Total subsidy budget authority	-504	-413	-255
Guaranteed loan subsidy outlays:			
234001 Apartments NC/SC	-1	-3	-16

234002 221d3 NP/Coop owned apts	1	3	5
234003 Tax Credits NC	-30	-20	-35
234005 Apartments Refinance	-47	-30	-107
234006 241a Supplemental Loans for Apts			1
234008 HFA Risk Sharing	-1	-1	-2
234010 FHA Full Insurance for Health Care Facilities (plus 241/232)	-1	-10	-2
234011 Health Care Refinances	-21	-17	-48
234012 Hospitals	-7	-22	-24
234013 Other Rental (incl 207(mph), 220, 231)	-1	-2	-6
234014 Section 234: Condominiums	-69	-48	-30
234015 Section 203(k): Rehabilitation Mortgages	-5	1	8
234016 Home Equity Conversion Mortgages	-313	-252	
234017 Title 1 Property Improvement	1		
234018 Title 1 Manufactured Housing	1	1	
234999 Total subsidy outlays	-493	-400	-256
Guaranteed loan upward reestimates:			
235024 General and Special Risk	361	109	
235999 Total upward reestimate budget authority	361	109	
Guaranteed loan downward reestimates:			
237024 General and Special Risk	-180	-1,746	
237999 Total downward reestimate subsidy budget authority	-180	-1,746	

Administrative expense data:

3510 Budget authority	297	308	300
3580 Outlays from balances	40	12	17
3590 General and Special Risk	248	292	285

This account includes budget authority for 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 proposes to increase the FHA multifamily loan limit to account for geographic differences in construction costs and implements a modest administrative premium for multifamily loan guarantees to help offset taxpayer costs for loans to certain developments. The administrative premium will only apply to the 221d4 new construction/substantial rehabilitation program and the apartment refinancing program. The Budget also proposes a consolidation of FHA single-family programs under the Mutual Mortgage Insurance fund, which would shift several programs currently financed through this account, as reflected in separate schedules in this section.

Object Classification (in millions of dollars)

Identification code 86-0200-0-1-371	2006 actual	2007 est.	2008 est.
Direct obligations:			
25.1 Advisory and assistance services	64	60	60
25.2 Other services	11	11	11
25.3 Other purchases of goods and services from Government accounts	229	229	229
41.0 Grants, subsidies, and contributions	364	114	14
99.9 Total new obligations	668	414	314

FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-0200-2-1-371	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.02 Guaranteed loan subsidy			-8

FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-0200-2-1-371	2006 actual	2007 est.	2008 est.
10.00 Total new obligations (object class 41.0)			-8
Budgetary resources available for obligation:			
23.95 Total new obligations			8
24.40 Unobligated balance carried forward, end of year			8
Change in obligated balances:			
73.10 Total new obligations			-8
73.20 Total outlays (gross)			8
74.40 Obligated balance, end of year			
Outlays (gross), detail:			
86.93 Outlays from discretionary balances			-8
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			-8

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

Identification code 86-0200-2-1-371	2006 actual	2007 est.	2008 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Apartments NC/SC			63
215005 Apartments Refinance			189
215014 Section 234: Condominiums			-3,419
215015 Section 203(k): Rehabilitation Mortgages			-446
215022 Standby Authority			3,613
Guaranteed loan subsidy (in percent):			
232014 Section 234: Condominiums			0.88
232015 Section 203(k): Rehabilitation Mortgages			-1.89
232999 Weighted average subsidy rate			-0.60
Guaranteed loan subsidy budget authority:			
233001 Apartments NC/SC			-1
233005 Apartments Refinance			-8
233014 Section 234: Condominiums			30
233015 Section 203(k): Rehabilitation Mortgages			-8
233999 Total subsidy budget authority			13
Guaranteed loan subsidy outlays:			
234001 Apartments NC/SC			-1
234005 Apartments Refinance			-8
234014 Section 234: Condominiums			30
234015 Section 203(k): Rehabilitation Mortgages			-8
234999 Total subsidy outlays			13

FHA—GENERAL AND SPECIAL RISK GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4077-0-3-371	2006 actual	2007 est.	2008 est.
Capital investment, claims and other			
00.01 Default claims	803	1,128	1,517
00.02 Interest paid to Treasury	101	60	60
00.03 Other capital investments and operating expenses	67	62	52
00.09 Asset sale negative subsidy payment to the receipt account	2		
00.14 Contract Costs	13	15	15
00.91 Direct Program by Activities—Subtotal (1 level)	986	1,265	1,644
08.01 Payment of negative subsidy to receipt account	507	408	267
08.02 Downward subsidy rate reestimate	118	1,360	
08.04 Interest on subsidy rate reestimates	62	386	
08.05 Payment of Subsidy to receipt account for savings		86	87
08.91 Direct Program by Activities—Subtotal (1 level)	687	2,240	354
10.00 Total new obligations	1,673	3,505	1,998

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	2,496	2,713	844
22.00 New financing authority (gross)	1,935	1,636	1,270
22.10 Resources available from recoveries of prior year obligations	5		
22.60 Portion applied to repay debt	-50		
23.90 Total budgetary resources available for obligation	4,386	4,349	2,114
23.95 Total new obligations	-1,673	-3,505	-1,998
24.40 Unobligated balance carried forward, end of year	2,713	844	116

New financing authority (gross), detail:

Mandatory:			
67.10 Authority to borrow	350	486	400
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	2,020	1,368	1,088
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-45		
69.47 Portion applied to repay debt	-390	-218	-218
69.90 Spending authority from offsetting collections (total mandatory)	1,585	1,150	870
70.00 Total new financing authority (gross)	1,935	1,636	1,270

Change in obligated balances:

72.40 Obligated balance, start of year	131	210	260
73.10 Total new obligations	1,673	3,505	1,998
73.20 Total financing disbursements (gross)	-1,634	-3,455	-1,801
73.45 Recoveries of prior year obligations	-5		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	45		
74.40 Obligated balance, end of year	210	260	457

Outlays (gross), detail:

87.00 Total financing disbursements (gross)	1,634	3,455	1,801
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Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from program account	-3	-5	-14
88.00 Gross Proceeds from sale of mortgage notes (liquidating)	-2		
88.00 Subsidy reestimate from program account	-361	-109	
88.00 Federal Resources -Other			
88.00 Payment from Liquidating Acct from legislative savings		-18	-18
88.25 Interest on uninvested funds	-187	-187	-187
88.40 Fees and premiums	-839	-636	-453
88.40 Recoveries on defaulted mortgages	-189	-4	-67
88.40 Title I recoveries	-17	-1	-1
88.40 Single family property recoveries	-158	-336	-299
88.40 Gross Proceeds from Mortgage Note Sales	-242	-46	-22
88.40 Multifamily property recoveries		-1	-2
88.40 Non-Federal Resources-other	-22	-25	-25
88.90 Total, offsetting collections (cash)	-2,020	-1,368	-1,088
Against gross financing authority only:			
88.95 Change in receivables from program accounts	45		

Net financing authority and financing disbursements:

89.00 Financing authority	-40	268	182
90.00 Financing disbursements	-386	2,087	713

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4077-0-3-371	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	35,000	35,000	35,000
2142 Uncommitted loan guarantee limitation	-6,298	-14,501	-21,873
2150 Total guaranteed loan commitments	28,702	20,499	13,127
2199 Guaranteed amount of guaranteed loan commitments	28,702	20,499	13,127
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	81,274	91,180	93,420
2231 Disbursements of new guaranteed loans	27,840	20,499	13,127
2251 Repayments and prepayments	-17,131	-17,131	-15,137
Adjustments:			
2261 Terminations for default that result in loans receivable	-557	-876	-1,220

2262	Terminations for default that result in acquisition of property	-240	-249	-293
2263	Terminations for default that result in claim payments	-6	-3	-4
2290	Outstanding, end of year	91,180	93,420	89,893
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	91,180	93,420	89,893
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	655	577	1,376
2331	Disbursements for guaranteed loan claims	557	876	1,220
2351	Repayments of loans receivable	-403	-56	-94
2361	Write-offs of loans receivable	-232	-21	-19
2390	Outstanding, end of year	577	1,376	2,483

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 Sheet (in millions of dollars)

Identification code 86-4077-0-3-371	2005 actual	2006 actual	
ASSETS:			
Federal assets:			
1101	Fund balances with Treasury	2,628	2,924
Investments in US securities:			
1106	Receivables, net	228	109
Non-Federal assets:			
1201	Investments in non-Federal securities, net	6	2
1206	Receivables, net	13	10
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:			
1501	Defaulted guaranteed loans receivable, gross	655	576
1502	Interest receivable	60	48
1504	Foreclosed property	387	350
1505	Allowance for subsidy cost	-655	-633
1599	Net value of assets related to defaulted guaranteed loan ...	447	341
1901	Other Federal assets: Other assets	92	23
1999	Total assets	3,414	3,409
LIABILITIES:			
Federal liabilities:			
2101	Accounts payable Intragovernmental	297	1,809
2103	Debt	1,310	1,230
2105	Other Federal Liabilities		8
Non-Federal liabilities:			
2201	Accounts payable	49	21
2202	Interest payable	15	12
2203	Non Federal Debt	48	33
2204	Liabilities for loan guarantees	1,564	156
2207	Other	131	140
2999	Total liabilities	3,414	3,409
4999	Total liabilities and net position	3,414	3,409

