

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

This chapter presents the budget and program estimates for the Department of Housing and Urban Development. The major divisions of this chapter conform to the following Department activities:

Housing programs cover the Department's major housing subsidy programs except for those activities under the public and Indian housing programs. Included in the Housing section is a new initiative called Moving to Independence, which will combine rental subsidies with intensive counseling to enhance the ability of low-income families to live in neighborhoods of their choice. The mortgage insurance activities of the Federal Housing Administration, including loan management, are also included under this heading. Other activities included under this heading are the Office of Interstate Land Sales Registration and manufactured home inspection and monitoring programs.

Public and Indian housing programs cover public housing management and development activities (including modernization and resident management programs) to address the problems associated with severely distressed public housing and to provide housing assistance to Native Americans. This section also includes a new urban anti-crime initiative—Community Partnerships Against Crime (COMPAC).

Government National Mortgage Association (GNMA) covers the Department's programs to assist in the availability of mortgage credit and stabilize financing of selected types of mortgage loans utilizing the guarantee of mortgage-backed securities. GNMA will begin utilizing multiple maturity securities issued through Real Estate Mortgage Investment Conduits (REMICs) in addition to its current single-class mortgage-backed securities.

Community planning and development covers the community development grant program authorized by the Housing and Community Development Act of 1974, as amended, the Home Investment Partnerships program (HOME) and the homeless grant programs—including a proposed, new consolidated Homeless Assistance Program. Other new proposals, beginning in 1995, include a set of Project-Based Community Grant initiatives and the Colonias Assistance Program. This heading also includes the administration of the earlier terminated categorical community development programs, including urban development action grants, and the revolving fund for liquidating programs.

Fair housing and equal opportunity includes the Fair Housing Assistance Program authorized by title VIII of the Civil Rights Act of 1968, as amended, and the Fair Housing Initiatives Program. Additionally, the 1995 Budget includes several new anti-discrimination initiatives, including grants for economic development centers, a mortgage lending initiative, an insurance redlining initiative and a pilot metropolitan area-wide assisted housing program aimed at combating discrimination.

Policy development and research includes the policy development, economic analysis, program evaluation, and research activities of the Department.

Departmental Management includes the Department's Salaries and Expenses, the Inspector General, and the Office of Federal Housing Enterprise Oversight.

HOUSING PROGRAMS

Federal Funds

General and special funds:

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING (INCLUDING RESCISSION OF FUNDS)

For assistance under the United States Housing Act of 1937, as amended ("the Act" herein) (42 U.S.C. 1437), not otherwise provided for, **[\$9,312,900,000] \$9,468,918,000**, to remain available until expended: *Provided*, That to be added to and merged with the foregoing amounts there shall be up to \$242,680,000 of amounts of budget authority (and contract authority) reserved or obligated in prior years for the development or acquisition costs of public housing (including public housing for Indian families), for modernization of existing public housing projects (including such projects for Indian families), and, except as herein provided, for programs under section 8 of the Act (42 U.S.C. 1437f), which are recaptured during fiscal year 1994; and up to \$203,000,000 of amounts of budget authority for rental assistance under section 8 of the Act and section 162(h) of the Housing and Community Development Act of 1987 recaptured during fiscal year 1992 as a result of the conversion of section 202 direct loans to capital grants: *Provided [further]*, That of the total amount provided under this head, \$263,000,000 shall be for the development or acquisition cost, or for amendments to contracts for the development or acquisition of public housing for Indian families, including amounts for housing under the mutual help homeownership opportunity program under section 202 of the Act (42 U.S.C. 1437bb); and **[\$598,000,000] \$150,000,000** shall be for the development or acquisition cost, or for amendments to contracts for the development or acquisition, of public housing, of which up to [one-half of one] .67 percent shall be available for technical assistance and inspection of public housing agencies by the Secretary: *Provided further*, That of the total [amount] provided under this head, **[\$3,230,000,000] \$2,786,000,000** shall be for modernization of existing public housing projects pursuant to section 14 of the Act (42 U.S.C. 1437l), including up to [two-fifths of one] .54 percent for the inspection of modernization units and provision of [management and technical assistance by the Secretary for troubled public housing agencies and Indian housing authorities:] *contract expertise to assist in the oversight and management of the public and Indian housing modernization program by the secretary including an annual resident survey: Provided further*, That of the amounts provided under this head for modernization of existing public housing projects, \$85,000,000 may be used for the tenant opportunity program: *Provided further*, That of the total amount provided under this head, **[\$1,326,865,000] \$2,743,000,000** shall be for tenant-based rental assistance under the section 8 existing housing certificate program (42 U.S.C. 1437f) and the housing voucher program under section 8(o) of the Act (42 U.S.C. 1437f(o)), of which up to \$514,275,000 shall be for the Pension Fund Partnership Program, as authorized by section 6 of the HUD Demonstration Act of 1993 (P.L. 103-120), up to \$342,850,000 may be available for rental assistance for the homeless, and up to \$171,425,000 shall be for rental assistance for the disabled: *Provided further*, That of the total amount provided under this head, **[\$8,400,000] \$17,300,000** shall be available for fees for coordinators under section 23(h) for the family self-sufficiency program (42 U.S.C. 1437u): *Provided further*, That of the total amount provided under this head, **[\$900,000,000] \$2,202,100,000** shall be for amendments to section 8 contracts other than contracts for projects developed under section 202 of the Housing Act of 1959, as amended[, and \$541,000,000 shall be for assistance for State or local units of government, tenant and nonprofit organizations to purchase projects where owners have indicated an intent to prepay mortgages and for assistance to be used as an incentive to prevent prepayment or for vouchers to aid eligible tenants adversely affected by mortgage prepayment, as authorized in the Emergency Low-Income Housing Preservation Act of 1987, as amended: *Provided further*,

General and special funds—Continued

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING—Continued

(INCLUDING RESCISSION OF FUNDS)—Continued

That those portions of the fees for the costs incurred in administering incremental units assisted in the certificate and housing voucher programs under sections 8(b), 8(o), and 8(e)(2) shall be established or increased in accordance with the authorization for such fees in section 8(q) of the Act: *Provided further, That notwithstanding section 214 of the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (12 U.S.C. 4104), the preservation value of eligible low-income housing shall be based on the highest and best use of the property as residential rental housing: Provided further, That notwithstanding section 215 of said Act (12 U.S.C. 4105), the Federal cost limit shall be set at 100 percent of the fair market rent for the market area in which the prepaying project is located: Provided further, That notwithstanding sections 221 and 234 of said Act (12 U.S.C. 4111 and 4124), section 8 assistance shall produce a gross income potential no greater than 100 percent of the fair market rent for the market area in which the prepaying project is located, and no grants for additional assistance above the Federal cost limit shall be made to assist in the completion of sales and transfers: Provided further, That notwithstanding sections 226 and 231 of said Act (12 U.S.C. 4116 and 4121), no homeownership grants shall be made: Provided further, That 50 per centum of the amounts of budget authority, or in lieu thereof 50 per centum of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Public Law 100-628, 102 Stat. 3224, 3268) shall be rescinded, or in the case of cash, shall be remitted to the Treasury, and such amounts of budget authority or cash recaptured and not rescinded or remitted to the Treasury shall be used by State housing finance agencies or local governments or local housing agencies with projects approved by the Secretary of Housing and Urban Development for which settlement occurred after January 1, 1992, in accordance with such section: *Provided further, That of the total amount provided under this head, \$156,000,000 shall be for housing opportunities for persons with AIDS under title VIII, subtitle D of the Cranston-Gonzalez National Affordable Housing Act, [\$150,000,000] \$100,000,000 shall be for the lead-based paint hazard reduction program as authorized under sections 1011 and 1053 of the Residential Lead-Based Hazard Reduction Act of 1992, and \$30,000,000 shall be for service coordinators in public housing pursuant to section 9(a)(1)(B)(ii) of the United States Housing Act of 1937: Provided further, That of the total provided under this head, \$149,100,000 shall be for mobility counseling, \$25,000,000 shall be used for grants for economic development, and \$9,000,000 shall be for a metropolitan area-wide assisted housing program.**

Of the total amount provided under this head, [\$1,158,000,000] \$150,000,000 shall be for capital advances, including amendments to capital advance contracts, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for the elderly under section 202(c)(2) of the Housing Act of 1959: *Provided further, That [\$22,000,000] \$16,300,000 shall be for service coordinators pursuant to section 202(q) of the Housing Act of 1959.*

Of the total amount provided under this head, \$387,000,000 shall be for capital advances, including amendments to capital advances contracts, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act; and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for persons with disabilities as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.*)

Program and Financing (in thousands of dollars)

Identification code 86-0164-0-1-604	1993 actual	1994 est.	1995 est.
Program by activities:			
00.01 Lower income housing (section 8)	7,750,260	7,205,726	6,469,540
00.02 Public and Indian housing	4,952,277	4,604,329	4,133,920
00.03 Elderly/Disabled Grants	613,477	1,528,561	1,280,626
10.00 Total obligations (object class 41.0)	13,316,014	13,338,556	11,884,086

Financing:			
17.00 Recovery of prior year obligations	-1,599,939	-2,242,680	-2,000,000
Unobligated balance available, start of year:			
21.40 Grants (available)	-2,205,166	-2,205,166	-2,205,166
21.40 Administrative commitments (reserved)	-1,719,431	-17,280,624	-13,487,728
21.49 Administrative commitments (reserved)	-21,877,166	-73,167	-83,087
22.00 Unobligated balance transferred, net	-171,189		
Unobligated balance available, end of year:			
24.40 Available	2,205,166	2,205,166	2,205,166
24.40 Reserved	17,280,624	13,487,728	11,072,560
24.49 Administrative commitments	73,167	83,087	83,087
Unobligated balance expiring:			
25.00	1,180,408	2,000,000	2,000,000
25.00 Unobligated balance expiring	9,011		
39.00 Budget authority	8,696,665	9,312,900	9,468,918

Budget authority:			
Current:			
40.00 Appropriation	8,936,731	9,312,900	9,468,918
40.35 Appropriation rescinded	-283,000		
41.00 Transferred to other accounts	-100,000		
42.00 Transferred from other accounts	42,934		
43.00 Appropriation (total)	8,596,665	9,312,900	9,468,918
Permanent:			
60.00 Appropriation	13,149,771	12,994,829	13,766,487
60.05 Appropriation (indefinite)	100,000		
60.49 Portion applied to liquidate contract authority	-13,149,771	-12,994,829	-13,766,487
63.00 Appropriation (total)	100,000		

Reiation of obligations to outlays:			
71.00 Total obligations	13,316,014	13,338,556	11,884,086
Obligated balance, start of year:			
72.40 Appropriation	23,834,915	28,831,392	59,004,889
72.49 Contract authority	112,769,652	105,005,567	71,953,064
Obligated balance, end of year:			
74.40 Appropriation	-28,831,392	-59,004,889	-64,335,729
74.49 Contract authority	-105,005,567	-71,953,064	-62,511,736
78.00 Adjustments in unexpired accounts	-1,599,939	-2,242,680	-2,000,000
90.00 Outlays	14,483,683	13,974,882	13,994,574

Summary of Budget Authority and Outlays

(in thousands of dollars)

	1993 actual	1994 est.	1995 est.
Enacted/requested:			
Budget Authority	8,696,665	9,312,900	9,468,918
Outlays	14,483,683	13,974,882	13,994,574
Supplemental proposal:			
Budget Authority		-45,791	
Outlays		-2,760	-5,480
Rescission proposal:			
Budget Authority		-180,000	
Outlays		-5,000	-30,500
Total:			
Budget Authority	8,696,665	9,087,109	9,468,918
Outlays	14,483,683	13,967,122	13,958,594

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

Status of Contract Authority (in thousands of dollars)

	1993 actual	1994 est.	1995 est.
Total unfunded balance, start of year	119,734,603	105,106,916	90,247,156
Unfunded balances rescinded:			
Debt forgiveness	-1,180,408	-2,000,000	-2,000,000
Annual contributions for assisted housing	-288,497		
Total, unfunded balances rescinded	-1,468,905	-2,000,000	-2,000,000
Total, unobligated balance lapsing	-9,011		
Unfunded balances transferred for liquidation	-13,149,771	-12,859,760	-12,855,160
Unfunded balance, end of year	105,106,916	90,247,156	75,391,996

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

Summary of Administrative Commitments

(in thousands of dollars)

Program by activities:	1993 actual	1994 est.	1995 est.
Assistance contracts:			
Lower income housing (section 8)	3,508,660	10,168,419	8,915,618

Public and Indian housing	3,637,523		
Sec. 202/811	1,640,957	1,592,327	553,300
Subtotal	8,787,140	11,760,746	9,468,918
Administrative commitments, start of year	21,882,665	17,353,791	15,775,981
Administrative commitments, end of year	-17,353,791	-15,775,981	-13,506,323
Total obligations	13,316,014	13,338,556	11,738,576

Grants for Economic Development	NA	NA	NA	25,000,000
Metropolitan Area-wide Assisted Housing Program	NA	NA	NA	9,000,000
Amendments	NA	NA	NA	2,202,100,000
Subtotal, Section 8 and Other	83,389			6,218,018,000
Total, Annual Contributions	87,658			9,468,918,000
Incremental (*)	79,428			

A total of \$9.5 billion is requested for 1995 under Annual Contributions for Assisted Housing. The funding will be used for rental assistance for approximately 88,000 units and for amendments to existing contracts. Included within the total number of units proposed for this budget are 79,428 incremental units. This total is comprised of 4,071 units to assist the elderly and disabled, 70,000 incremental rental assistance units, 1,754 units for Public Housing Development, 2,715 units for Indian Housing Development, and approximately 900 units for Housing Opportunities for Persons with AIDS. Included within the 70,000 incremental assistance units are 5,000 units for the Pension Partnership initiative, 15,000 units for homeless assistance and 5,000 units for the disabled.

Within the \$9.5 billion requested is funding for Public and Indian Housing amendments, lease adjustments, and \$2.8 billion for Modernization activities.

Funding is also requested for Family Investment Centers (\$26.3 million), Family Self-Sufficiency Coordinators (\$17.3 million), Loan Management activities (\$150 million), and for lead-based paint abatement (\$100 million).

The Budget also reflects several cost saving initiatives such as reforms in the manner of calculating rents, reforms to the preservation program, a restructured PHA fee system, refinancing high cost section 8 debt, and other program modifications. Also included in the 1995 Budget are several new initiatives. These include Mobility Counseling (149.1 million), Grants for Economic Development (\$25 million), and Metropolitan Area-wide Assisted Housing (\$19 million).

The program being proposed for Annual Contributions in 1995 is summarized in the following table.

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

	FISCAL YEAR 1995—GROSS RESERVATIONS			
	Units	Cost	Term	Budget authority
New Authority	NA	NA	NA	9,468,918,000
Total Available	NA			9,468,918,000
Public Housing:				
Public Housing Development	1,754*	85,500	NA	150,000,000
Public Housing Service Coordinators	NA	NA	NA	30,000,000
Indian Housing	2,715*	96,884	NA	263,000,000
Lease Adjustments/Amendments	NA	NA	NA	21,900,000
Modernization	NA	NA	NA	2,786,000,000
Tenant Opportunity Program	NA	NA	NA	[100,000,000]
Subtotal, Public Housing	4,469*			3,250,900,000
Section 8 and Other:				
Elderly:				
Capital Grants—Rental Assistance	1,156*	NA	NA	150,000,000
Amends: Service Coordinators	NA	NA	NA	16,300,000
Disabled:				
Capital Grants—Rental Assistance	2,915*	NA	NA	387,000,000
Total, Elderly/Disabled	4,071*			553,300,000
Incremental Rental Assistance	70,000*	6,557	5	2,743,000,000
Pension Fund	[5,000]*	6,857	15	[514,275,000]
Homeless Assistance	[15,000]*	6,857	5	[514,275,000]
Disabled Units	[5,000]*	6,857	5	[171,425,000]
Public Housing and Housing Relocation/Replace/Opt Outs	2,421	6,851	5	82,916,000
Moving to Independence Counseling	NA	NA	NA	149,100,000
Family Investment Centers	NA	NA	NA	26,342,000
Family Self-Sufficiency Coordinators	NA	NA	NA	17,300,000
Loan Management	5,814	5,160	5	150,000,000
Section 23 Conversions	195	4,059	5	8,960,000
Housing Opportunities for Persons with AIDS	888*	NA	NA	156,000,000
Lead-Based Paint	NA	NA	NA	100,000,000

Low-income housing (section 8).—The Budget proposes the reservation of 87,658 units under Annual Contributions, of which 79,318 will be section 8.

Included within the 79,318 section 8 units are 2,421 Public Housing and Housing Relocation/Replacement opt-out units, 888 incremental units for Housing Opportunities for Persons with AIDS, 195 units for Section 23 Conversion, 5,814 units for Loan Management activities, and 70,000 regular incremental rental assistance units.

Housing for the elderly and disabled (section 801 and 811).—The Cranston-Gonzales National Affordable Housing Act authorized a grant program to make new construction assistance available to elderly and disabled persons. Both the Grant funding and the Rental Assistance—or operating subsidy—needed to aid these low-income tenants is being requested under the annual contributions account in 1995. The funding requested for 1995 is expected to support 1,156 units for the elderly and 2,915 units for the disabled.

Public and Indian housing.—New development funding is being requested in fiscal year 1995 for both Public Housing (\$150 million) and for Indian Housing development (\$263 million). These funds are expected to support 1,754 Public Housing units and 2,715 Indian Housing units. In addition, \$2.8 billion is requested for Public and Indian Housing Modernization activities and \$21.9 million is requested for Public/Indian Housing amendments and lease adjustments. In addition, \$30 million is requested for Public Housing Service Coordinators. Also, within the Modernization program, \$85 million will be used for a new Tenant Opportunity Program. The Department remains committed to expediting the transfer of funds to Public and Indian Housing Authorities, and to encourage these authorities to complete modernization projects in a more timely fashion.

Section 8 funding for the renewal of expiring subsidy contracts is being requested in a separate account.

OTHER ASSISTED HOUSING PROGRAMS

RENTAL HOUSING ASSISTANCE
(RESCISSION)

The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 236 of the National Housing Act (12 U.S.C. 1715z-1) is reduced in fiscal year [1994] 1995 by not more than \$2,000,000 in uncommitted balances of authorizations provided for this purpose in appropriations Acts: *Provided*, That up to [\$45,515,000] \$66,000,000 of recaptured section 236 budget authority resulting from the prepayment of mortgages subsidized under section 236 of the National Housing Act (12 U.S.C. 1715z-1) shall be rescinded in fiscal year [1994: *Provided further*, That to the extent that the recaptures and rescission during fiscal year 1994 are less than \$45,515,000, the total funding provided under the head "Annual contributions for assisted housing" and the budget authority provided under that head for assistance in connection with mortgage prepayments shall be reduced accordingly] 1995. (*Departments of Veterans Affairs, and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.*)

[RENTAL SUPPLEMENT PROGRAM]
[(RESCISSION)]

[The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered

General and special funds—Continued

[RENTAL SUPPLEMENT PROGRAM]—Continued
[(RESCISSION)]—Continued

into under section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s), is reduced in fiscal year 1994 by not more than \$1,544,646 of uncommitted balances of authorizations provided for this purpose in appropriation Acts.] (Departments of Veterans Affairs, and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

HOMEOWNERSHIP ASSISTANCE

For payments under section 235(r) of the National Housing Act, as amended (12 U.S.C. 1715z), for incentives to mortgagors to refinance mortgages that are insured under such section 235 and for closing and other costs in connection with such refinancing, \$6,875,000, to remain available until expended; Provided, That up to \$50,000,000 of recaptured section 235 budget authority resulting from reducing the interest rate on such refinanced mortgages shall be reused for payments under this heading: Provided further, That up to \$184,000,000 of additional recaptured section 235 budget authority from refinancing section 235 mortgages shall be rescinded in fiscal year 1995.

Program and Financing (in thousands of dollars)

Identification code 86-0206-0-1-999	1993 actual	1994 est.	1995 est.
Program by activities:			
00.01 Rent supplement	132,964	46,280	43,966
00.02 Homeownership and rental housing assistance (Sections 235 and 236)	130,512	80,000	133,750
00.03 Rental housing development grants	2,750		
10.00 Total obligations (object class 41.0)	266,226	126,280	177,716
Financing:			
17.00 Recovery of prior year obligations	-524,126	-72,438	-338,000
Unobligated balance available, start of year:			
21.49 Administrative commitments (reserved)	-16,034	-16,034	-16,034
21.49 Contract authority (available)	-1,366,512	-1,175,207	-991,661
22.00 Unobligated balance transferred, net	5,494	6,000	6,000
Unobligated balance available, end of year:			
24.49 Administrative commitments (reserved)	16,034	16,034	16,034
24.49 Contract authority (available)	1,175,207	991,661	818,054
25.00 Unobligated balance expiring	446,461	51,266	46,766
39.00 Budget authority	2,750	-72,438	-281,125
Budget authority:			
Current:			
40.00 Appropriation			6,875
40.36 Unobligated balance rescinded		-72,438	-288,000
43.00 Appropriation (total)		-72,438	-281,125
50.00 Reappropriation	2,758		
Permanent:			
60.00 Appropriation	829,453	816,913	790,561
60.49 Portion applied to liquidate contract authority	-829,453	-816,913	-790,561
63.00 Appropriation (total)			
Relation of obligations to outlays:			
71.00 Total obligations	266,226	126,280	177,716
Obligated balance, start of year:			
72.40 Administrative commitment (reserved)	190,696	192,661	169,424
72.49 Contract authority	26,017,944	24,960,744	24,220,910
Obligated balance, end of year:			
74.40 Administrative commitment reserved	-192,661	-169,424	-169,424
74.49 Contract authority	-24,960,744	-24,220,910	-23,254,222
78.00 Adjustments in unexpired accounts	-524,126	-72,438	-338,000
90.00 Outlays	797,335	816,913	806,404

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

Status of Contract Authority (in thousands of dollars)

	1993 actual	1994 est.	1995 est.
Unfunded balance, start of year:			
Homeownership and rental housing assistance	25,273,629	24,006,213	23,149,697
Rent supplement	1,887,080	1,894,926	1,780,310

College housing grants	243,160	221,322	200,322
Total unfunded balance, start of year	27,403,869	26,122,461	25,130,329
Unfunded balances rescinded:			
Rental and homeownership assistance		-85,515	-288,000
Rent supplement		-32,438	
Total, unfunded balances rescinded		-117,953	-288,000
Unobligated balance expiring or restored:			
Homeownership and rental housing assistance	-505,013	-26,292	-23,292
Rent supplement	58,552	-24,974	-23,474
College housing			
Total, unobligated balance lapsing	-446,461	-51,266	-46,766
Unfunded balances transferred for liquidation	-829,453	-816,913	-790,561
Other transfers	-5,494	-6,000	-6,000
Unfunded balance, end of year:			
Homeownership and rental housing assistance	24,006,213	23,149,697	22,120,959
Rent supplement	1,894,926	1,780,310	1,698,721
College housing grants	221,322	200,322	179,322
Total unfunded balance, end of year	26,122,461	25,130,329	23,999,002

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

Summary of Administrative Commitments

Program by activities:	(in thousands of dollars)		
	1993 actual	1994 est.	1995 est.
Assistance contracts:			
Rent supplement	132,964	46,280	43,966
Homeownership and rental housing assistance (sections 235 and 236)	130,512	80,000	133,750
Grants:			
Rental housing development grants	2,750		
Rental rehabilitation grants			
Subtotal	266,226	126,280	177,716
Administrative commitments, start of year	-16,034	-16,034	-16,034
Administrative commitments, end of year	16,034	16,034	16,034
Total obligations	266,226	126,280	177,716

To more concisely portray budget activity under the subsidized housing programs, the Annual Contributions for Assisted Housing account has been split into two accounts: Annual Contributions for Assisted Housing, which precedes this section, and Other Assisted Housing Programs presented immediately above.

Rent supplement.—Rent supplement assistance payments will continue to be made on behalf of qualified low-income tenants in approximately 19,270 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 program based on a 10-year interest reduction subsidy. A total of \$150 million of budget authority was provided in the Second Supplemental Appropriations Act of 1984 (Public Law 98-396) to fund the program. Recaptures of budget authority from terminations must be transferred into the Homeownership Assistance Fund account established pursuant to Public Law 98-181. Amounts deposited will be available for use to assist program beneficiaries still in need of assistance at the expiration of their present ten-year assistance contracts.

In addition, appropriations are requested in the amount of \$6.9 million, to fund closing costs, discount points, and incentives needed to encourage mortgagors subsidized under the Section 235 program to refinance at lower, prevailing market interest rates. The subsidy savings from refinancing these loans substantially exceed the costs involved and will produce a net savings to the Treasury over time. Up to \$184 million in budget authority may be rescinded.

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

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

In addition, up to \$66 million in budget authority may be rescinded as a result of mortgage prepayments by section 236 project owners.

The table below reflects the consolidated outlay total for both the Annual Contributions for Assisted Housing Account and the Other Assisted Housing account, including proposed funding shown separately as supplemental or investment requests.