FHA—GENERAL AND SPECIAL RISK GUARANTEED LOAN FINANCING ACCOUNT

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-4077-2-3-371	2006 actual	2007 est.	2008 est.
Capital investment, claims and other			
08.01	Payment of negative subsidy to receipt account		-21
10.00	Total new obligations		-21

Budgetary resources available for obligation:			
22.00	New financing authority (gross)		-8
23.95	Total new obligations		21
24.40	Unobligated balance carried forward, end of year		13

New financing authority (gross), detail:			
Mandatory:			
69.00	Spending authority from offsetting collections: Offsetting collections (cash)		-8

Change in obligated balances:			
73.10	Total new obligations		-21
73.20	Total financing disbursements (gross)		21
74.40	Obligated balance, end of year		

Outlays (gross), detail:			
87.00	Total financing disbursements (gross)		-21

Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00	Payments from program account		8
88.00	Gross Proceeds from sale of mortgage notes (liquidating)		
88.00	Subsidy reestimate from program account		
88.00	Federal Resources -Other		
88.00	Payment from Liquidating Acct from legislative savings		
88.90	Total, offsetting collections (cash)		8

Net financing authority and financing disbursements:			
89.00	Financing authority		
90.00	Financing disbursements		-13

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4077-2-3-371	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on commitments:			
2111	Limitation on guaranteed loans made by private lenders		
2142	Uncommitted loan guarantee limitation		-3,613
2150	Total guaranteed loan commitments		-3,613
2199	Guaranteed amount of guaranteed loan commitments		-3,613
Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year		
2231	Disbursements of new guaranteed loans		-3,613
2251	Repayments and prepayments		
2290	Outstanding, end of year		-3,613
Memorandum:			
2299	Guaranteed amount of guaranteed loans outstanding, end of year		-3,613

FHA—GENERAL AND SPECIAL RISK DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4105-0-3-371	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01	Direct loans	1	1
10.00	Total new obligations	1	1
Budgetary resources available for obligation:			
22.00	New financing authority (gross)	1	1
23.95	Total new obligations	-1	-1
New financing authority (gross), detail:			
Mandatory:			
67.10	Authority to borrow	1	1
	Spending authority from offsetting collections:		

FHA—GENERAL AND SPECIAL RISK DIRECT LOAN FINANCING
ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-4105-0-3-371	2006 actual	2007 est.	2008 est.
69.00 Offsetting collections (cash)		1	1
69.47 Portion applied to repay debt	-1	-1	-1
69.90 Spending authority from offsetting collections (total mandatory)	-1		
70.00 Total new financing authority (gross)		1	1
Change in obligated balances:			
73.10 Total new obligations		1	1
73.20 Total financing disbursements (gross)	-1		-1
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)		1	1
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.40 Interest received on loans			
88.40 Repayment of Principal	-1	-1	-1
88.90 Total, offsetting collections (cash)	-1	-1	-1
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements			

Status of Direct Loans (in millions of dollars)

Identification code 86-4105-0-3-371	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	50	50	50
1142 Unobligated direct loan limitation (-)	-50	-49	-49
1150 Total direct loan obligations		1	1
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	2	2	2
1231 Disbursements: Direct loan disbursements		1	1
1251 Repayments: Repayments and prepayments		-1	-1
1290 Outstanding, end of year	2	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.

FHA—LOAN GUARANTEE RECOVERY FUND—FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4106-0-3-371	2006 actual	2007 est.	2008 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3	3	4

22.00 New financing authority (gross)		1	1
23.90 Total budgetary resources available for obligation	3	4	5
24.40 Unobligated balance carried forward, end of year	3	4	5

New financing authority (gross), detail:

Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)		1	1

Change in obligated balances:

72.40 Obligated balance, start of year	-1	-1	-2
73.20 Total financing disbursements (gross)	-1		-1
74.40 Obligated balance, end of year	-1	-2	-3

Outlays (gross), detail:

87.00 Total financing disbursements (gross)		1	1
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Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from: Interest on uninvested funds			
88.25	-1		-1

Net financing authority and financing disbursements:

89.00 Financing authority			
90.00 Financing disbursements			

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4106-0-3-371	2006 actual	2007 est.	2008 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	2	2	2
2143 Uncommitted limitation carried forward	-2	-2	-2
2150 Total guaranteed loan commitments			
2199 Guaranteed amount of guaranteed loan commitments			
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	4	4	3
2231 Disbursements of new guaranteed loans			
2251 Repayments and prepayments		-1	-1
2290 Outstanding, end of year	4	3	2
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	4	3	2

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. One loan has been made since 2004.

Balance Sheet (in millions of dollars)

Identification code 86-4106-0-3-371	2005 actual	2006 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	3	3
1999 Total assets	3	3
LIABILITIES:		
2204 Non-Federal liabilities: Liabilities for loan guarantees	3	3
2999 Total liabilities	3	3
4999 Total liabilities and net position	3	3

FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4072-0-3-371	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
Operating expenses			
00.02 Interest on debentures	10	15	15
00.03 Other operating costs	3	3	3
00.06 PAE & 3rd party restructuring fees	36	21	12
00.91 Total operating expenses	46	39	30
Capital investment: Claims and other			
01.01 Acquisition of defaulted Title I notes	1	1	1
01.02 Assignment of mortgages	52	202	181
01.03 Debenture Claims	2		
01.04 Mark-To-Market Restructures	175	206	67
01.05 Acquisition of real properties	1	2	2
01.10 Capitalized Expenses	1	55	55
01.11 Escrow Advances	137	100	100
01.12 Upfront Grants	40		
01.13 Other		10	10
01.14 M&M Contract	2	3	3
01.16 Payment to the Financing Account-Asset Sale	2		
01.91 Total capital investment	413	579	419
10.00 Total new obligations	459	618	449
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	35	160	
22.00 New budget authority (gross)	624	718	549
22.10 Resources available from recoveries of prior year obligations	28		
22.40 Capital transfer to general fund	-35	-160	
22.60 Portion applied to repay debt	-33	-100	-100
23.90 Total budgetary resources available for obligation	619	618	449
23.95 Total new obligations	-459	-618	-449
24.40 Unobligated balance carried forward, end of year	160		
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	183	413	201
67.10 Authority to borrow	9	100	100
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	426	205	248
69.10 Change in uncollected customer payments from Federal sources (unexpired)	6		
69.90 Spending authority from offsetting collections (total mandatory)	432	205	248
70.00 Total new budget authority (gross)	624	718	549
Change in obligated balances:			
72.40 Obligated balance, start of year	607	558	635
73.10 Total new obligations	459	618	449
73.20 Total outlays (gross)	-474	-541	-512
73.45 Recoveries of prior year obligations	-28		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-6		
74.40 Obligated balance, end of year	558	635	572
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	1	200	98
86.98 Outlays from mandatory balances	473	341	414
87.00 Total outlays (gross)	474	541	512
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.40 Fees and premiums	-74	-73	-118
88.40 Proceeds from sale of real property	-22	-20	-20
88.40 Proceeds from sale of mortgage notes	-6	-10	-10
88.40 Recoveries on defaulted mortgages	-283	-47	-45
88.40 Interest, dividends and revenue	-40	-50	-50
88.40 Other collections	-1	-5	-5
88.90 Total, offsetting collections (cash)	-426	-205	-248
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-6		

Net budget authority and outlays:				
89.00	Budget authority	192	513	301
90.00	Outlays	48	336	264

Memorandum (non-add) entries:				
92.01	Total investments, start of year: Federal securities:			
	Par value	4	6	6
92.02	Total investments, end of year: Federal securities:			
	Par value	6	6	6

Status of Direct Loans (in millions of dollars)				
Identification code 86-4072-0-3-371				
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	15		
1251	Repayments: Repayments and prepayments	-15		
1290	Outstanding, end of year			

Status of Guaranteed Loans (in millions of dollars)				
Identification code 86-4072-0-3-371				
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	8,457	6,475	5,726
2251	Repayments and prepayments	-1,751	-342	-303
Adjustments:				
2261	Terminations for default that result in loans receivable	-230	-405	-249
2262	Terminations for default that result in acquisition of property	-1	-2	-1
2290	Outstanding, end of year	6,475	5,726	5,173
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	6,475	5,366	4,811

Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	2,983	2,988	3,360
2331	Disbursements for guaranteed loan claims	230	409	249
2351	Repayments of loans receivable	-181	-33	-35
2361	Write-offs of loans receivable	-44	-4	-3
2364	Other adjustments, net			
2390	Outstanding, end of year	2,988	3,360	3,571

The General Insurance fund provides insurance for a large number of specialized mortgage insurance programs, including insurance of loans for property improvements, cooperatives, condominiums, nursing homes, rental housing and non-profit 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 is 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 are recorded in corresponding program (86-0200) and financing (86-4077 and 86-4105) accounts.