SUMMARY OF OUTLAYS

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

	1993 actual	1994 est.	1995 est.
Subsidized Housing Programs, total	15,281,018	14,784,035	14,764,998
Low income housing assistance (sec. 8)	10,756,835	9,925,411	9,591,444
Public housing	3,726,848	4,041,711	4,367,150
Rent supplement	55,115	56,615	58,115
Homeownership assistance (sec. 235)	62,033	49,886	81,916
Rental housing assistance (sec. 236)	634,744	665,585	645,373
College housing grants	19,081	21,000	21,000
Rental housing development grants	26,362	23,827	

¹ Excludes outlays for contract renewals.

REFORMED MULTIFAMILY PROPERTY DISPOSITION
(Legislative proposal, subject to PAYGO)

Program and Financing (in thousands of dollars)

Identification code 86-0300-4-1-604	1993 actual	1994 est.	1995 est.
Program by activities:			
00.01 Section 8 project-based assistance			733,425
10.00 Total obligations (object class 41.0)			733,425
Financing:			
60.05 Budget authority (appropriation) (indefinite)			733,425
Relation of obligations to outlays:			
71.00 Total obligations			733,425
72.40 Obligated balance, start of year: Treasury balance			
74.40 Obligated balance, end of year: Treasury balance			-727,548
90.00 Outlays			5,877

This schedule shows one part of the Administration's proposal to reform the affordable housing subsidy requirements for multifamily property disposition. This part would authorize a new, direct spending program for Section 8, to facilitate the disposition of subsidized or formerly subsidized projects held or owned by the Department. Expenditures from this account would be offset by savings in the FHA General and Special Risk Insurance Funds, shown elsewhere in the budget.

ASSISTANCE FOR THE RENEWAL OF EXPIRING SECTION 8 SUBSIDY CONTRACTS

(INCLUDING TRANSFER OF FUNDS)

For assistance under the United States Housing Act of 1937 (42 U.S.C. 1437) not otherwise provided for, for use in connection with expiring section 8 subsidy contracts, [\$4,558,106,000] \$4,292,000,000, to remain available until expended: *Provided*, That to the extent the amount in this appropriation is insufficient to fund all expiring section 8 contracts, the Secretary may transfer to and merge with this appropriation such amounts from the "Annual contributions for assisted housing" appropriation as the Secretary shall determine, and amounts earmarked in the foregoing account may be reduced accordingly, at the Secretary's discretion: *Provided further*, That the Secretary may maintain consolidated accounting data for funds disbursed at the public housing agency or Indian housing authority or project level for subsidy assistance regardless of the source of the disbursement so as to minimize the administrative burden of multiple accounts.

Further, for the foregoing purposes, \$800,000,000, to become available for obligation on October 1, [1994] 1995, and to remain available for obligation until expended. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.*)

Program and Financing (in thousands of dollars)

Identification code 86-0194-0-1-604	1993 actual	1994 est.	1995 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	7,566,860	5,308,372	5,092,000
Financing:			
Unobligated balance available, start of year:			
21.40 Treasury balance	-291,811	-30,266	
21.49 Administrative commitments	-1,264,894	-885,714	-885,714
Unobligated balance available, end of year:			
24.40 Treasury balance	30,266		
24.49 Administrative commitments	885,714	885,714	885,714
39.00 Budget authority	6,926,135	5,278,106	5,092,000
Budget authority:			
Current:			
40.00 Appropriation	6,076,135	4,558,106	4,292,000
Permanent:			
65.00 Advance appropriation (definite)	850,000	720,000	800,000
Relation of obligations to outlays:			
71.00 Total obligations	7,566,860	5,308,372	5,092,000
72.40 Obligated balance, start of year: Treasury balance	13,183,441	18,218,497	19,415,984
74.40 Obligated balance, end of year: Treasury balance	-18,218,497	-19,415,984	-19,500,899
90.00 Outlays	2,531,804	4,110,885	5,007,885

STATUS OF ADMINISTRATIVE COMMITMENTS

Program by activities:	1993 actual	1994 est.	1995 est.
Section 8 Contract Renewals	7,201,795	5,308,372	5,092,000
Net Recaptures	-14,115		
Administrative commitments, start of year	1,264,894	885,714	885,714
Administrative commitments, end of year	-885,714	-885,714	-885,714
Total obligations	7,566,860	5,308,372	5,092,000

The budget proposes an appropriation of \$4.3 billion to renew those section 8 subsidy contracts that are scheduled to expire. Together with the \$800 million advance appropriation provided in 1994, funding available for 1995 will be \$5.1 billion. Authority is again requested to transfer funds from the Annual Contributions for Assisted Housing account, if needed, to supplement this appropriation.

HOMEOWNERSHIP AND OPPORTUNITY FOR PEOPLE EVERYWHERE GRANTS (HOPE GRANTS)

[(INCLUDING RESCISSION OF FUNDS)]

For the homeownership and opportunity for people everywhere (HOPE grants) program as authorized under title III of the United States Housing Act of 1937 (42 U.S.C. 1437aaa et seq.) and subtitles A, B, and C[, and D] of title IV of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101-625), [\$109,190,000] \$100,000,000, to remain available until expended, of which up to one and one-half percent may be made available for technical assistance to potential applicants, applicants and recipients of assistance under this head as authorized under subtitle E of title I of the Housing and Community Development Act of 1992: *Provided*, That of the foregoing amount, not more than \$28,000,000 may be made available to carry out activities under subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act].

[Of the amounts provided under this heading in Public Law 102-389 and Public Law 102-139, \$250,000,000 are rescinded: *Provided*, That of the foregoing amount, \$130,000,000 shall be deducted from the amount earmarked for HOPE for the Public and Indian Housing Homeownership Program and \$75,000,000 shall be deducted from the amount earmarked for HOPE for Homeownership of Multifamily Units Program in Public Law 102-389, and \$45,000,000 shall be deducted from the amount earmarked for HOPE for the Public and

General and special funds—Continued

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

[(INCLUDING RESCISSION OF FUNDS)]—Continued

Indian Housing Homeownership Program in Public Law 102-139.]
(Departments of Veterans Affairs and Housing and Urban Development,
and Independent Agencies Appropriations Act, 1994.)

Program and Financing (in thousands of dollars)

Identification code 86-0196-0-1-604	1993 actual	1994 est.	1995 est.
Program by activities:			
00.01 Hope I	43,377	12,582	77,951
00.02 Hope II	30,951	17,494	41,357
00.03 Hope III	62,015	130,293	40,000
00.04 Elderly independence	7,183	12,817	
00.05 Youth build		28,000	
10.00 Total obligations (object class 41.0)	143,526	201,186	159,308
Financing:			
17.00 Recovery of prior year obligations	-2,377	-4,500	
Unobligated balance available, start of year:			
21.40 Uncommitted	-179,988	-423,839	
21.40 Administratively committed	-146,965	-32,965	-119,308
Unobligated balance available, end of year:			
24.40 Uncommitted	423,839		
24.40 Administratively committed	32,965	119,308	60,000
39.00 Budget authority	271,000	-140,810	100,000
Budget authority:			
40.00 Appropriation	661,000	109,190	100,000
40.35 Appropriation rescinded		-250,000	
41.00 Transferred to other accounts	-390,000		
43.00 Appropriation (total)	271,000	-140,810	100,000
Relation of obligations to outlays:			
71.00 Total obligations	143,526	201,186	159,308
72.40 Obligated balance, start of year: Treasury balance	34,047	140,170	268,819
73.00 Obligated balance transferred, net			-28,000
74.40 Obligated balance, end of year: Treasury balance	-140,170	-268,819	-301,360
78.00 Adjustments in unexpired accounts	-2,377	-4,500	
90.00 Outlays	35,026	68,037	98,767

Summary of Budget Authority and Outlays

(in thousands of dollars)

	1993 actual	1994 est.	1995 est.
Enacted/requested:			
Budget Authority	271,000	-140,810	100,000
Outlays	35,026	68,037	98,767
Rescission proposal:			
Budget Authority		-66,000	
Outlays			-13,200
Total:			
Budget Authority	271,000	-206,810	100,000
Outlays	35,026	68,037	85,567

The Homeownership and Opportunity for People Everywhere Program provides homeownership opportunities which are affordable for low-income families. Units will be converted to homeownership from public and Indian housing properties in HOPE 1, from FHA-insured and Government-held multifamily properties in HOPE 2 and from Government-owned or -held single family properties in HOPE 3. HOPE Grants will be used for property acquisition where appropriate, rehabilitation, mortgage subsidies, security measures, operating reserves, and technical assistance. In addition, grants may be devoted to counseling and training of residents, and other activities intended to help them become economically self-sufficient homeowners.

The budget authority for HOPE homeownership grants in 1995 reflects the funding of implementation grants only; no additional planning grant funding is requested. A proposed rescission of unobligated HOPE 1 and HOPE 2 funds from prior years appears elsewhere in the Budget appendix.

Public housing units which are utilized for homeownership will be replaced by additional housing or housing assistance, and section 8 rental assistance will be given to eligible residents who elect to move from multifamily projects which are converted to homeownership.

An appropriation of \$300 million was transferred to a separate account for Severely Distressed Public Housing by the Supplemental Appropriations Act of 1993 (P.L. 103-50) from funds originally appropriated for the same purpose under the heading HOPE Grants in P.L. 102-389.

The Supplemental Appropriations Act also transferred \$40 million originally appropriated for HOPE homeownership grants to a separate account for Youthbuild Programs. This program and financing schedule also reflects the proposed transfer to this separate account at the start of fiscal year 1995 of an obligated balance of \$28 million appropriated for Youthbuild under HOPE grants in the 1994 Appropriations Act.

The amounts proposed for Youthbuild and Severely Distressed Public Housing in fiscal year 1995 appear separately in this Budget. The Budget reflects no further funding for the Elderly Independence demonstration program. The budget authority requested in the HOPE account in 1995 is for HOPE homeownership grants.

CONGREGATE SERVICES

For contracts with and payments to public housing agencies and nonprofit corporations for congregate services programs, \$6,267,000, to remain available until September 30, [1995] 1996, in accordance with the provisions of the Congregate Services Act of 1978, as amended.

[For contracts with and payments to public housing agencies and nonprofit corporations for congregate services programs under section 802 of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101-625), \$18,733,000, to remain available until September 30, 1995.] (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

Program and Financing (in thousands of dollars)

Identification code 86-0178-0-1-604	1993 actual	1994 est.	1995 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	19,152	44,880	6,267
Financing:			
Unobligated balance available, start of year: Treasury balance			
21.40	-18,032	-19,880	
Unobligated balance available, end of year: Treasury balance			
24.40	19,880		
40.00 Budget authority (appropriation)	21,000	25,000	6,267
Relation of obligations to outlays:			
71.00 Total obligations	19,152	44,880	6,267
72.40 Obligated balance, start of year: Treasury balance	9,033	22,784	56,664
74.40 Obligated balance, end of year: Treasury balance	-22,784	-56,664	-46,931
90.00 Outlays	5,401	11,000	16,000

Under the congregate services program, the Department contracts directly with local public housing agencies and section 202 housing for the elderly or disabled sponsors to supply support services, including meals and other services. The \$6.3 million requested for 1995 will be used only to extend the 56 contracts of the original demonstration program for an additional 12 months.

HOUSING COUNSELING ASSISTANCE

For contracts, grants, and other assistance, other than loans, not otherwise provided for, for providing counseling and advice to tenants and homeowners—both current and prospective—with respect to property maintenance, financial management, and such other matters

as may be appropriate to assist them in improving their housing conditions and meeting the responsibilities of tenancy or homeownership, including provisions for training and for support of voluntary agencies and services as authorized by section 106[(a)(1)(iii), section 106(a)(2), section 106(c), section 106(d), section 106(e), and section 106(f)] of the Housing and Urban Development Act of 1968, as amended, [\$12,000,000] \$50,000,000. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

Program and Financing (in thousands of dollars)

Identification code 86-0156-0-1-506	1993 actual	1994 est.	1995 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	5,740	12,000	50,000
Financing:			
21.40 Unobligated balance available, start of year: Treasury balance	-500		
24.40 Unobligated balance available, end of year: Treasury balance			
25.00 Unobligated balance expiring	785		
40.00 Budget authority (appropriation)	6,025	12,000	50,000
Relation of obligations to outlays:			
71.00 Total obligations	5,740	12,000	50,000
72.40 Obligated balance, start of year: Treasury balance	8,284	7,498	12,984
74.40 Obligated balance, end of year: Treasury balance	-7,498	-12,984	-53,436
77.00 Adjustments in expired accounts	-739		
90.00 Outlays	5,787	6,514	9,548

The budget proposes \$50 million for an expanded Housing Counseling Assistance Program in 1995.

Legislation is being proposed also to amend section 106 of the Housing and Urban Development Act of 1968 to authorize the Secretary to make grants to counseling agencies that conduct community outreach and improve the access of low and moderate-income households to homeownership and sources of mortgage credit. This new competitive grant program would provide support for community-based loan counseling efforts with emphasis on increasing the awareness of homeownership opportunities, leveraging new funds for homeownership and expanding access to mortgage credit.

Other authorized section 106 counseling activities will also continue to be eligible for assistance in 1995.

**[SECTION 8 MODERATE REHABILITATION
SINGLE ROOM OCCUPANCY]**

[For assistance under the United States Housing Act of 1937, as amended (42 U.S.C. 1437f), for the section 8 moderate rehabilitation program, to be used to assist homeless individuals pursuant to section 441 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11401), \$150,000,000, to remain available until expended.] (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies, Appropriations Act, 1994.)

Program and Financing (in thousands of dollars)

Identification code 86-0195-0-1-604	1993 actual	1994 est.	1995 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	76,118	343,545	
Financing:			
Unobligated balance available, start of year:			
21.40 Treasury balance	-11,201	-116,200	
21.49 Administrative commitments	-153,462	-77,345	
Unobligated balance available, end of year:			
24.40 Treasury balance	116,200		
24.49 Administrative commitments	77,345		
40.00 Budget authority (appropriation)	105,000	150,000	
Relation of obligations to outlays:			
71.00 Total obligations	76,118	343,545	
72.40 Obligated balance, start of year: Treasury balance	117,517	190,619	515,103

74.40 Obligated balance, end of year: Treasury balance	-190,619	-515,103	-478,865
90.00 Outlays	3,016	19,061	36,238

Section 8 assistance for single room occupancy dwellings is authorized by Title IV, subtitle E, of the Stewart B. McKinney Homeless Assistance Act, as amended by the Housing and Community Development Act of 1992. No appropriation is requested for this program in 1995. Instead, the Administration proposes to provide funding for the homeless within a new Homeless Assistance Grants account which is described separately in this chapter.

Funding for this program before 1990 was provided under the Annual Contributions for Assisted Housing account. A separate appropriation, independent of the Assisted Housing account, was provided beginning in 1990. The obligations and outlays shown in the Program and Financing schedule above do not include activity from the pre-1990 appropriations. For purposes of comparison, the table below presents data for the entire program from all appropriations:

SUMMARY OF BUDGET AND OUTLAYS

(in thousands of dollars)

	1993 actual	1994 est.	1995 est.
Unobligated balance, start of year	\$170,193	\$199,075	
Appropriations	105,000	150,000	
Total funds available	275,193	349,075	
Obligations	-76,118	349,075	
Unobligated balance, end of year	*199,075		
Obligated balance, start of year	175,782	241,646	565,361
Obligations	76,118	349,076	
Subtotal	251,900	590,722	565,361
Outlays	-9,254	-25,361	-42,628
Obligated balance, end of year	242,646	565,361	522,733

* Administrative commitments have been made for this amount, except \$22 thousand.

MANUFACTURED HOME INSPECTION AND MONITORING

Program and Financing (in thousands of dollars)

Identification code 86-5271-0-2-376	1993 actual	1994 est.	1995 est.
Program by activities:			
00.01 Transfer to salaries and expenses	902	985	1,009
00.02 Other program costs	7,316	6,862	6,962
10.00 Total obligations (object class 25.2)	8,218	7,847	7,971
Financing:			
21.40 Unobligated balance available, start of year: Treasury balance	-2,845	-3,523	-4,075
24.40 Unobligated balance available, end of year: Treasury balance	3,523	4,075	4,504
60.25 Budget authority (appropriation) (special fund, indefinite)	8,895	8,400	8,400
Relation of obligations to outlays:			
71.00 Total obligations	8,218	7,847	7,971
72.40 Obligated balance, start of year: Treasury balance	1,149	1,740	1,667
74.40 Obligated balance, end of year: Treasury balance	-1,740	-1,667	-1,692
90.00 Outlays	7,626	7,920	7,946

Section 620 of the National Manufactured Housing Construction and Safety Standards Act of 1974, as amended, authorizes enforcement of appropriate construction standards for the construction, design and performance of manufactured homes to assure their quality, durability, and safety. All manufactured homes produced since the standards took effect on June 15, 1976 must comply with Federal construction and safety standards. The States are actively encouraged to participate in the program under compliance plans approved by HUD.

General and special funds—Continued

MANUFACTURED HOME INSPECTION AND MONITORING—Continued

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

INTERSTATE LAND SALES

Program and Financing (in thousands of dollars)

Identification code 86-5270-0-2-376	1993 actual	1994 est.	1995 est.
Program by activities:			
10.00 Total obligations (object class 25.2)	391	550	550
Financing:			
60.25 Budget authority (appropriation) (special fund, indefinite)	391	550	550
Relation of obligations to outlays:			
71.00 Total obligations	391	550	550
72.40 Obligated balance, start of year: Treasury balance	28		
74.40 Obligated balance, end of year: Treasury balance			
90.00 Outlays	419	550	550

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

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

Public enterprise funds:

TITLE IV—CORPORATIONS

Corporations and agencies of the Department of Housing and Urban Development which are subject to the Government Corporation Control Act, as amended, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Act as may be necessary in carrying out the programs set forth in the budget for [1994] 1995 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. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.*)

Public enterprise funds:

RENTAL HOUSING ASSISTANCE FUND

Program and Financing (in thousands of dollars)

Identification code 86-4041-0-3-604	1993 actual	1994 est.	1995 est.
Program by activities:			
10.00 Total obligations (object class 25.2)	65,493	67,589	68,947

Financing:			
17.00 Recovery of prior year obligations	-3		
21.90 Unobligated balance available, start of year: Fund balance	-500	-503	-503
24.90 Unobligated balance available, end of year: Fund balance	503	503	503
68.00 Budget authority (gross): Spending authority from offsetting collections	65,493	67,589	68,947
Relation of obligations to outlays:			
71.00 Total obligations	65,493	67,589	68,947
72.10 Receivables in excess of obligations, start of year	-1,320	-1,647	-2,967
74.10 Receivables in excess of obligations, end of year	1,647	2,967	2,967
78.00 Adjustments in unexpired accounts	-3		
87.00 Outlays (gross)	65,817	68,909	68,947
Adjustments to gross budget authority and outlays:			
88.40 Offsetting collections from: Non-Federal sources	-65,493	-67,589	-68,947
89.00 Budget authority (net)			
90.00 Outlays (net)	324	1,320	

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 will continue to be transferred to the Flexible Subsidy Fund.

Revenue and Expense (in thousands of dollars)

Identification code 86-4041-0-3-604	1993 actual	1994 est.	1995 est.
0101 Revenue	68,230	67,589	68,947
0102 Expense	-70,056	-67,589	-68,947
0109 Net income or loss (-)	-1,826		

Financial Condition (in thousands of dollars)

Identification code 86-4041-0-3-604	1992 actual	1993 actual	1994 est.	1995 est.
ASSETS:				
1000 Fund balance with Treasury and cash:				
Fund balance with Treasury	2,147	1,823	503	503
1110 Accounts receivable: Public	4,098	2,269		
1999 Total assets	6,245	4,092	503	503
LIABILITIES:				
2000 Accounts payable: Federal agencies		1,270		
2599 Deposit funds		50		
2999 Total liabilities		1,320		
EQUITY:				
3210 Revolving fund equity: Cumulative results	4,598	2,772	500	500
3999 Total equity	4,598	2,772	500	500

FLEXIBLE SUBSIDY FUND

For assistance to owners of eligible multifamily housing projects insured, or formerly insured, and under the National Housing Act, as amended, or which are otherwise eligible for assistance under section 201(c) of the Housing and Community Development Amendments of 1978, as amended (12 U.S.C. 1715z-1a), in the program of assistance for troubled multifamily housing projects under the Housing and Community Development Amendments of 1978, as

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS—Continued
Federal Funds—Continued

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amended, [\$35,747,000] \$50,000,000, and all uncommitted balances of excess rental charges as of September 30, [1993] 1994, and any collections and other amounts in the fund authorized under section 201(j) of the Housing and Community Development Amendments of 1978, as amended, during fiscal year [1994] 1995, to remain available until expended: *Provided*, That assistance to an owner of a multifamily housing project assisted, but not insured, under the National Housing Act may be made if the project owner and the mortgagee have provided or agreed to provide assistance to the project in a manner as determined by the Secretary of Housing and Urban Development. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriation Act, 1994.*)

Program and Financing (in thousands of dollars)

Identification code 86-4044-0-3-604	1993 actual	1994 est.	1995 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	113,483	114,532	120,398
Financing:			
17.00 Recovery of prior year obligations	-278		
Unobligated balance available, start of year:			
21.90 Treasury balance: Uncommitted	-15,894	-7,840	
U.S. Securities:			
21.91 Par Value—Administratively Committed	-168,497	-114,532	-120,398
21.91 Par Value—Uncommitted	-44,468		
21.92 Unrealized discounts	2,978		
Unobligated balance available, end of year:			
24.90 Treasury balance: Uncommitted	7,840		
U.S. Securities:			
24.91 Par Value—Administratively Committed	114,532	120,398	128,492
24.91 Par Value—Uncommitted			
24.92 Unrealized discounts			
39.00 Budget authority (gross)	9,696	112,558	128,492
Budget authority:			
Current:			
40.00 Appropriation		35,747	50,000
40.36 Unobligated balance rescinded	-10,800		
41.00 Transferred to other accounts	-55,500		
43.00 Appropriation (total)	-66,300	35,747	50,000
Permanent:			
68.00 Spending authority from offsetting collections	75,996	76,811	78,492
Relation of obligations to outlays:			
71.00 Total obligations	113,483	114,532	120,398
Obligated balance, start of year:			
72.90 Fund balance	42,573	35,223	2,040
72.91 U.S. securities: Par value		35,468	56,700
Obligated balance, end of year:			
74.90 Fund balance	-35,223	-2,040	-7,343
74.91 U.S. securities: Par value	-35,468	-56,700	-83,102
78.00 Adjustments in unexpired accounts	-278		
87.00 Outlays (gross)	85,087	126,483	88,693
Adjustments to gross budget authority and outlays:			
Offsetting collections from:			
88.00 Federal funds	-67,060	-67,589	-68,947
88.40 Non-Federal sources	-8,936	-9,222	-9,545
88.90 Total, offsetting collections	-75,996	-76,811	-78,492
89.00 Budget authority (net)	-66,300	35,747	50,000
90.00 Outlays (net)	9,091	49,672	10,201

Status of Direct Loans (in thousands of dollars)

Identification code 86-4044-0-3-604	1993 actual	1994 est.	1995 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	281,099	366,584	494,446
1231 Disbursements: Direct loan disbursements	85,333	128,522	93,966
1251 Repayments: Repayments and prepayments	-506	-660	-890
1264 Other adjustments, net	658		
1290 Outstanding, end of year	366,584	494,446	587,522

The Flexible Subsidy Fund assists financially troubled subsidized projects under certain FHA authorities. The subsidies are 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 is given to projects with Federal insurance-in-force and then to those with mortgages that have been assigned to the Department of Housing and Urban Development.

A portion of Flexible Subsidy capital improvement loans are used, along with incentives available in the Emergency Low-Income Housing Preservation program, to extend affordability requirements for projects eligible to prepay mortgages. The Preservation program under Annual Contributions for Assisted Housing, the Multifamily Property Disposition program (which is proposed to become a separate program elsewhere in this budget), and the Flexible Subsidy program are a complementary set of instruments for addressing the needs of the stock of assisted and insured, affordable multifamily housing.

This program and financing schedule reflects appropriations and continued funding from offsetting collections, composed of receipts from the Rental Housing Assistance Fund and income from the Flexible Subsidy Fund.