The Budget proposes to extend restructuring authorities under the Multifamily Assisted Housing Reform and Affordability Act of 1997 to the end of fiscal year 2011.

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

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

Balance Sheet (in millions of dollars)

Identification code 86-4072-0-3-371	2005 actual	2006 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	638	712
Investments in US securities:		
1102 Treasury securities, par	4	5
Non-Federal assets:		
1201 Investments in non-Federal securities, net	3	3
1206 Receivables, net	59	95
1601 Direct loans, gross	15	.....
1699 Value of assets related to direct loans	15	.....
1701 Defaulted guaranteed loans, gross	2,983	2,988
1702 Interest receivable	143	138
1703 Allowance for estimated uncollectible loans and interest (-)	-851	-823
1704 Defaulted guaranteed loans and interest receivable, net	2,275	2,303
1706 Foreclosed property	8	8
1799 Value of assets related to loan guarantees	2,283	2,311
1901 Other Federal assets: Other assets	-12	2
1999 Total assets	2,990	3,128
LIABILITIES:		
Federal liabilities: Other Liabilities		
2105 Federal liabilities: Other Liabilities	47	.....
Non-Federal liabilities:		
2201 Accounts payable	26	15
2202 Interest payable	14	12
2203 Debt	82	62
2204 Liabilities for loan guarantees	1,164	447
2207 Unearned revenue and advances	21	292
2999 Total liabilities	1,354	828
NET POSITION:		
3100 Appropriated capital	1,683	765
3300 Cumulative results of operations	-47	1,535
3999 Total net position	1,636	2,300
4999 Total liabilities and net position	2,990	3,128

Object Classification (in millions of dollars)

Identification code 86-4072-0-3-371	2006 actual	2007 est.	2008 est.
Direct obligations:			
25.2 Other services	38	37	28
32.0 Land and structures	42	57	57
33.0 Investments and loans	367	509	349
43.0 Interest and dividends	10	15	15
44.0 Repayments to financing account	2	.....	.....
99.9 Total new obligations	459	618	449

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND LIQUIDATING
ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4115-0-3-371	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.02 Maintenance security and collateral	1	15	15
01.01 Operating expenses: Interest on borrowings	5	.....	.....
10.00 Total new obligations	6	15	15
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	73	.....
22.00 New budget authority (gross)	1,515	1,200	1,200
22.40 Capital transfer to general fund	-1,199	-1,258	-1,185
22.60 Portion applied to repay debt	-239	.....	.....
23.90 Total budgetary resources available for obligation	79	15	15
23.95 Total new obligations	-6	-15	-15
24.40 Unobligated balance carried forward, end of year	73	.....	.....

New budget authority (gross), detail:
Mandatory:

69.00	Spending authority from offsetting collections: Offsetting collections (cash)	1,515	1,200	1,200
Change in obligated balances:				
72.40	Obligated balance, start of year	49	4	4
73.10	Total new obligations	6	15	15
73.20	Total outlays (gross)	-51	-15	-15
74.40	Obligated balance, end of year	4	4	4

Outlays (gross), detail:

86.97	Outlays from new mandatory authority	51	15	15
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Offsets:

Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources	-1,515	-1,200	-1,200

Net budget authority and outlays:

89.00	Budget authority .....	.....	.....	.....
90.00	Outlays	-1,464	-1,185	-1,185

Status of Direct Loans (in millions of dollars)

Identification code 86-4115-0-3-371	2006 actual	2007 est.	2008 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	6,502	5,520	4,720
1231	Disbursements: Direct loan disbursements .....	.....	.....	.....
1251	Repayments: Repayments and prepayments	-984	-800	-750
1264	Write-offs for default: Other adjustments, net	2	.....	.....
1290	Outstanding, end of year	5,520	4,720	3,970

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.

Balance Sheet (in millions of dollars)

Identification code 86-4115-0-3-371	2005 actual	2006 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	51	76
1206 Non-Federal assets: Interest Receivable: Public .....	.....	62
1601 Direct loans, gross	6,502	5,520
1602 Interest receivable	70	.....
1603 Allowance for estimated uncollectible loans and interest (-)	-19	-22
1604 Direct loans and interest receivable, net	6,553	5,498
1606 Acquired Real Property	7	1
1699 Value of assets related to direct loans	6,560	5,499

1999	Total assets	6,611	5,637
	LIABILITIES:		
	Federal liabilities:		
2102	Interest payable	46	
2103	Debt	239	
2207	Non-Federal liabilities: Other	19	28
2999	Total liabilities	304	28
	NET POSITION:		
3100	Unexpended Appropriations	18	17
3300	Revolving Fund: Cumulative results of operations	6,289	5,592
3999	Total net position	6,307	5,609
4999	Total liabilities and net position	6,611	5,637

Object Classification (in millions of dollars)

Identification code 86-4115-0-3-371	2006 actual	2007 est.	2008 est.
Direct obligations:			
32.0 Land and structures	1	15	15
43.0 Interest and dividends	5		
99.9 Total new obligations	6	15	15

Trust Funds

MANUFACTURED HOUSING FEES TRUST FUND

Special and Trust Fund Receipts (in millions of dollars)

Identification code 86-8119-0-7-376	2006 actual	2007 est.	2008 est.
01.00 Balance, start of year			
01.99 Balance, start of year			
Receipts:			
02.00 Mobile home inspection and monitoring fees, Manufactured housing fee trust fund	9	10	16
04.00 Total: Balances and collections	9	10	16
Appropriations:			
05.00 Manufactured housing fees trust fund	-9	-10	-16
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 86-8119-0-7-376	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Transfer to salaries and expenses	1	2	2
00.02 Other program costs	9	11	14
10.00 Total new obligations (object class 25.2)	10	13	16
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	4	3	
22.00 New budget authority (gross)	9	10	16
23.90 Total budgetary resources available for obligation	13	13	16
23.95 Total new obligations	-10	-13	-16
24.40 Unobligated balance carried forward, end of year	3		
New budget authority (gross), detail:			
Discretionary:			
40.26 Appropriation (trust fund)	9	10	16
Change in obligated balances:			
72.40 Obligated balance, start of year	1	2	3
73.10 Total new obligations	10	13	16
73.20 Total outlays (gross)	-9	-12	-16
74.40 Obligated balance, end of year	2	3	3
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	5	8	13
86.93 Outlays from discretionary balances	4	4	3
87.00 Total outlays (gross)	9	12	16
Net budget authority and outlays:			
89.00 Budget authority	9	10	16
90.00 Outlays	9	12	16

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 to any dispute resolution and installation program participant. These fees 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.

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.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

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.

Federal Funds

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 \$100,000,000,000, to remain available until September 30, 2009.

For administrative and contract expenses necessary to carry out the guaranteed mortgage-backed securities program, \$54,000,000, to be derived from the GNMA guarantees of mortgage-backed securities guaranteed loan receipt account, of which not to exceed \$54,000,000, shall be transferred to the appropriation for "Salaries and Expenses": Provided, That to the extent new guarantees of mortgage-backed securities exceed \$43,000,000,000 on or before April 1, 2008, an additional \$1,000 for administrative contract expenses shall be available for each \$1,000,000 in additional guaranteed loan commitments (including a

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

(INCLUDING TRANSFER OF FUNDS)—Continued

pro rata amount for any amount below \$1,000,000, but in no case shall funds made available by this proviso exceed \$14,000,000.

Note.—A regular 2007 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. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Special and Trust Fund Receipts (in millions of dollars)

Identification code 86-0186-0-1-371	2006 actual	2007 est.	2008 est.
01.00 Balance, start of year	2,685	2,851	3,021
01.99 Balance, start of year	2,685	2,851	3,021
Receipts:			
02.20 GNMA-guarantees of mortgage backed securities guarantee loans, Negative subsidies	177	181	163
02.21 GNMA-guarantees of mortgage backed securities guarantee loans, Negative subsidies—legislative proposal subject to PAYGO			46
02.99 Total receipts and collections	177	181	209
04.00 Total: Balances and collections	2,862	3,032	3,230
Appropriations:			
05.00 Guarantees of mortgage-backed securities loan guar- antee program account	-11	-11	-11
05.01 Guarantees of mortgage-backed securities loan guar- antee program account—legislative proposal not subject to PAYGO			-43
05.99 Total appropriations	-11	-11	-54
07.99 Balance, end of year	2,851	3,021	3,176

Program and Financing (in millions of dollars)

Identification code 86-0186-0-1-371	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.09 Administrative expenses, salaries and expenses	11	11	11
10.00 Total new obligations (object class 25.3)	11	11	11
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	11	11	11
23.95 Total new obligations	-11	-11	-11
New budget authority (gross), detail:			
Discretionary:			
40.20 Appropriation (special fund)	11	11	11
Change in obligated balances:			
73.10 Total new obligations	11	11	11
73.20 Total outlays (gross)	-11	-11	-11
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	11	11	11
Net budget authority and outlays:			
89.00 Budget authority	11	11	11
90.00 Outlays	11	11	11

Summary of Budget Authority and Outlays

(in millions of dollars)

	2006 actual	2007 est.	2008 est.
Enacted/requested:			
Budget Authority	11	11	11
Outlays	11	11	11
Legislative proposal, not subject to PAYGO:			
Budget Authority			43
Outlays			43
Total:			
Budget Authority	11	11	54
Outlays	11	11	54

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

Identification code 86-0186-0-1-371	2006 actual	2007 est.	2008 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Ginne Mae mortgage-backed securities	81,739	86,000	77,400
215999 Total loan guarantee levels	81,739	86,000	77,400
Guaranteed loan subsidy (in percent):			
232001 Ginne Mae mortgage-backed securities	-0.23	-0.21	-0.21
232999 Weighted average subsidy rate	-0.23	-0.21	-0.21
Guaranteed loan subsidy budget authority:			
233001 Ginne Mae mortgage-backed securities	-188	-181	-163
233999 Total subsidy budget authority	-188	-181	-163
Guaranteed loan subsidy outlays:			
234001 Ginne Mae mortgage-backed securities	-188	-181	-163
234999 Total subsidy outlays	-188	-181	-163
Administrative expense data:			
3510 Budget authority	11	11	11
3590 Outlays from new authority	11	11	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 LOAN GUARANTEE
PROGRAM ACCOUNT**

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-0186-2-1-371	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.09 Administrative expenses, salaries and expenses			43
10.00 Total new obligations (object class 25.3)			43
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			43
23.95 Total new obligations			-43
New budget authority (gross), detail:			
Discretionary:			
40.20 Appropriation (special fund)			43
Change in obligated balances:			
73.10 Total new obligations			43
73.20 Total outlays (gross)			-43
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			43
Net budget authority and outlays:			
89.00 Budget authority			43
90.00 Outlays			43

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

Identification code 86-0186-2-1-371	2006 actual	2007 est.	2008 est.
Administrative expense data:			
3510 Budget authority			43
3590 Outlays from new authority			43

The Budget proposes to consolidate all administrative spending of the Government National Mortgage Association (GNMA) under this account. This will result in better oversight of spending, allow for more transparent analysis of spending and differentiate between administrative and credit transactions. As a result, spending will increase in this account and decrease in the GNMA Liquidating Account with no net effect on discretionary spending.

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

(Legislative proposal, subject to PAYGO)

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

Identification code 86-0186-4-1-371	2006 actual	2007 est.	2008 est.
Guaranteed loan subsidy (in percent):			
232001 Ginne Mae mortgage-backed securities			-0.06
232999 Weighted average subsidy rate			-0.06
Guaranteed loan subsidy budget authority:			
233001 Ginne Mae mortgage-backed securities			-46
233999 Total subsidy budget authority			-46
Guaranteed loan subsidy outlays:			
234001 Ginne Mae mortgage-backed securities			-46
234999 Total subsidy outlays			-46

The Budget proposes to charge a six basis point upfront premium to cover the total cost of administrating GNMA. Legislation to authorize the premium will be transmitted early in 2007.

GUARANTEES OF MORTGAGE-BACKED SECURITIES FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4240-0-3-371	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.03 Advances and other	29	37	45
00.04 Operating expenses	14	15	15
00.91 Direct Program by Activities—Subtotal (1 level)	43	52	60
08.01 Payment to receipt account for negative subsidy	177	181	163
10.00 Total new obligations	220	233	223
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	965	1,142	1,302
22.00 New financing authority (gross)	397	393	396
23.90 Total budgetary resources available for obligation	1,362	1,535	1,698
23.95 Total new obligations	-220	-233	-223
24.40 Unobligated balance carried forward, end of year	1,142	1,302	1,475
New financing authority (gross), detail:			
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	397	393	396
Change in obligated balances:			
72.40 Obligated balance, start of year	51	53	60
73.10 Total new obligations	220	233	223
73.20 Total financing disbursements (gross)	-218	-226	-211
74.40 Obligated balance, end of year	53	60	72
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	218	226	211
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25 Interest on uninvested funds	-60	-63	-65
88.40 Guarantee Fees	-269	-256	-254
88.40 Commitment and other fees	-23	-17	-18
88.40 Multiclass fees	-13	-16	-17
88.40 Repayment of advances	-25	-33	-34
88.40 Servicing Fees	-2	-2	-2
88.40 Repayment on Mortgages	-5	-6	-6
88.90 Total, offsetting collections (cash)	-397	-393	-396
Net financing authority and financing disbursements:			
89.00 Financing authority			

90.00 Financing disbursements	-178	-167	-185
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Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4240-0-3-371	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	200,000	100,000	100,000
2121 Limitation available from carry-forward	178,467	200,000	100,000
2142 Uncommitted loan guarantee limitation	-96,773	-114,000	-22,600
2143 Uncommitted limitation carried forward	-200,000	-100,000	-100,000
2150 Total guaranteed loan commitments	81,694	86,000	77,400
2199 Guaranteed amount of guaranteed loan commitments	81,694	86,000	77,400
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	412,304	409,908	414,312
2231 Disbursements of new guaranteed loans	81,694	86,000	73,882
2251 Repayments and prepayments	-84,090	-81,596	-77,349
2290 Outstanding, end of year	409,908	414,312	410,845
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	409,908	414,312	410,845

Balance Sheet (in millions of dollars)

Identification code 86-4240-0-3-371	2005 actual	2006 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	1,016	1,195
1206 Non-Federal assets: Receivables, net	29	26
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross		34
1405 Allowance for subsidy cost (-)		-12
1499 Net present value of assets related to direct loans		22
1803 Other Federal assets: Property, plant and equipment, net	382	363
1999 Total assets	1,427	1,606
LIABILITIES:		
Non-Federal liabilities:		
2201 Accounts payable	92	77
2207 Other	353	393
2999 Total liabilities	445	470
NET POSITION:		
3300 Cumulative results of operations	982	1,136
3999 Total net position	982	1,136
4999 Total liabilities and net position	1,427	1,606

GUARANTEES OF MORTGAGE-BACKED SECURITIES FINANCING ACCOUNT

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-4240-4-3-371	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
08.01 Payment to receipt account for negative subsidy			46
10.00 Total new obligations			46
Budgetary resources available for obligation:			
22.00 New financing authority (gross)			46
23.95 Total new obligations			-46
24.40 Unobligated balance carried forward, end of year			
New financing authority (gross), detail:			
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)			46
Change in obligated balances:			
73.10 Total new obligations			46
73.20 Total financing disbursements (gross)			-46

GUARANTEES OF MORTGAGE-BACKED SECURITIES FINANCING
ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-4240-4-3-371	2006 actual	2007 est.	2008 est.
74.40 Obligated balance, end of year			
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)			46
Offsets:			
Against gross financing authority and financing disbursements:			
88.40 Offsetting collections (cash) from: Guarantee Fees			-46
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements			

GUARANTEES OF MORTGAGE-BACKED SECURITIES LIQUIDATING
ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4238-0-3-371	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Administrative contract expenses	41	43	43
Operating expenses			
00.03 Servicing expenses	2	3	3
00.91 Total operating expenses	43	46	46
Capital investment			
01.01 Advances of guaranty payments	3	30	30
10.00 Total new obligations	46	76	76
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	7,919	8,365	8,833
22.00 New budget authority (gross)	492	544	549
23.90 Total budgetary resources available for obligation	8,411	8,909	9,382
23.95 Total new obligations	-46	-76	-76
24.40 Unobligated balance carried forward, end of year	8,365	8,833	9,306
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation		43	43
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	492	501	506
70.00 Total new budget authority (gross)	492	544	549
Change in obligated balances:			
72.40 Obligated balance, start of year	-8	-21	-111
73.10 Total new obligations	46	76	76
73.20 Total outlays (gross)	-59	-166	-129
74.40 Obligated balance, end of year	-21	-111	-164
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	46	86	86
86.98 Outlays from mandatory balances	13	80	43
87.00 Total outlays (gross)	59	166	129
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20 Interest on Federal securities	-488	-493	-498
88.40 Repayments of guaranteed payments	-6	-6	-6
88.40 Servicing income			
88.40 Repayments on mortgages	2	-2	-2
88.90 Total, offsetting collections (cash)	-492	-501	-506
Net budget authority and outlays:			
89.00 Budget authority		43	43
90.00 Outlays	-433	-335	-377

Memorandum (non-add) entries:

92.01 Total investments, start of year: Federal securities:			
Par value	7,949	8,386	8,721
92.02 Total investments, end of year: Federal securities:			
Par value	8,386	8,721	9,070