Summary of Administrative Commitments

(in thousands of dollars)

Program by activities:	1993 actual	1994 est.	1995 est.
Capital investments:			
Flexible subsidy reservations	59,997	120,398	128,492
Administrative commitments, start of year	168,497	114,532	120,398
Cancellation of prior year commitments	-479		
Administrative commitments, end of year	-114,532	-120,398	-128,492
Capital investment—obligations	113,483	114,532	120,398

Revenue and Expense (in thousands of dollars)

Identification code 86-4044-0-3-604	1993 actual	1994 est.	1995 est.
0101 Revenue	75,490	76,151	77,602
0102 Expense	-66,411	-117,109	-80,628
0109 Net income or loss (-)	9,079	-40,958	-3,026

Financial Condition (in thousands of dollars)

Identification code 86-4044-0-3-604	1992 actual	1993 actual	1994 est.	1995 est.
ASSETS:				
1000 Fund balance with Treasury and cash:				
Fund balance with Treasury	58,467	43,062	9,967	13,134
Accounts receivable:				
1100 Federal agencies		1,270		
1110 Public	1,458	1,575		
1199 Subtotal, accounts receivable	1,458	2,845		
1210 Advances and prepayments: Public	272	273	273	273
Investments:				
1400 Treasury securities, par	212,965	150,000	177,098	211,594
1410 Treasury securities, unamortized discount (-)/premium (+)	-2,978			
1499 Subtotal, investments	209,987	150,000	177,098	211,594
Loans receivable:				
1510 Public: direct loans	281,099	366,584	494,446	587,552
1520 Allowances for uncollectibles (-)	-252,728	-321,188	-445,002	-528,797
1599 Subtotal, loans receivable	28,371	45,396	49,444	58,755
1999 Total assets	298,555	241,576	236,782	283,756
LIABILITIES:				
2010 Accounts payable: Public		241		
2999 Total liabilities		241		
EQUITY:				
Revolving fund equity:				
3200 Appropriated capital	50,000	39,200	74,947	124,947
3210 Cumulative results	248,555	257,635	217,336	214,309
3220 Transfers to Other Accounts		-55,500	-55,500	-55,500
3299 Subtotal, revolving fund balances	298,555	241,335	236,783	283,756
3999 Total equity	298,555	241,335	236,783	283,756

Public enterprise funds—Continued

COMMUNITY DISPOSAL OPERATIONS FUND

Program and Financing (in thousands of dollars)

Identification code 86-4040-0-3-451	1993 actual	1994 est.	1995 est.
Financing:			
21.90 Unobligated balance available, start of year: Fund balance	-13	-22	
24.90 Unobligated balance available, end of year: Fund balance	22		
27.00 Capital transfer to general fund	9	27	
68.00 Budget authority (gross): Spending authority from offsetting collections	18	5	
Relation of obligations to outlays:			
71.00 Total obligations			
72.10 Receivables in excess of obligations, start of year	-2	-18	
74.10 Receivables in excess of obligations, end of year	18		
87.00 Outlays (gross)	16	-18	
Adjustments to gross budget authority and outlays:			
88.40 Offsetting collections from: Non-Federal sources	-18	-5	
89.00 Budget authority (net)			
90.00 Outlays (net)	-2	-23	

Status of Direct Loans (in thousands of dollars)

Identification code 86-4040-0-3-451	1993 actual	1994 est.	1995 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	23	5	
1251 Repayments: Repayments and prepayments	-18	-5	
1290 Outstanding, end of year	5		

The community disposition program was established by the Atomic Energy Community Act of 1955 to dispose of federally owned properties.

Budget program.—All sales under the program have been completed. The Department will continue to service the mortgage inventory it currently holds.

Operating results.—Total funds recovered and transferred to the Treasury over the life of the program are estimated to reach \$87.3 million by the end of 1994. The mortgages are expected to be liquidated by the end of 1994 and there will be no activity thereafter.

Revenue and Expense (in thousands of dollars)

Identification code 86-4040-0-3-451	1993 actual	1994 est.	1995 est.
0101 Revenue	1		
0102 Expense			
0109 Net income or loss (-)	1		

Financial Condition (in thousands of dollars)

Identification code 86-4040-0-3-451	1992 actual	1993 actual	1994 est.	1995 est.
ASSETS:				
1000 Fund balance with Treasury and cash:				
Fund balance with Treasury	11	22		
1100 Accounts receivable: Federal agencies	13	18		
1510 Loans receivable: Public: direct loans	23	8		
1999 Total assets	47	48		
LIABILITIES:				
2810 Other liabilities	13	1		
2999 Total liabilities	13	1		
EQUITY:				
3210 Revolving fund equity: Cumulative results	34	47		
3999 Total equity	34	47		

HOMEOWNERSHIP ASSISTANCE FUND

Unavailable Collections (in thousands of dollars)

Identification code 86-4043-0-3-376	1993 actual	1994 est.	1995 est.
01.10 Balance, start of year	35,733	42,531	46,003
03.68 Offsetting collections	6,798	3,472	3,841
04.00 Total: Balances and collections	42,531	46,003	49,844
07.10 Balance, end of year	42,531	46,003	49,844

Program and Financing (in thousands of dollars)

Identification code 86-4043-0-3-376	1993 actual	1994 est.	1995 est.
Financing:			
Unobligated balance available, start of year:			
21.49 Contract authority	-44,963	-43,659	-46,179
21.90 Treasury balance	-4,355	-2,120	-2,120
U.S. Securities:			
21.91 Par value	-31,682	-40,830	-44,310
21.92 Unrealized discounts	-115		
22.00 Unobligated balance transferred, net	-5,494	-6,000	-6,000
Unobligated balance available, end of year:			
24.49 Contract authority	43,659	46,179	48,338
24.90 Treasury balance	2,120	2,120	2,120
U.S. Securities:			
24.91 Par value	40,830	44,310	48,151
24.92 Unrealized discounts			
39.00 Budget authority (gross)			
Budget authority:			
68.00 Spending authority from offsetting collections	6,798	3,472	3,841
68.45 Portion not available for obligation (limitation on obligations)	-6,798	-3,472	-3,841
68.90 Spending authority from offsetting collections (total)			
Relation of obligations to outlays:			
71.00 Total obligations			
72.10 Receivables in excess of obligations, start of year	-1,006	-1,753	
74.10 Receivables in excess of obligations, end of year	1,753		
87.00 Outlays (gross)	747	-1,753	
Adjustments to gross budget authority and outlays:			
Offsetting collections from:			
88.00 Federal funds: Interest on U.S. securities	-2,604	-2,472	-2,841
88.40 Non-Federal sources	-4,194	-1,000	-1,000
88.90 Total, offsetting collections	-6,798	-3,472	-3,841
89.00 Budget authority (net)	-6,798	-3,472	-3,841
90.00 Outlays (net)	-6,051	-5,225	-3,841

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

Revenue and Expense (in thousands of dollars)

Identification code 86-4043-0-3-376	1993 actual	1994 est.	1995 est.
0101 Revenue	6,798	3,472	3,841
0102 Expense			
0109 Net income or loss (-)	6,798	3,472	3,841

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS—Continued
Federal Funds—Continued

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Financial Condition (in thousands of dollars)

Identification code 86-4043-0-3-376	1992 actual	1993 actual	1994 est.	1995 est.
ASSETS:				
1000 Fund balance with Treasury and cash:				
Fund balance with Treasury	12,999	8,918	5,592	5,961
1100 Accounts receivable: Federal agencies ...	891	1,753		
Investments:				
1400 Treasury securities, par	31,682	40,830	44,310	48,151
1410 Treasury securities, unamortized discount (-)	115			
1499 Subtotal, investments	<u>31,797</u>	<u>40,830</u>	<u>44,310</u>	<u>48,151</u>
1999 Total assets	45,687	51,501	49,902	54,112
EQUITY:				
3210 Revolving fund equity:				
Revolving fund balances: Cumulative results	45,687	51,501	49,920	54,112
3299 Subtotal, revolving fund balances	<u>45,687</u>	<u>51,501</u>	<u>49,920</u>	<u>54,112</u>
3999 Total equity	45,687	51,501	49,920	54,112

NEHEMIAH HOUSING OPPORTUNITY FUND

Program and Financing (in thousands of dollars)

Identification code 86-4071-0-3-604	1993 actual	1994 est.	1995 est.
Program by activities:			
10.00 Total obligations (object class 33.0)	14,233	16,552	
Financing:			
17.00 Recovery of prior year obligations	-515		
21.40 Unobligated balance available, start of year: Treasury balance	-49,204	-16,552	
24.40 Unobligated balance available, end of year: Treasury balance	16,552		
41.00 Budget authority (transferred to other accounts)	-18,934		
Relation of obligations to outlays:			
71.00 Total obligations	14,233	16,552	
72.40 Obligated balance, start of year: Treasury balance	25,762	36,782	16,552
74.40 Obligated balance, end of year: Treasury balance	-36,782	-16,552	
78.00 Adjustments in unexpired accounts	-515		
90.00 Outlays	<u>2,698</u>	<u>36,782</u>	<u>16,552</u>

The Nehemiah grants program was authorized by the Housing and Community Development Act of 1987 and funded in 1989, 1990 and 1991 under the Annual Contributions for Assisted Housing account. The legislation authorizes a revolving fund into which are deposited appropriated funds. This program and financing schedule indicates the appropriation from 1990 and 1991 as being transferred to the Annual Contributions account during fiscal year 1993.

The program provided loans to eligible families to assist in the purchase of new or substantially rehabilitated units. The purpose of the program was: (1) to encourage homeownership by families not otherwise able to afford homeownership; (2) to undertake a concentrated effort to rebuild the depressed areas of the cities and to create sound and attractive neighborhoods; and (3) to increase the employment of neighborhood residents. No new funding is requested for this program in 1995. This schedule reflects the liquidation of reserve/obligated balances remaining in the Nehemiah Housing Opportunity Fund.

Credit accounts:FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT
(INCLUDING TRANSFERS OF FUNDS)

During fiscal year [1994] 1995, 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 **[\$64,564,645,000] \$84,981,722,000.**

During fiscal year 1995, obligations to make direct loans to carry out the purposes of Section 204(g) of the National Housing Act, as amended, shall not exceed \$180,000,000: Provided, That the foregoing amount shall be for loans to nonprofit and governmental entities in connection with sales of single family real properties owned by the Secretary and formerly insured under Section 203 of such Act.

For administrative expenses necessary to carry out the guaranteed and direct loan program, **[\$262,810,000] \$308,846,000**, to be derived from the FHA-mutual mortgage insurance guaranteed loans receipt account, of which not to exceed **[\$256,682,000] \$302,056,000** shall be transferred to the appropriation for salaries and expenses; and of which not to exceed **[\$6,128,000] \$6,790,000** shall be transferred to the appropriation for the Office of Inspector General. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriation Act, 1994.)

Program and Financing (in thousands of dollars)

Identification code 86-0183-0-1-371	1993 actual	1994 est.	1995 est.
Program by activities:			
00.09 Administrative expenses	255,645	262,810	308,846
10.00 Total obligations (object class 25.2)	255,645	262,810	308,846
Financing:			
40.25 Budget authority (appropriation) (special fund, indefinite)	255,645	262,810	308,846
Relation of obligations to outlays:			
71.00 Total obligations	255,645	262,810	308,846
90.00 Outlays	<u>255,645</u>	<u>262,810</u>	<u>308,846</u>

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

Identification code 86-0183-0-1-371	1993 actual	1994 est.	1995 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Loan guarantee levels	72,989,307	64,564,645	84,981,722
2159 Guaranteed loan levels supportable by subsidy budget authority	72,989,307	64,564,645	84,981,722
Guaranteed loan subsidy (in percent):			
2320 Guaranteed loan subsidy rates (in percent)	-2.57	-2.79	-2.78
Guaranteed loan subsidy budget authority:			
2339 Guaranteed loan subsidy budget authority			
Guaranteed loan subsidy outlays:			
2349 Guaranteed loan subsidy outlays	-1,943,463	-1,428,797	-1,683,485

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the loan guarantees committed in 1992 and thereafter, as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis. Total insurance commitments are estimated at \$84.9 billion in 1995. Because the net present value of future income for the 1995 book of business is expected to exceed the net present value of expenses, no credit subsidy appropriation is required. Negative subsidies are recorded in the MMI guaranteed loan financing and receipt accounts. The appropriation requested, \$308.8 million, is to be transferred to the consolidated Salaries and Expenses, HUD, account.

Regulations implementing major reforms to this single family mortgage insurance program, enacted in the National Affordable Housing Act of 1990, became effective July 1, 1991. The objective of the reforms was to rebuild the economic value of the fund while maintaining the following principles: (1) meeting the needs of low- and moderate-income first-time homebuyers; (2) establishing insurance premiums that reflect the risk of default; and (3) requiring homebuyers to make minimum equity contributions to protect them and the Fund from excessive default risk.

Credit accounts—Continued

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

(INCLUDING TRANSFERS OF FUNDS)—Continued

An independent actuarial analysis of the fund recommended that capital in the fund be increased to 2.0 percent of outstanding insurance in force by the year 2000. According to the reforms implemented with the July 1, 1991 regulations FHA homebuyers are paying an annual premium of 50 basis points (0.5 percent) for a specified number of years depending upon the amount of downpayment the homebuyer makes. This annual premium is in addition to the up-front premium, currently 3.0 percent and dropping to 2.25 percent beginning in 1995.