Summary of Budget Authority and Outlays

(in millions of dollars)

	2006 actual	2007 est.	2008 est.
Enacted/requested:			
Budget Authority		43	43
Outlays	-433	-335	-377
Legislative proposal, not subject to PAYGO:			
Budget Authority			-43
Outlays			-43
Total:			
Budget Authority		43	
Outlays	-433	-335	-420

Status of Direct Loans (in millions of dollars)

Identification code 86-4238-0-3-371	2006 actual	2007 est.	2008 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	10	7	7
1232 Disbursements: Purchase of loans assets from the public	3	30	30
1252 Repayments: Proceeds from loan asset sales to the public or discounted	-2	-6	-6
1263 Write-offs for default: Direct loans	-4	-24	-20
1290 Outstanding, end of year	7	7	11

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4238-0-3-371	2006 actual	2007 est.	2008 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	82	67	53
2251 Repayments and prepayments	-15	-14	-14
2290 Outstanding, end of year	67	53	39
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	67	53	39

Balance Sheet (in millions of dollars)

Identification code 86-4238-0-3-371	2005 actual	2006 actual
ASSETS:		
Federal assets:		
Investments in US securities:		
1102 Treasury securities, par	7,921	8,358
1106 Receivables, net	50	56
1206 Non-Federal assets: Receivables, net	11	10
1601 Direct loans, gross	10	8
1603 Allowance for estimated uncollectible loans and interest (-)	-9	-7
1699 Value of assets related to direct loans	1	1
1999 Total assets	7,983	8,425
LIABILITIES:		
Non-Federal liabilities:		
2201 Accounts payable	42	35
2207 Other	509	509
2999 Total liabilities	551	544
NET POSITION:		
3300 Cumulative results of operations	7,432	7,881
3999 Total net position	7,432	7,881
4999 Total liabilities and net position	7,983	8,425

Object Classification (in millions of dollars)

Identification code 86-4238-0-3-371	2006 actual	2007 est.	2008 est.
Direct obligations:			
25.2 Other services	43	46	46
33.0 Investments and loans	3	30	30

99.9 Total new obligations 46 76 76

GUARANTEES OF MORTGAGE-BACKED SECURITIES LIQUIDATING ACCOUNT

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-4238-2-3-371	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Administrative contract expenses			-43
10.00 Total new obligations (object class 25.2)			-43
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			-43
23.95 Total new obligations			43
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			-43
Change in obligated balances:			
73.10 Total new obligations			-43
73.20 Total outlays (gross)			43
74.40 Obligated balance, end of year			
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			-43
Net budget authority and outlays:			
89.00 Budget authority			-43
90.00 Outlays			-43

Program and Financing (in millions of dollars)

Identification code 86-0108-0-1-451	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Housing Research	29	22	40
00.02 PATH	3	6	
00.03 National Research Council	1		
00.04 University Programs		31	25
10.00 Total new obligations	33	59	65
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	4	26	
22.00 New budget authority (gross)	55	33	65
23.90 Total budgetary resources available for obligation	59	59	65
23.95 Total new obligations	-33	-59	-65
24.40 Unobligated balance carried forward, end of year	26		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	56	33	65
40.35 Appropriation permanently reduced	-1		
43.00 Appropriation (total discretionary)	55	33	65
Change in obligated balances:			
72.40 Obligated balance, start of year	34	25	41
73.10 Total new obligations	33	59	65
73.20 Total outlays (gross)	-41	-43	-52
73.40 Adjustments in expired accounts (net)	-1		
74.40 Obligated balance, end of year	25	41	54
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	20	13	26
86.93 Outlays from discretionary balances	21	30	26
87.00 Total outlays (gross)	41	43	52
Net budget authority and outlays:			
89.00 Budget authority	55	33	65
90.00 Outlays	41	43	52

POLICY DEVELOPMENT AND RESEARCH

Federal 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, \$65,040,000, to remain available until September 30, 2009: Provided, That of the funds made available under this heading, \$25,340,000 is for grants pursuant to section 107 of the Housing and Community Development Act of 1974 (the "1974 Act"), as amended, as follows: \$2,825,000 to support Alaska Native serving institutions and Native Hawaiian serving institutions as defined under the Higher Education Act (the "HEA"), as amended (20 U.S.C. 1059(d)), of which up to \$100,000 may be used for technical assistance; \$2,449,000 for tribal colleges and universities as defined under the HEA (20 U.S.C. 1059(c)), to build, expand, renovate, and equip their facilities and to expand the role of the colleges into the community through the provision of needed services such as health programs, job training and economic development activities, of which up to \$100,000 may be used for technical assistance; \$8,476,000 for the Historically Black Colleges and Universities program as authorized in section 107(b)(3) of the 1974 Act, of which up to \$990,000 may be used for technical assistance; \$5,650,000 for Hispanic serving institutions as defined under the HEA (20 U.S.C. 1101(a)), of which up to \$100,000 may be used for technical assistance; and \$5,940,000 for the Community Outreach Partnership Center Program as authorized in section 107(a)(1)(I) of the 1974 Act, of which up to \$500,000 may be used for technical assistance, training, and a program information clearinghouse: Provided further, That activities for the Partnership for Advancing Technology in Housing Initiative shall be administered by the Office of Policy Development and Research.

Note.—A regular 2007 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. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

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

In 2008, the research program includes funds for program evaluations and for work related to the removal of barriers to affordable housing. National housing surveys will continue in 2008. Set-aside funds are not requested for the Partnership for Advancing Technology (PATH) program in 2008, but PATH will remain an eligible activity under the Research and Technology account and will be administered by the Office of Policy Development and Research. Research and evaluation activities will support the Department in carrying out its responsibilities under the Government Performance and Results Act.

As in 2006 and 2007, the University Partnership Programs will be funded from the Research and Technology account. These grants, pursuant to Section 107 of the Housing and Community Development Act of 1974, were funded prior to 2006 under the Community Development Block Grant account. These programs were and will continue to be administered by the Office of Policy Development and Research. The University Partnership Programs provide grants to colleges and universities to help form partnerships with the communities in which they are located, with resources used for various development and revitalization activities. The University Partnership Programs include the following: Alaska Native and Native Hawaiian Serving Institutions program, Tribal Colleges and University program, Historically Black Colleges

RESEARCH AND TECHNOLOGY—Continued

and Universities program, Community Outreach Partnerships program, and the Hispanic Serving Institutions program.

Object Classification (in millions of dollars)

Identification code 86-0108-0-1-451	2006 actual	2007 est.	2008 est.
Direct obligations:			
25.2 Other services	31	32	36
41.0 Grants, subsidies, and contributions	2	27	29
99.9 Total new obligations	33	59	65

FAIR HOUSING AND EQUAL OPPORTUNITY

Federal 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, \$45,000,000, to remain available until September 30, 2009, of which \$20,180,000 shall be to carry out activities pursuant to such section 561: Provided, That notwithstanding 31 U.S.C. 3302, the Secretary may assess and collect fees to cover the costs of the Fair Housing Training Academy, and may use such funds to provide such training: Provided further, 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 2007 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. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 86-0144-0-1-751	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Fair housing assistance	30	26	26
00.02 Fair housing initiatives	20	21	20
10.00 Total new obligations (object class 41.0)	50	47	46
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	10	7	5
22.00 New budget authority (gross)	46	45	45
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	57	52	50
23.95 Total new obligations	-50	-47	-46
24.40 Unobligated balance carried forward, end of year	7	5	4
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	46	45	45
Change in obligated balances:			
72.40 Obligated balance, start of year	61	62	63
73.10 Total new obligations	50	47	46
73.20 Total outlays (gross)	-47	-46	-45
73.40 Adjustments in expired accounts (net)	-1		
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	62	63	64
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	4	3	3
86.93 Outlays from discretionary balances	43	43	42
87.00 Total outlays (gross)	47	46	45
Net budget authority and outlays:			
89.00 Budget authority	46	45	45
90.00 Outlays	47	46	45

The Budget proposes \$45 million for fair housing activities to support efforts to end housing discrimination. Of the amount requested, \$24.8 million is for the Fair Housing Assistance Program (FHAP) and \$20.2 million is for the Fair Housing Initiatives Program (FHIP).

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 funding 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 HUD's 2000 Housing Discrimination Study. It is estimated that in 2008 there will be two new State and local agencies with laws equivalent to the Fair Housing Act, increasing the total number to 111 agencies.

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 funding to States and local governments, and public and private non-profit organizations that carry out programs to prevent or eliminate discriminatory housing practices. FHIP also provides funding to programs or activities designed to enforce the rights granted by title VIII of the Civil Rights Act of 1968, or substantially equivalent State and local fair housing laws. In addition, FHIP supports funding for education and outreach programs designed to inform the public concerning rights and obligations under these laws.

OFFICE OF LEAD HAZARD CONTROL AND HEALTHY HOMES

Federal 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, \$116,000,000, to remain available until September 30, 2009, of which no less than \$8,800,000 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: Provided, That of the unobligated balances remaining under this heading due to undersubscription under competitive Notices of Funding Availability, not to exceed \$10,000,000 may be used for Operation Lead Elimination Action Program (LEAP) and the Lead Hazard Demonstration Program, combined: Provided further, That any remaining unobligated balances may be used under this heading. Provided further, That for purposes of environmental review, pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other provisions of law that further the purposes of such Act, a grant under the Healthy Homes Initiative, LEAP, or the Lead Technical Studies program under this heading or under prior appropriations Acts for such purposes under this heading, shall be considered to be funds for a special project for purposes of section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994.

Note.—A regular 2007 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. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 86-0174-0-1-451	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Lead abatement	155	175	175
10.00 Total new obligations (object class 41.0)	155	175	175
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	159	150	125

22.00	New budget authority (gross)	150	150	116
22.10	Resources available from recoveries of prior year obligations	2		
23.90	Total budgetary resources available for obligation	311	300	241
23.95	Total new obligations	-155	-175	-175
23.98	Unobligated balance expiring or withdrawn	-6		
24.40	Unobligated balance carried forward, end of year	150	125	66
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	152	150	116
40.35	Appropriation permanently reduced	-2		
43.00	Appropriation (total discretionary)	150	150	116
Change in obligated balances:				
72.40	Obligated balance, start of year	313	342	376
73.10	Total new obligations	155	175	175
73.20	Total outlays (gross)	-120	-141	-154
73.40	Adjustments in expired accounts (net)	-4		
73.45	Recoveries of prior year obligations	-2		
74.40	Obligated balance, end of year	342	376	397
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority		3	2
86.93	Outlays from discretionary balances	120	138	152
87.00	Total outlays (gross)	120	141	154
Net budget authority and outlays:				
89.00	Budget authority	150	150	116
90.00	Outlays	120	141	154

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 and other environmental hazards in their homes.

The program is a major part of a 10-year strategy to eliminate lead poisoning in children. The 2008 Budget includes \$92.6 million for HUD's Lead Hazard Control Program competitive grants and \$2.8 million for operation LEAP. The Technical Support Program is funded at \$8.8 million and the Healthy Homes Initiative is funded at \$11.8 million. Operation LEAP funds will be used to leverage other private and public sector resources for the lead hazard control program. The budget includes a provision that would allow the transfer of unobligated balances from undersubscribed competitive programs to other competitive programs experiencing over-subscription.

The Lead Hazard Control Grant Program provides grants of \$1 million to \$2.5 million to State and local governments and Indian tribes for control of lead-based paint hazards in low-income rental and owner-occupied 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. Newly-established programmatic efficiency measures, such as mitigation cost estimates, will help HUD determine best practices and maximize resources.

The Healthy Homes Initiative will enable the Department to assess and control housing-related hazards that contribute to childhood diseases and injuries. The initiative will demonstrate and evaluate methods for controlling two or more housing-related diseases through a single intervention. A public education/outreach effort designed to enable the public to prevent children's exposure to hazards will also be conducted through a competitive grant process.

The Office of Healthy Homes and Lead Hazard Control will continue its Technical Support program, which will in-

clude 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; and development of standards, technical guidance, regulations and improved testing and hazard control methods.

MANAGEMENT AND ADMINISTRATION

Federal 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 purchase of uniforms, or allowances therefore, as authorized by 5 U.S.C. 5901-5902; hire of passenger motor vehicles; services as authorized by 5 U.S.C. 3109; and not to exceed \$25,000 for official reception and representation expenses, \$1,222,000,000, of which \$556,776,000 shall be provided from the various funds of the Federal Housing Administration, \$10,700,000 shall be provided from funds of the Government National Mortgage Association, \$148,500 shall be provided by transfer from the "Native American housing block grants" account, \$247,500 shall be provided by transfer from the "Indian housing loan guarantee fund program" account, and \$34,650 shall be transferred from the "Native Hawaiian housing loan guarantee fund" account: Provided, That up to \$15,000,000 may be transferred to the Working Capital Fund: Provided further, That no official or employee of the Department shall be designated as an allotment holder unless the Office of the Chief Financial Officer (OCFO) has determined that such allotment holder has implemented an adequate system of funds control and has received training in funds control procedures and directives: Provided further, That the Chief Financial Officer shall establish positive control of and maintain adequate systems of accounting for appropriations and other available funds as required by 31 U.S.C. 1514: Provided further, That for purposes of funds control and determining whether a violation exists under the Anti-Deficiency Act (31 U.S.C. 1341 et seq.), the point of obligation shall be the executed agreement or contract, except with respect to insurance and guarantee programs, certain types of salaries and expenses funding, and incremental funding that is authorized under an executed agreement or contract, and shall be designated in the approved funds control plan: Provided further, That the Chief Financial Officer shall: (1) appoint qualified personnel to conduct investigations of potential or actual violations; (2) establish minimum training requirements and other qualifications for personnel that may be appointed to conduct investigations; (3) establish guidelines and timeframes for the conduct and completion of investigations; (4) prescribe the content, format and other requirements for the submission of final reports on violations; and (5) prescribe such additional policies and procedures as may be required for conducting investigations of, and administering, processing, and reporting on, potential and actual violations of the Anti-Deficiency Act and all other statutes and regulations governing the obligation and expenditure of funds made available in this or any other Act.

Note.—A regular 2007 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. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 86-0143-0-1-999	2006 actual	2007 est.	2008 est.
Direct program:			
00.01 Housing, mortgage credit, regulatory and energy conservation	255	225	278
00.02 Community planning and development programs	46	46	53
00.03 Equal opportunity and research programs	46	48	56
00.04 Departmental management, legal and audit services	51	64	64
00.05 Field direction and administration	172	120	203
09.01 Reimbursable program	568	568	568
09.99 Total reimbursable program	568	568	568
10.00 Total new obligations	1,138	1,071	1,222

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

Program and Financing (in millions of dollars)—Continued

Identification code 86-0143-0-1-999	2006 actual	2007 est.	2008 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		10	
22.00 New budget authority (gross)	1,158	1,061	1,222
23.90 Total budgetary resources available for obligation	1,158	1,071	1,222
23.95 Total new obligations	-1,138	-1,071	-1,222
23.98 Unobligated balance expiring or withdrawn	-10		
24.40 Unobligated balance carried forward, end of year	10		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	579	493	654
40.35 Appropriation permanently reduced	-6		
42.00 Transferred from other accounts	12		
43.00 Appropriation (total discretionary)	585	493	654
58.00 Spending authority from offsetting collections: Offsetting collections (cash)	573	568	568
70.00 Total new budget authority (gross)	1,158	1,061	1,222
Change in obligated balances:			
72.40 Obligated balance, start of year	116	138	120
73.10 Total new obligations	1,138	1,071	1,222
73.20 Total outlays (gross)	-1,108	-1,089	-1,190
73.40 Adjustments in expired accounts (net)	-8		
74.40 Obligated balance, end of year	138	120	152
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	992	948	1,072
86.93 Outlays from discretionary balances	116	141	118
87.00 Total outlays (gross)	1,108	1,089	1,190
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-573	-568	-568
Net budget authority and outlays:			
89.00 Budget authority	585	493	654
90.00 Outlays	535	521	622

This appropriation finances 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, overhead and other non-personnel expenses; legal services; and, field direction and administration.

Object Classification (in millions of dollars)

Identification code 86-0143-0-1-999	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	356	338	392
11.3 Other than full-time permanent	4	4	6
11.5 Other personnel compensation	7	8	9
11.9 Total personnel compensation	367	350	407
12.1 Civilian personnel benefits	92	80	122
21.0 Travel and transportation of persons	8	6	10
23.1 Rental payments to GSA	52	40	55
23.3 Communications, utilities, and miscellaneous charges	14	8	13
24.0 Printing and reproduction	2	2	2
25.1 Advisory and assistance services	25	8	31
25.2 Other services	1	1	3
25.4 Operation and maintenance of facilities	4	3	3
25.7 Operation and maintenance of equipment		1	2
26.0 Supplies and materials	2	2	2
31.0 Equipment	2	1	3

42.0 Insurance claims and indemnities		1	1
99.0 Direct obligations	569	503	654
99.0 Reimbursable obligations	569	568	568
99.9 Total new obligations	1,138	1,071	1,222

Employment Summary

Identification code 86-0143-0-1-999	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	4,247	4,027	4,281
Reimbursable:			
2001 Civilian full-time equivalent employment	4,207	3,991	4,319

OFFICE OF INSPECTOR GENERAL
(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, \$112,000,000, of which \$23,760,000 shall be provided by transfer from the various funds of the Federal Housing Administration.