Other changes to the program aimed at stabilizing the fund included, elimination of distributive share payments (mutuality benefits) to FHA-insured homeowners who pay off their loans unless the entire fund is actuarially sound; and, elimination of vacation properties from the insurance program.

The Department is monitoring the effects of these reforms on the fund. The financial health of the fund depends on the number and costs of homeowner defaults, which are a function of general economic conditions and homeowner equity in the underlying property. The Secretary has the authority to raise or lower the premiums, if an independent auditor determines that the Fund is not meeting its operational goals. These statutory goals are: (1) maintaining an adequate capital ratio; (2) providing access to mortgage credit for homebuyers with low downpayments and first-time homebuyers; (3) minimizing the risk to the Fund and to homeowners from homeowner default; and, (4) avoiding adverse selection.

**FHA—MUTUAL MORTGAGE INSURANCE DIRECT LOAN FINANCING
ACCOUNT**

Program and Financing (in thousands of dollars)

Identification code 86-4242-0-3-371	1993 actual	1994 est.	1995 est.
Program by activities:			
00.01 Direct Loans			180,000
00.02 Interest paid to Treasury			4,644
10.00 Total obligations			184,644
Financing:			
39.00 Financing authority			184,644
Financing authority:			
67.15 Authority to borrow (indefinite)			177,995
68.00 Spending authority from offsetting collections			6,649
Relation of obligations to financing disbursements:			
71.00 Total obligations			184,644
87.00 Outlays (gross)			184,644
Adjustments to financing authority and financing disbursements:			
Offsetting collections from:			
Non-Federal sources:			
88.40 Repayments of Principal			-1,054
88.40 Interest received on Loans			-5,595
88.90 Total, offsetting collections			-6,649
89.00 Financing authority (net)			177,995
90.00 Outlays (net)			177,995

The \$200 million in FY 1995 direct loan limitation (\$180 million in the MMI Fund and \$20 million in the GI/SRI Fund) would permit the Department to use Purchase Money Mortgages (PMMs) to help finance the sale of 5,000 acquired single family properties. HUD would extend credit for these single-family homes to community nonprofit organizations or local government entities who would be expected to sell the

properties to low- and medium-income buyers. The use of PMMs should provide a new tool for State and local nonprofit organizations to use in revitalizing communities, and create enhanced homeownership opportunities for low- and moderate-income families.

Status of Direct Loans (in thousands of dollars)

Identification code 86-4242-0-3-371	1993 actual	1994 est.	1995 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			180,000
1150 Total direct loan obligations			180,000
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year			
1231 Disbursements: Direct loan disbursements			180,000
1251 Repayments: Repayments and prepayments			-1,054
1290 Outstanding, end of year			178,946

Financial Condition (in thousands of dollars)

Identification code 86-4242-0-3-371	1992 actual	1993 actual	1994 est.	1995 est.
ASSETS:				
1800 Loans receivable (financing accounts):				
Loans receivable gross				178,946
1999 Total assets				178,946
LIABILITIES:				
2615 Debt issued under borrowing authority:				
Intragovernmental debt: debt to Treasury				177,995
2999 Total liabilities				177,995
EQUITY:				
3200 Revolving fund equity: Appropriated capital				
3999 Total equity				

**FHA—MUTUAL MORTGAGE INSURANCE GUARANTEED LOAN
FINANCING ACCOUNT**

Program and Financing (in thousands of dollars)

Identification code 86-4587-0-3-371	1993 actual	1994 est.	1995 est.
Program by activities:			
00.01 Default claims and other	85,577	836,300	1,858,738
00.05 Payment of negative subsidy to receipt account	255,645	282,810	308,846
00.06 Payment of negative subsidy to liquidating account	1,353,857	1,145,987	1,374,639
00.07 Subsidy reestimate paid to liquidating account	78,613		
00.08 Adjustment for prior year	91,147		
10.00 Total obligations	1,864,839	2,265,097	3,542,223
Financing:			
21.90 Unobligated balance available, start of year: Fund balance	-535,532	-701,562	-1,281,718
24.90 Unobligated balance available, end of year: Fund balance	701,562	1,281,718	972,871
68.00 Financing authority (gross): Spending authority from offsetting collections	2,030,869	2,845,253	3,233,376
Relation of obligations to financing disbursements:			
71.00 Total obligations	1,864,839	2,265,097	3,542,223
72.90 Obligated balance, start of year: Fund balance	164,201	-5,440	-5,440
74.90 Obligated balance, end of year: Fund balance	5,440	5,440	5,440
87.00 Financing disbursements (gross)	2,034,480	2,265,097	3,542,223
Adjustments to gross financing authority and financing disbursements:			
Offsetting collections from:			
Federal sources:			
88.25 Interest on uninvested funds	-65,338	-77,796	-85,469
88.40 Fees and premiums	-1,953,707	-2,408,815	-2,319,282

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS—Continued
Federal Funds—Continued

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Non-Federal sources:				
88.40	Recovery on defaulted notes	-11,824	-358,642	-828,625
88.90	Total, offsetting collections	-2,030,869	-2,845,253	-3,233,376
89.00	Financing authority (net)			
90.00	Financing disbursements (net)	3,611	-580,156	308,847

Status of Guaranteed Loans (in thousands of dollars)

Identification code 86-4587-0-3-371	1993 actual	1994 est.	1995 est.	
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders	100,000,000	64,564,645	84,981,722
2112	Uncommitted loan guarantee limitation	-27,010,693		
2150	Total guaranteed loan commitments	72,989,307	64,564,645	84,981,722
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	32,594,705	94,330,868	140,956,328
2231	Disbursements of new guaranteed loans	62,501,905	52,532,725	60,514,109
2251	Repayments and prepayments	-693,135	-5,128,467	-5,000,000
2261	Terminations for default that result in loans receivable	-27,315	-153,386	-374,524
2262	Terminations for default that result in acquisition of property		-606,933	-1,332,295
2263	Terminations for default that result in claim payments	-45,104	-18,479	-43,757
2264	Other adjustments, net	-188		
2290	Outstanding, end of year	94,330,868	140,956,328	194,719,861
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	94,330,868	140,956,328	194,719,861
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year		27,315	182,653
2331	Disbursements for guaranteed loan claims	27,315	159,386	375,524
2351	Repayments of loans receivable		-4,048	-12,176
2390	Outstanding, end of year	27,315	182,653	546,001

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

Revenue and Expense (in thousands of dollars)

Identification code 86-4587-0-3-371	1993 actual	1994 est.	1995 est.	
0101	Revenue	645,481	1,093,308	2,014,982
0102	Expense	-1,802,731	-1,921,087	-2,824,170
0109	Net income or loss (-)	-1,157,250	-827,779	-809,188

Financial Condition (in thousands of dollars)

Identification code 86-4587-0-3-371	1992 actual	1993 actual ¹	1994 est.	1995 est.	
ASSETS:					
1000	Fund balance with Treasury and cash: Fund balance with Treasury	699,733	696,122	1,276,278	967,431
Accounts receivable:					
1100	Federal agencies	4,042			
1110	Public	10,525	35,303	35,303	35,303
1199	Subtotal, accounts receivable	14,567	35,303	35,303	35,303
Advances and prepayments:					
1200	Federal agencies		10,202	10,202	10,202
Loans receivable:					
1510	Public: direct loans		27,315	176,653	540,001
1520	Allowances for uncollectibles (-)			-6,386	-37,953
1599	Subtotal, loans receivable	27,315	170,267	502,048	

Property, plant and equipment:				
1650	Other	30,836	245,859	678,885
1680	Allowances (-)	-817	-18,830	-77,760
1699	Subtotal, property, plant and equipment	30,019	227,029	601,125
1999	Total assets	714,300	798,961	1,719,079
LIABILITIES:				
Accounts payable:				
2000	Federal agencies	164,201	10	10
2010	Public		10	
2099	Subtotal, accounts payable	164,201	20	10
Unearned revenue (advances):				
2410	Public	1,168,187	2,574,288	4,322,185
2499	Subtotal, unearned revenue (advances)	1,168,187	2,574,288	4,322,185
2999	Total liabilities	1,332,388	2,574,308	4,322,195
EQUITY:				
Revolving fund equity:				
3210	Cumulative results	-21,798	-1,775,338	-2,603,117
3299	Subtotal, revolving fund balances	-21,798	-1,775,338	-2,603,117
3999	Total equity	-21,798	-1,775,338	-2,603,117

¹ Preliminary results pending final audit.

Object Classification (in thousands of dollars)

Identification code 86-4587-0-3-371	1993 actual	1994 est.	1995 est.	
25.2	Payment of negative subsidy to receipt account	255,645	282,810	308,846
25.2	Payment of negative subsidy to liquidating account	1,523,617	1,145,987	1,374,639
25.2	Other services	11,152	20,980	24,055
32.0	Land and structures	47,110	661,934	1,459,159
33.0	Investments and loans	27,315	153,386	375,524
99.9	Total obligations	1,864,839	2,265,097	3,542,223

FHA—MUTUAL MORTGAGE AND COOPERATIVE HOUSING INSURANCE FUNDS

Program and Financing (in thousands of dollars)

Identification code 86-4070-0-3-371	1993 actual	1994 est.	1995 est.	
Program by activities:				
Direct program:				
00.03	Interest on debentures	29	29	29
00.04	Other operating costs	71,419	95,200	93,200
00.05	Participation payments	2,058	2,300	2,300
00.91	Total operating expenses	73,506	97,529	95,529
Capital investment:				
01.02	Assignment of defaulted mortgages	906,172	577,057	462,742
01.03	Acquisition of real properties	3,462,251	2,478,519	2,066,081
01.05	Acquisition of other assets	30,538	26,000	25,000
01.07	Capitalized property expenses	435,681	327,982	197,050
01.08	Loss on defaulted guaranteed loans	19,880	27,833	48,617
01.91	Total capital investment	4,854,522	3,437,391	2,799,490
10.00	Total obligations	4,928,028	3,534,920	2,895,019
Financing:				
17.00	Recovery of prior year obligations	-12,565		
Unobligated balance available, start of year:				
21.90	Treasury balance	453,845	99,801	612,552
U.S. Securities:				
21.91	Par value	-5,835,316	-5,155,301	-6,797,301
21.92	Unrealized discounts	46,002		
Unobligated balance available, end of year:				
24.90	Treasury balance	-99,801	-612,552	-608,808
U.S. Securities:				
24.91	Par value	5,155,301	6,797,301	8,131,834
24.92	Unrealized discounts			
68.00	Budget authority (gross): Spending authority from offsetting collections	4,635,494	4,664,169	4,233,296

Credit accounts—Continued

FHA—MUTUAL MORTGAGE AND COOPERATIVE HOUSING INSURANCE
FUNDS—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code 86-4070-0-3-371	1993 actual	1994 est.	1995 est.
Relation of obligations to outlays:			
71.00 Total obligations	4,928,028	3,534,920	2,895,019
72.90 Obligated balance, start of year: Fund balance	533,769	632,959	632,959
74.90 Obligated balance, end of year: Fund balance	-632,959	-632,959	-632,959
78.00 Adjustments in unexpired accounts	-12,565		
87.00 Outlays (gross)	4,816,273	3,534,920	2,895,019
Adjustments to gross budget authority and outlays:			
Offsetting collections from:			
Federal sources:			
88.20 Interest on U.S. securities	-537,277	-553,242	-655,544
Non-Federal sources:			
88.40 Fees and premiums	-208,337	-195,413	-189,668
88.40 Rebate of unearned prepaid premiums collected	664,230	137,362	70,836
88.40 Proceeds from sale of real property	-2,688,135	-2,567,021	-1,561,754
88.40 Repayment of mortgage notes and sales contracts	-2,449	-4,384	-1,289
88.40 Interest and operating income	-116,253	-113,269	-117,569
88.40 Recoveries on defaulted mortgages	-146,700	-156,635	-163,669
88.40 Other interest, dividends and revenues	-1,448	-580	
88.40 Prior year adjustment			-175,000
88.40 Payment from financing account	-8,011		
88.40 Miscellaneous collections	-1,523,617	-1,145,987	-1,374,639
88.40 Payment from financing account	-67,497	-65,000	-65,000
88.90 Total, offsetting collections	-4,635,494	-4,664,169	-4,233,296
89.00 Budget authority (net)			
90.00 Outlays (net)	188,779	-1,129,249	-1,338,277

Status of Guaranteed Loans (in thousands of dollars)

Identification code 86-4070-0-3-371	1993 actual ¹	1994 est.	1995 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	267,673,133	190,155,783	182,141,591
2251 Repayments and prepayments	-73,129,047	-4,930,783	-3,369,389
2261 Terminations for default that result in loans receivable	-906,172	-577,057	-462,742
2262 Terminations for default that result in acquisition of property	-3,462,251	-2,478,519	-2,066,081
2263 Terminations for default that result in claim payments	-19,880	-27,833	-48,617
2290 Outstanding, end of year	190,155,783	182,141,591	176,194,762
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	190,155,783	182,141,591	176,194,762
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	2,855,924	3,314,982	3,366,100
2331 Disbursements for guaranteed loan claims	906,172	577,057	462,742
2351 Repayments of loans receivable	-149,149	-161,019	-339,958
2361 Write-offs of loans receivable	-297,965	-364,920	-318,578
2390 Outstanding, end of year	3,314,982	3,366,100	3,170,306

¹ Unaudited preliminary results.