Note.—A regular 2007 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. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 86-0189-0-1-451	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct program	82	83	90
09.01 Reimbursable program	24	24	24
10.00 Total new obligations	106	107	114
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		8	6
22.00 New budget authority (gross)	114	105	112
23.90 Total budgetary resources available for obligation	114	113	118
23.95 Total new obligations	-106	-107	-114
24.40 Unobligated balance carried forward, end of year	8	6	4
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	82	81	88
40.35 Appropriation permanently reduced	-1		
42.00 Transferred from other accounts	9		
43.00 Appropriation (total discretionary)	90	81	88
58.00 Spending authority from offsetting collections: Offsetting collections (cash)	24	24	24
70.00 Total new budget authority (gross)	114	105	112
Change in obligated balances:			
72.40 Obligated balance, start of year	16	15	19
73.10 Total new obligations	106	107	114
73.20 Total outlays (gross)	-107	-103	-113
74.40 Obligated balance, end of year	15	19	20
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	95	86	92
86.93 Outlays from discretionary balances	12	17	21
87.00 Total outlays (gross)	107	103	113
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-24	-24	-24
Net budget authority and outlays:			
89.00 Budget authority	90	81	88
90.00 Outlays	83	79	89

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	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	45	45	49
11.5 Other personnel compensation	4	4	4
11.9 Total personnel compensation	49	49	53
12.1 Civilian personnel benefits	11	11	11
21.0 Travel and transportation of persons	3	4	5
23.1 Rental payments to GSA	6	6	6
25.1 Advisory and assistance services	12	12	14
25.2 Other services	1	1	1
99.0 Direct obligations	82	83	90
99.0 Reimbursable obligations	24	24	24
99.9 Total new obligations	106	107	114

Employment Summary

Identification code 86-0189-0-1-451	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	498	488	508
Reimbursable:			
2001 Civilian full-time equivalent employment	148	145	142

GSE REGULATION

(Legislative proposal, subject to PAYGO)

Government-sponsored enterprise (GSE) regulation. Upon enactment of the Budget proposal for a strengthened regulator for GSEs, the cost of HUD's responsibilities under the Federal Housing Enterprise Safety and Soundness Act of 1992, and amendments as proposed, would be assessed on Fannie Mae and Freddie Mac. These responsibilities include the establishment and enforcement of affordable housing goals for the GSEs, ensuring GSE compliance with fair housing laws, and providing consultation to the safety and soundness regulator on the GSEs' new activities.

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Special and Trust Fund Receipts (in millions of dollars)

Identification code 86-5272-0-2-371	2006 actual	2007 est.	2008 est.
01.00 Balance, start of year			
01.99 Balance, start of year			
Receipts:			
02.00 Office of Federal Housing Enterprise Oversight	60	60	66
02.01 Office of Federal Housing Enterprise Oversight—legislative proposal not subject to PAYGO			-66
02.99 Total receipts and collections	60	60	
04.00 Total: Balances and collections	60	60	
Appropriations:			
05.00 Office of Federal Housing Enterprise Oversight	-60	-60	-66
05.01 Office of Federal Housing Enterprise Oversight—legislative proposal not subject to PAYGO			66
05.99 Total appropriations	-60	-60	

07.99 Balance, end of year			
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Program and Financing (in millions of dollars)

Identification code 86-5272-0-2-371	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct program	61	60	66
10.00 Total new obligations	61	60	66
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	60	60	66
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	61	60	66
23.95 Total new obligations	-61	-60	-66
New budget authority (gross), detail:			
Discretionary:			
40.20 Appropriation (special fund)	60	60	66
Change in obligated balances:			
72.40 Obligated balance, start of year	24	22	22
73.10 Total new obligations	61	60	66
73.20 Total outlays (gross)	-62	-60	-64
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	22	22	24
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	44	52	56
86.93 Outlays from discretionary balances	18	8	8
87.00 Total outlays (gross)	62	60	64
Net budget authority and outlays:			
89.00 Budget authority	60	60	66
90.00 Outlays	62	60	64

Summary of Budget Authority and Outlays

(in millions of dollars)

	2006 actual	2007 est.	2008 est.
Enacted/requested:			
Budget Authority	60	60	66
Outlays	62	60	64
Legislative proposal, not subject to PAYGO:			
Budget Authority			-66
Outlays			-56
Total:			
Budget Authority	60	60	
Outlays	62	60	8

The Office of Federal Housing Enterprise Oversight (OFHEO) was authorized in the Federal Housing Enterprise Safety and Soundness Act of 1992. OFHEO was established in 1992 to regulate the financial safety and soundness of two housing Government-sponsored enterprises (GSEs)—Fannie Mae and Freddie Mac. OFHEO is required to ensure that the GSEs meet capital standards, and to conduct onsite annual examinations at the GSEs for the purpose for ensuring their financial safety and soundness.

Object Classification (in millions of dollars)

Identification code 86-5272-0-2-371	2006 actual	2007 est.	2008 est.
Direct obligations:			
11.1 Personnel compensation: Personnel Compensation	28	31	36
12.1 Civilian personnel benefits	7	9	10
21.0 Travel and transportation of persons	1	1	1
23.2 Rental payments to others	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	17	12	13
31.0 Equipment	5	4	3
99.0 Direct obligations	59	59	65
99.5 Below reporting threshold	2	1	1
99.9 Total new obligations	61	60	66

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT—Continued
(INCLUDING TRANSFER OF FUNDS)—Continued

Employment Summary

Identification code 86-5272-0-2-371	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	225	229	259

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-5272-2-2-371	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct program			-66
10.00 Total new obligations			-66
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			-66
23.95 Total new obligations			66
New budget authority (gross), detail:			
Discretionary:			
40.20 Appropriation (special fund)			-66
Change in obligated balances:			
73.10 Total new obligations			-66
73.20 Total outlays (gross)			56
74.40 Obligated balance, end of year			-10
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			-56
Net budget authority and outlays:			
89.00 Budget authority			-66
90.00 Outlays			-56

The Budget proposes a new strengthened housing GSE regulator as an independent agency. All OFHEO resources would be transferred to it. The Administration continues to support direct funding of these activities with mandatory assessments on Fannie Mae and Freddie Mac.

Object Classification (in millions of dollars)

Identification code 86-5272-2-2-371	2006 actual	2007 est.	2008 est.
Direct obligations:			
11.1 Personnel compensation: Personnel Compensation			-36
12.1 Civilian personnel benefits			-10
21.0 Travel and transportation of persons			-1
23.2 Rental payments to others			-1
23.3 Communications, utilities, and miscellaneous charges			-1
25.2 Other services			-13
31.0 Equipment			-3
99.0 Direct obligations			-65
99.5 Below reporting threshold			-1
99.9 Total new obligations			-66

Employment Summary

Identification code 86-5272-2-2-371	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment			-259

WORKING CAPITAL FUND

For additional capital for the Working Capital Fund (42 U.S.C. 3535) for the development of, modifications to, and infrastructure for Department-wide information technology systems, for the continuing operation and maintenance of both Department-wide and program-

specific information systems, and for program-related development activities, \$220,000,000, to remain available until September 30, 2009: Provided, That any amounts transferred to this Fund under this Act shall remain available until expended: Provided further, That any amounts transferred to this Fund from amounts appropriated by previously enacted appropriations Acts or from within this Act may be used only for the purposes specified under this Fund.

Note.—A regular 2007 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. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 86-4586-0-4-451	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct program activity	199	185	220
09.01 Reimbursable program	58	65	80
10.00 Total new obligations	257	250	300
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	21	41	53
22.00 New budget authority (gross)	259	250	300
22.10 Resources available from recoveries of prior year obligations	19	12	12
23.90 Total budgetary resources available for obligation	299	303	365
23.95 Total new obligations	-257	-250	-300
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	41	53	65
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	197	181	220
40.35 Appropriation permanently reduced	-2		
42.00 Transferred from other accounts	6		
43.00 Appropriation (total discretionary)	201	181	220
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	51	69	80
58.10 Change in uncollected customer payments from Federal sources (unexpired)	7		
58.90 Spending authority from offsetting collections (total discretionary)	58	69	80
70.00 Total new budget authority (gross)	259	250	300
Change in obligated balances:			
72.40 Obligated balance, start of year	257	191	119
73.10 Total new obligations	257	250	300
73.20 Total outlays (gross)	-297	-310	-342
73.45 Recoveries of prior year obligations	-19	-12	-12
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-7		
74.40 Obligated balance, end of year	191	119	65
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	118	174	209
86.93 Outlays from discretionary balances	179	136	133
87.00 Total outlays (gross)	297	310	342
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-51	-69	-80
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-7		
Net budget authority and outlays:			
89.00 Budget authority	201	181	220
90.00 Outlays	246	241	262

The Working Capital Fund (WCF), authorized by the Department of Housing and Urban Development Act of 1965, finances the core business functions of the Department. The WCF provides funding for the operation, maintenance, and modernization of IT systems in support of disaster relief, FHA Mortgage Insurance, housing assistance, Departmental grants

programs, and key financial and general operations. The Budget requests a direct appropriation of \$220 million for IT business operations, infrastructure, and 280 personnel. An additional \$80 million in program transfers are also requested to develop, modify, and enhance systems that benefit specific programs.