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

In order to present more clearly the operations of the various funds, FHA's budget transactions have been separated into two major business segments. The single-family insurance programs in the Mutual Mortgage and the Cooperative Management Housing insurance funds (MMI/CMHI) form one

segment. The multifamily and high risk insurance programs in the General Insurance and Special Risk Insurance funds (GI/SRI) form the other.

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

This liquidating account records, for this program, all cash flows to and from the Government resulting from MMI/CMHI loan guarantees committed prior to fiscal year 1992. This account is shown on a cash basis. All new activity in this program in 1992 and thereafter (including modifications of loan guarantees that resulted from commitments in any year) is recorded in corresponding program (86-0138) and financing (86-4587 and 86-4242) accounts.

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

PROGRAM HIGHLIGHTS

	1993 actual ¹	1994 est.	1995 est.
(in millions of dollars)			
Insurance initiation:			
Mortgage insurance applications (units)	1,453,977	1,218,459	1,218,273
Mortgage insurance written:			
Units	852,770	885,017	844,125
Amount	60,950	64,198	64,402
Insurance maintenance: Outstanding balance of insurance in force, end of year:			
Mortgage insurance	285,487	324,098	372,476
Properties acquired (units):²			
Homes	58,435	45,209	37,694
Property sales during year (units):			
Homes	59,250	53,270	41,202
Property on hand, end of year (units):			
Homes	28,206	20,145	16,641
Defaulted mortgage assignments during year (units):			
Homes	14,525	9,332	7,556
Claims on current mortgages during year (units):			
Homes			
Assigned mortgages on hand, end of year (units):			
Homes	66,068	71,560	72,776
Inventory of property and assigned mortgages on hand, end of year (units):			
Homes	94,274	91,705	89,417
Claims with no acquisition (units):³			
Homes	1,564	2,161	3,744
Multifamily			
Total claims with no acquisition			

¹ Unaudited preliminary results.² Includes direct acquisition from mortgagee and foreclosure of HUD-held mortgage notes.³ Includes coinsurance claims and preforeclosure claims.

Insurance reserves from operations at the end of 1993 are estimated to be in a surplus position for the Mutual mortgage insurance and Cooperative management housing insurance funds. The status of estimated insurance reserves from operations (retained income or deficit) through 1995 for the MMI/CMHI account follows:

STATUS OF INSURANCE RESERVES FROM OPERATIONS

	[in millions of dollars]		
	1993 est. ¹	1994 est.	1995 est.
Insurance fund:			
Mutual mortgage/CMHI:			
Liquidating account ²	2,844	4,442	7,161
Financing account ²	-1,775	-2,603	-3,412
Total MMI/CMHI	1,069	1,839	3,749

¹ Preliminary results pending final audit.² Reflects impact from transfer of negative subsidy from the Financing account to the Liquidating account.

Financial condition.—The following tables reflect the revenues and financial condition of the MMI/CMHI funds based on Generally Accepted Accounting Principles (GAAP).

Revenue and Expense (in thousands of dollars)

Identification code 86-4070-0-3-371	1993 actual ¹	1994 est.	1995 est.
0101 Revenue	5,572,765	5,225,645	4,995,652
0102 Expense	-4,509,898	-3,624,506	-2,272,095
0109 Net income or loss (-)	1,062,867	1,601,139	2,723,557

¹ Estimated result on GAAP basis pending final audit.

Financial Condition (in thousands of dollars)

Identification code 86-4070-0-3-371	1992 actual	1993 actual ¹	1994 est.	1995 est.
ASSETS:				
1000 Fund balance with Treasury and cash:				
Fund balance with Treasury	33,883	497,379	25,418	26,742
Accounts receivable:				
1100 Federal agencies	268,675	141,678	141,678	141,678
1110 Public	148,568	156,613	156,613	156,613
1120 Allowances for uncollectibles (-)	-27,516	-32,572	-32,572	-32,572
1199 Subtotal, accounts receivable	389,727	265,719	265,719	265,719
Advances and prepayments:				
1200 Federal agencies	111,817	45,289	45,289	45,289
1210 Public	5,105	5,992	5,992	5,992
1299 Subtotal, advances and prepayments	116,922	51,281	51,281	51,281
Investments:				
1400 Treasury securities, par	5,835,316	5,155,301	6,797,301	8,131,834
1410 Treasury securities, unamortized discount (-)	-46,002			
1499 Subtotal, investments	5,789,314	5,155,301	6,797,301	8,131,834
Loans receivable:				
1510 Public: direct loans	2,855,924	3,314,982	3,366,100	3,170,306
1520 Allowances for uncollectibles (-)	-659,446	-819,162	-819,162	-819,162
1599 Subtotal, loans receivable	2,196,478	2,495,820	2,546,938	2,351,144
Property, plant and equipment:				
1650 Other	2,006,573	2,007,845	1,677,496	1,566,490
1680 Allowances (-)	-853,613	-757,557	-757,557	-757,557
1699 Subtotal, property, plant and equipment	1,152,960	1,250,288	919,939	808,933
1740 Other assets: Other	68	17	20,379	37,404
1999 Total assets	9,679,352	9,715,805	10,626,975	11,673,057
LIABILITIES:				
Accounts payable:				
2000 Federal agencies	946	79	79	79
2010 Public	699,097	716,205	716,205	716,205
2099 Subtotal, accounts payable	700,043	716,284	716,284	716,284
Interest payable:				
2100 Federal agencies	13	4	4	4
2110 Public	6			
2199 Subtotal, interest payable	19	4	4	4
2410 Unearned revenue (advances): Public	5,166,000	3,940,648	3,212,189	2,276,916
2620 Debt issued under borrowing authority:				
Other debt	1,008	1,008	1,007	1,007
2710 Actuarial liabilities: Insurance and annuity programs	2,206,516	2,170,600	2,170,600	2,170,600
2810 Other liabilities		16	16	
2999 Total liabilities	8,073,586	6,828,560	6,100,100	5,164,811

EQUITY:

	1993 actual	1994 est.	1995 est.
Revolving fund equity:			
Revolving fund balances:			
3200 Appropriated capital	18,809	18,809	18,809
3210 Cumulative results ²	1,586,957	2,844,147	4,441,776
3299 Subtotal, revolving fund balances	1,605,766	2,862,956	4,460,585
3999 Total equity	1,605,766	2,862,956	4,460,585

¹ Preliminary results pending final audit.² Includes negative subsidy disbursements from the Financing account.

Object Classification (in thousands of dollars)

Identification code 86-4070-0-3-371	1993 actual	1994 est.	1995 est.
25.2 Other services	71,419	95,200	93,200
33.0 Investments and loans	926,052	604,890	511,359
42.0 Insurance claims and indemnities	30,538	26,000	25,000
43.0 Interest and dividends	29	29	29
32.0 Land and structures	3,897,932	2,806,501	2,263,131
44.0 Refunds	2,058	2,300	2,300
99.9 Total obligations	4,928,028	3,534,920	2,895,019

FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the cost of guaranteed loans, **[\$147,371,000]** as authorized by sections 238 and 519 of the National Housing Act, as amended (12 U.S.C. 1715z-3(b) and 1735c(f)), **\$152,000,000**, of which up to **\$132,903,000** is to be derived from the *FHA—General and Special Risk, Negative Subsidies receipt account*: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize total loan principal any part of which is to be guaranteed of not to exceed **[\$13,436,205,000]**: *Provided further*, That of the foregoing amount provided to subsidize program costs, not more than **\$36,842,750** may be obligated by January 1, 1994, not more than **\$73,685,500** may be obligated by April 1, 1994, and not more than **\$110,528,250** may be obligated by July 1, 1994] **\$19,685,072,000**.

Gross obligations for the principal amount of direct loans, as authorized by sections 204(g), 207(l), 238(a), and 519(d) of the National Housing Act, shall not exceed \$220,000,000; of which not to exceed \$200,000,000 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, **[\$192,252,000]** **\$197,470,000**, of which **[\$188,190,000]** **\$193,299,000** shall be transferred to the appropriation for salaries and expenses; and of which **[\$4,062,000]** **\$4,171,000** shall be transferred to the appropriation for the Office of Inspector General. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriation Act, 1994.*)

Unavailable Collections (in thousands of dollars)

Identification code 86-0200-0-1-371	1993 actual	1994 est.	1995 est.
01.00 Balance, start of year: Treasury balance		33,734	362,775
Receipts:			
02.00 Downward subsidy reestimate	33,734	196,138	
02.00 Negative subsidy receipts		132,903	237,398
02.99 Total receipts	33,734	329,041	237,398
04.00 Total: Balances and collections	33,734	362,775	600,173
05.01 Appropriations: Appropriation for Program Account			-132,903
07.00 Balance, end of year: Treasury balance	33,734	362,775	467,270

Credit accounts—Continued

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

Program and Financing (in thousands of dollars)

Identification code 86-0200-0-1-371	1993 actual	1994 est.	1995 est.
Program by activities:			
00.02 Guaranteed loan subsidy	153,308	147,371	152,000
00.09 Administrative expenses	187,000	192,252	197,470
10.00 Total obligations	340,308	339,623	349,470
Financing:			
21.40 Unobligated balance available, start of year: Treasury balance	-20,397		
24.40 Unobligated balance available, end of year: Treasury balance			
25.00 Unobligated balance expiring	741		
39.00 Budget authority	320,652	339,623	349,470
Budget authority:			
Current:			
40.00 Appropriation	291,652	339,623	216,567
40.25 Appropriation (special fund, indefinite)			132,903
42.00 Transferred from other accounts	19,000		
43.00 Appropriation (total)	310,652	339,623	349,470
Permanent:			
60.05 Appropriation (indefinite)	10,000		
Relation of obligations to outlays:			
71.00 Total obligations	340,308	339,623	349,470
72.40 Obligated balance, start of year: Treasury balance	20,849	8,413	19,701
74.40 Obligated balance, end of year: Treasury balance	-8,413	-19,701	-32,714
90.00 Outlays	352,744	320,335	336,457

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

Identification code 86-0200-0-1-371	1993 actual	1994 est.	1995 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Single-family PMMs			20,000
1150 Multifamily bridge loans			200,000
1159 Total direct loan levels			220,000
Direct loan subsidy (in percent):			
1320 Single-family subsidy rate			
1320 Multifamily subsidy rate			
1329 Weighted average subsidy rate			
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Single family, negative	5,696,375	6,615,534	10,594,507
2150 Single family, positive			1,962,212
2150 Multifamily positive	2,521,224	2,095,856	2,204,450
2150 Multifamily, negative	3,541,085	3,634,703	
2150 Title I guarantees	1,066,640	1,183,730	1,289,200
2159 Total guarantee loan levels	9,284,239	13,436,205	19,685,072
Guaranteed loan subsidy (in percent):			
2320 Single family, negative		-1.27	-1.34
2320 Single family, positive	1.61		.72
2320 Multifamily, positive	3.18	7.03	6.41
2320 Multifamily, negative		-2.08	-2.04
2320 Title I	-1.74	-2.03	-2.10
2329 Weighted average subsidy rate ¹	1.65	7.03	3.73
Guaranteed loan subsidy budget authority:			
2330 Single family, positive	91,712		14,128
2330 Multifamily, positive	80,150	147,371	137,872
2330 Title I	-18,554		
2339 Total subsidy budget authority	153,308	147,371	152,000
Guaranteed loan subsidy outlays:			
2340 Single family, positive	84,281	22,928	10,596
2340 Multifamily, positive	62,665	150,507	128,391
2340 Title I	-18,554		
2340 Outlay adjustment	37,352	-37,352	

2349 Total subsidy outlays	165,744	136,083	138,987
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¹ In 1994 and 1995, includes only positive subsidy rates.