Object Classification (in millions of dollars)

Identification code 86-4586-0-4-451	2006 actual	2007 est.	2008 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	30	33	33
12.1 Civilian personnel benefits	8	9	9
21.0 Travel and transportation of persons	1	2	2
23.3 Communications, utilities, and miscellaneous charges	1	5	5
25.1 Advisory and assistance services	152	125	160
26.0 Supplies and materials	5	1	1
31.0 Equipment	2	10	10
99.0 Direct obligations	199	185	220
Reimbursable obligations:			
25.1 Advisory and assistance services	58	65	80
99.0 Reimbursable obligations	58	65	80
99.9 Total new obligations	257	250	300

Employment Summary

Identification code 86-4586-0-4-451	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	307	314	280

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

	2006 actual	2007 est.	2008 est.
Offsetting receipts from the public:			
86-143500 General fund proprietary interest receipts, not otherwise classified		2	2
86-246900 Government-sponsored enterprises oversight fee			6
86-271910 FHA-general and special risk, Negative subsidies	497	483	354
Legislative proposal, not subject to PAYGO			-21
86-271930 FHA-general and special risk, Downward reestimates of subsidies	180	1,746	
86-274330 Indian housing loan guarantees, Downward reestimates of subsidies	1	1	
86-276230 Title VI indian loan guarantee downward reestimate	2	7	
86-277330 Community development loan guarantees, Downward reestimates	6	5	
86-322000 All other general fund proprietary receipts including budget clearing accounts	1	18	18
General Fund Offsetting receipts from the public	687	2,262	359
Intragovernmental payments:			
86-388510 Undistributed intragovernmental payments	9	7	7
General Fund Intragovernmental payments	9	7	7

ADMINISTRATIVE PROVISIONS

SEC. 301. Fifty percent of the amounts of budget authority, or in lieu thereof 50 percent of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 1437 note) shall be cancelled, or in the case of cash, shall be remitted to the Treasury, and such amounts of budget authority or cash recaptured and not cancelled or remitted to the Treasury shall be used by State housing finance agencies or local governments or local housing agencies with projects approved by the Secretary of Housing and Urban Development for which settle-

ment occurred after January 1, 1992, in accordance with such section. Notwithstanding the previous sentence, the Secretary may award up to 15 percent of the budget authority or cash recaptured and not cancelled or remitted to the Treasury to provide project owners with incentives to refinance their project at a lower interest rate.

SEC. 302. None of the amounts made available under this Act may be used during fiscal year 2008 to investigate or prosecute under the Fair Housing Act any otherwise lawful activity engaged in by one or more persons, including the filing or maintaining of a non-frivolous legal action, that is engaged in solely for the purpose of achieving or preventing action by a Government official or entity, or a court of competent jurisdiction.

SEC. 303. (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 2008 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 (ii) of such section; and

(2) is not otherwise eligible for an allocation for fiscal year 2008 under such clause (ii) because the areas in the State outside of the metropolitan statistical areas that qualify under clause (i) in fiscal year 2008 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 2008, 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).

(c) Notwithstanding any other provision of law, the amount allocated for fiscal year 2008 under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)), to the City of New York, New York, on behalf of the New York-Wayne-White Plains, New York-New Jersey Metropolitan Division (hereafter "metropolitan division") of the New York-Newark-Edison, NY-NJ-PA Metropolitan Statistical Area, shall be adjusted by the Secretary of Housing and Urban Development by: (1) allocating to the City of Jersey City, New Jersey, the proportion of the metropolitan area's or division's amount that is based on the number of cases of AIDS reported in the portion of the metropolitan area or division that is located in Hudson County, New Jersey, and adjusting for the proportion of the metropolitan division's high incidence bonus if this area in New Jersey also has a higher than average per capita incidence of AIDS; and (2) allocating to the City of Paterson, New Jersey, the proportion of the metropolitan area's or division's amount that is based on the number of cases of AIDS reported in the portion of the metropolitan area or division that is located in Bergen County and Passaic County, New Jersey, and adjusting for the proportion of the metropolitan division's high incidence bonus if this area in New Jersey also has a higher than average per capita incidence of AIDS. The recipient cities shall use amounts allocated under this subsection to carry out eligible activities under section 855 of the AIDS Housing Opportunity Act (42 U.S.C. 12904) in their respective portions of the metropolitan division that is located in New Jersey.

(d) Notwithstanding any other provision of law, the amount allocated for fiscal year 2008 under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)) to areas with a higher than average per capita incidence of AIDS, shall be adjusted by the Secretary on the basis of area incidence reported over a three year period.

SEC. 304. (a) During fiscal year 2008, 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 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.

SEC. 305. Except as explicitly provided in law, any grant, cooperative agreement or other assistance made pursuant to title III of this Act shall be made on a competitive basis and in accordance with

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section 102 of the Department of Housing and Urban Development Reform Act of 1989.

SEC. 306. Corporations and agencies of the Department of Housing and Urban Development which are subject to the Government Corporation Control Act, as amended, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of such Act as may be necessary in carrying out the programs set forth in the budget for 2008 for such corporation or agency except as hereinafter provided: Provided, That collections of these corporations and agencies may be used for new loan or mortgage purchase commitments only to the extent expressly provided for in this Act (unless such loans are in support of other forms of assistance provided for in this or prior appropriations Acts), except that this proviso shall not apply to the mortgage insurance or guaranty operations of these corporations, or where loans or mortgage purchases are necessary to protect the financial interest of the United States Government.

SEC. 307. (a) Notwithstanding any other provision of law, the amount allocated for fiscal year 2008 under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)), to the City of Wilmington, Delaware, on behalf of the Wilmington, Delaware-Maryland-New Jersey Metropolitan Division (hereafter "metropolitan division"), shall be adjusted by the Secretary of Housing and Urban Development by allocating to the State of New Jersey the proportion of the metropolitan division's amount that is based on the number of cases of AIDS reported in the portion of the metropolitan division that is located in New Jersey, and adjusting for the proportion of the metropolitan division's high incidence bonus if this area in New Jersey also has a higher than average per capita incidence of AIDS. 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 division 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 2008 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-Cary, 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.

(c) Notwithstanding section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)), the Secretary of Housing and Urban Development may adjust the allocation of the amounts that otherwise would be allocated for fiscal year 2007 under section 854(c) of such Act, upon the written request of an applicant, in conjunction with the State(s), for a formula allocation on behalf of a metropolitan statistical area, to designate the State or States in which the metropolitan statistical area is located as the eligible grantee(s) of the allocation. In the case that a metropolitan statistical area involves more than one State, such amounts allocated to each State shall be in proportion to the number of cases of AIDS reported in the portion of the metropolitan statistical area located in that State. Any amounts allocated to a State under this section shall be used to carry out eligible activities within the portion of the metropolitan statistical area located in that State.

SEC. 308. Incremental vouchers previously made available under the heading "Housing Certificate Fund" or renewed under the heading, "Tenant-Based Rental Assistance," for non-elderly disabled families shall, to the extent practicable, continue to be provided to non-elderly disabled families upon turnover.

SEC. 309. A public housing agency or such other entity that administers Federal housing assistance in the States of Alaska, Iowa, and Mississippi shall not be required to include a resident of public housing or a recipient of assistance provided under section 8 of the United States Housing Act of 1937 on the board of directors or a similar governing board of such agency or entity as required under section (2)(b) of such Act. Each public housing agency or other entity that administers Federal housing assistance under section 8 in the States of Alaska, Iowa and Mississippi shall establish an advisory board of not less than 6 residents of public housing or recipients of section 8 assistance to provide advice and comment to the public housing agency or other administering entity on issues related to public housing and section 8. Such advisory board shall meet not less than quarterly.

SEC. 310. Incremental vouchers previously made available under the heading, "Housing Certificate Fund" or renewed under the heading, "Tenant-Based Rental Assistance", for family unification shall, to the extent practicable, continue to be provided for family unification.

SEC. 311. (a) No assistance shall be provided under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) to any individual who—

(1) is enrolled as a student at an institution of higher education (as defined under section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002));

(2) is under 24 years of age;

(3) is not a veteran;

(4) is unmarried;

(5) does not have a dependent child;

(6) is not a person with disabilities, as such term is defined in section 3(b)(3)(E) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(3)(E)) and was not receiving assistance under such section 8 as of November 30, 2005; and

(7) is not otherwise individually eligible, or has parents who, individually or jointly, are not eligible, to receive assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

(b) For purposes of determining the eligibility of a person to receive assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), any financial assistance (in excess of amounts received for tuition) that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except for a person over the age of 23 with dependent children.

SEC. 312. Section 1 of the National Housing Act (12 U.S.C. 1702) is amended in the fifth sentence by striking "Except with respect to title III" and inserting "Except with respect to the Federal National Mortgage Association".

SEC. 313. Activities authorized under subtitles A and D of title V of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998, may continue through the end of the fiscal year 2011.