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

Object Classification (in thousands of dollars)

Identification code 86-0200-0-1-371	1993 actual	1994 est.	1995 est.
25.2 Other services	187,000	192,252	197,470
41.0 Grants, subsidies, and contributions	153,308	147,371	152,000
99.9 Total obligations	340,308	339,623	349,470

FHA—GENERAL AND SPECIAL RISK GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in thousands of dollars)

Identification code 86-4077-0-3-371	1993 actual	1994 est.	1995 est.
Program by activities:			
00.01 Default claims and other	12,553	202,328	384,593
00.02 Payment of negative subsidy to receipt account		132,903	237,398
00.03 Subsidy reestimate paid to receipt account	33,734	196,138	
10.00 Total obligations	46,287	531,369	621,991
Financing:			
21.90 Unobligated balance available, start of year: Fund balance	-62,262	-260,693	-72,321
24.90 Unobligated balance available, end of year: Fund balance	260,693	72,321	23,677
39.00 Financing authority (gross)	244,710	342,997	573,347
Financing authority:			
67.15 Authority to borrow (indefinite)			79,427
68.00 Spending authority from offsetting collections	244,718	342,997	493,920
Relation of obligations to financing disbursements:			
71.00 Total obligations	46,287	531,369	621,991
72.10 Receivables from program account, start of year	-20,849	-45,765	-19,701
72.40 Obligated balance, start of year: Treasury balance		30,150	
74.10 Receivables from program account, end of year	45,765	19,701	32,714
74.40 Obligated balance, end of year: Treasury balance	-30,150		
87.00 Financing disbursements (gross)	41,053	535,455	635,004
Adjustments to financing authority and financing disbursements:			
Offsetting collections from:			
Federal sources:			
88.00 Payments from program account	-153,308	-147,371	-152,000
88.25 Interest on uninvested funds	-9,281	-10,048	708
Non-Federal sources:			
88.40 Fees and premiums	-80,961	-157,377	-263,568
88.40 Proceeds from sale of real property	-1,168	-28,201	-79,060
88.90 Total, offsetting collections	-244,718	-342,997	-493,920
89.00 Financing authority (net)			79,427
90.00 Financing disbursements (net)	-203,665	192,458	141,084

Status of Guaranteed Loans (in thousands of dollars)

Identification code 86-4077-0-3-371	1993 actual	1994 est.	1995 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	11,792,230	13,436,205	19,685,072

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS—Continued
Federal Funds—Continued

2112	Uncommitted loan guarantee limitation	-2,507,990		
2150	Total guaranteed loan commitments	9,284,240	13,436,205	19,685,072
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	5,075,553	14,754,605	25,430,237
2231	Disbursements of new guaranteed loans	9,769,199	11,294,275	15,283,292
2251	Repayments and prepayments	-74,071	-442,037	-1,407,996
2261	Terminations for default that result in loans receivable	-6,840	-126,111	-216,541
2262	Terminations for default that result in acquisition of property	-5,509	-49,461	-120,678
2263	Terminations for default that result in claim payments	-18	-1,034	-2,194
2264	Other adjustments, net	-3,709		
2290	Outstanding, end of year	14,754,605	25,430,237	38,966,120
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	14,754,605	25,430,237	38,966,120

Addendum:

Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year		6,608	159,477
2331	Disbursements for guaranteed loan claims	6,840	163,435	308,979
2351	Repayments of loans receivable	-25	-10,566	-18,095
2361	Write-offs of loans receivable	-207		
2390	Outstanding, end of year	6,608	159,477	450,361

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 FY 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.

Revenue and Expense (in thousands of dollars)

Identification code 86-4077-0-3-371	1993 actual	1994 est.	1995 est.
0101 Revenue	87,501	327,253	478,347
0102 Expense	-7,184	-375,263	-390,481
0109 Net income or loss (-)	80,317	-48,010	87,866

Financial Condition (in thousands of dollars)

Identification code 86-4077-0-3-371	1992 actual	1993 actual ¹	1994 est.	1995 est.
ASSETS:				
1000 Fund balance with Treasury and cash:				
Fund balance with Treasury	41,413	260,693	72,321	23,677
Accounts receivable:				
Federal agencies	21,103	45,765	19,701	32,714
Public	4,493	5,678	5,678	5,678
1199 Subtotal, accounts receivable	25,596	51,443	25,379	38,392
Loans receivable:				
Public: direct loans	6,608	126,423	326,733	
Allowances for uncollectibles (-)	-5,097	-5,136	-36,703	
1599 Subtotal, loans receivable	1,511	121,287	290,030	
Property, plant and equipment:				
Other	4,175	50,472	161,322	
Allowances (-)		-116	-116	-59,046
1699 Subtotal, property, plant and equipment	4,059	50,356	102,276	
1999 Total assets	67,009	317,706	269,343	454,375
LIABILITIES:				
Accounts payable:				
Federal agencies		30,149	30,149	30,149
Public		1	1	1
2099 Subtotal, accounts payable		30,150	30,150	30,150
2410 Unearned revenue (advances): Public	9,816	14,856	14,856	14,856
2615 Debt issued under borrowing authority:				
Intragovernmental debt: debt to Treasury				79,427

2999	Total liabilities	9,816	45,006	45,006	124,433
EQUITY:					
Revolving fund equity:					
3210	Cumulative results	18,025	113,957	108,424	66,658
3220	Net credit subsidy payments	39,169	158,743	115,913	263,284
3299	Subtotal, revolving fund balances	57,194	272,700	224,337	329,942
3999	Total equity	57,194	272,700	224,337	329,942

¹ Preliminary results pending final audit.

Object Classification (in thousands of dollars)

Identification code 86-4077-0-3-371	1993 actual	1994 est.	1995 est.
32.0 Downward subsidy reestimate	33,734	196,138	
32.0 Payment of negative subsidy		132,903	237,398
33.0 Investments and loans	12,553	202,328	384,593
99.9 Total obligations	46,287	531,369	621,991

FHA—GENERAL AND SPECIAL RISK GUARANTEED LOAN FINANCING ACCOUNT

(Legislative proposal, subject to PAYGO)

This schedule records all off-budget cash flows from the "loan modifications" portion of the Administration's proposed reforms to multifamily property disposition, as discussed under the FHA General and Special Risk Insurance Funds Liquidating Account legislative proposal.

Program and Financing (in thousands of dollars)

Identification code 86-4077-4-3-371	1993 actual	1994 est.	1995 est.
Program by activities:			
00.01 Payment to liquidating account for loan modification		520,000	
00.02 Payment of interest to Treasury			30,940
10.00 Total obligations		520,000	30,940
Financing authority:			
39.00 Financing authority		520,000	30,940
Financing authority:			
67.15 Authority to borrow (indefinite)		520,000	
68.00 Spending authority from offsetting collections			53,366
68.47 Portion applied to debt reduction			-22,426
68.90 Spending authority from offsetting collections (total)			30,940
Relation of obligations to financing disbursements:			
71.00 Total obligations		520,000	30,940
87.00 Financing disbursements (gross)		520,000	30,940
Adjustments to gross financing authority and financing disbursements:			
88.00 Offsetting collections from: Federal funds			-53,366
89.00 Financing authority (net)		520,000	-22,426
90.00 Financing disbursements (net)		520,000	-22,426

Revenue and Expense (in thousands of dollars)

Identification code 86-4077-4-3-371	1993 actual	1994 est.	1995 est.
0101 Revenue			53,366
0102 Expense			-30,940
0109 Net income or loss (-)			22,426

Object Classification (in thousands of dollars)

Identification code 86-4077-4-3-371	1993 actual	1994 est.	1995 est.
33.0 Investments and loans		520,000	
43.0 Interest and dividends			30,940
99.9 Total obligations		520,000	30,940

Credit accounts—Continued

GENERAL AND SPECIAL RISK DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in thousands of dollars)

Identification code 86-4105-0-3-371	1993 actual	1994 est.	1995 est.
Program by activities:			
00.01 Direct Loans			220,000
00.02 Interest paid to Treasury			5,676
10.00 Total obligations			225,676
Financing:			
39.00 Financing authority			225,676
Financing authority:			
67.15 Authority to borrow (indefinite)			217,550
68.00 Spending authority from offsetting collections			8,126
Relation of obligations to financing disbursements:			
71.00 Total obligations			225,676
87.00 Outlays (gross)			225,676
Adjustments to gross financing authority and financing disbursements:			
Offsetting collections from:			
Non-Federal sources:			
88.40 Repayment of principal			-1,288
88.40 Interest received on loans			-6,838
88.90 Total, offsetting collections			-8,126
89.00 Financing authority (net)			217,550
90.00 Financing disbursements (net)			217,550

Status of Direct Loans (in thousands of dollars)

Identification code 86-4105-0-3-371	1993 actual	1994 est.	1995 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			220,000
1150 Total direct loan obligations			220,000
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year			
1231 Disbursements: Direct loan disbursements			220,000
1251 Repayments: Repayments and prepayments			-1,288
1290 Outstanding, end of year			218,712

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 FY 1992 and thereafter (including loan modifications) for FHA's General and Special Risk Insurance Fund programs. The amounts in this account are a means of financing and are not included in the budget totals.

This schedule includes two new 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, as discussed in the preceding section for the Mutual Mortgage Insurance Fund.

Revenue and Expense (in thousands of dollars)

Identification code 86-4105-0-3-371	1993 actual	1994 est.	1995 est.
0101 Revenue			6,838
0102 Expense			-5,676
0109 Net income or loss (-)			1,162

Financial Condition (in thousands of dollars)

Identification code 86-4105-0-3-371	1992 actual	1993 actual	1994 est.	1995 est.
ASSETS:				
1800 Loans receivable (financing accounts):				
Loans receivable gross				218,712
1999 Total assets				218,712
LIABILITIES:				
2615 Debt issued under borrowing authority:				
Intragovernmental debt: debt to Treasury				217,550
2999 Total liabilities				217,550
EQUITY:				
3210 Revolving fund equity: Cumulative results				1,162
3999 Total equity				1,162

Object Classification (in thousands of dollars)

Identification code 86-4105-0-3-371	1993 actual	1994 est.	1995 est.
33.0 Investments and loans			220,000
43.0 Interest and dividends			5,676
99.9 Total obligations			225,676

FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS

Program and Financing (in thousands of dollars)

Identification code 86-4072-0-3-371	1993 actual	1994 est.	1995 est.
Program by activities:			
Direct program:			
Operating expenses:			
00.03 Interest on debentures	49,403	49,500	49,500
00.04 Other operating costs	59,921	67,000	89,000
00.91 Total operating expenses	109,324	116,500	138,500
Capital investment: Claims and other:			
01.01 Acquisition of defaulted notes	72,519	71,026	71,425
01.02 Assignment of defaulted mortgages	803,426	860,445	834,418
01.03 Acquisition of real properties	410,624	396,051	273,188
01.06 Assignment of current mortgages	21,597	35,000	33,000
01.07 Capitalized property expenses	258,677	260,498	228,296
01.08 Loss on defaulted guaranteed loans	22,490	3,044	2,128
01.09 Interest subsidy on auctioned mortgages	87	1,000	2,000
01.10 Tax advances on held mortgages	107,519	107,519	107,519
01.91 Total capital investment	1,696,939	1,734,583	1,551,974
10.00 Total obligations	1,806,263	1,851,083	1,690,474
Financing:			
17.00 Recovery of prior year obligations	-96,166		
21.40 Unobligated balance available, start of year: Treasury balance	-369,268	-588,302	-278,029
21.91 U.S. Securities: Par value	-22,508	-19,426	-19,426
24.40 Unobligated balance available, end of year: Treasury balance	588,302	278,029	268,494
24.91 U.S. Securities: Par value	19,426	19,426	19,426
31.00 Redemption of debt	363,576	363,600	363,600
39.00 Budget authority (gross)	2,289,625	1,904,410	2,044,539
Budget authority:			
60.05 Appropriation (indefinite)	500,000	465,000	25,000
64.00 Proceeds of loan asset sales with recourse			467,000
67.15 Authority to borrow (indefinite)	275,475	118,060	120,000
68.00 Spending authority from offsetting collections	1,514,150	1,320,350	1,432,539

Relation of obligations to outlays:

71.00 Total obligations	1,806,263	1,851,083	1,690,474
Obligated balance, start of year:			
72.90 Fund balance	701,764	613,916	613,916
Obligated balance, end of year:			
74.90 Fund balance	-613,916	-613,916	-613,916
78.00 Adjustments in unexpired accounts	-96,166		
87.00 Outlays (gross)	1,797,945	1,851,083	1,690,474

Adjustments to gross budget authority and outlays:				
Offsetting collections from:				
Non-Federal sources:				
88.40	Fees and premiums	-355,528	-347,400	-340,859
88.40	Rebates of insurance premiums	7,963	35,000	8,000
88.40	Proceeds from sale of real property	-341,267	-300,322	-436,843
88.40	Repayment of mortgage notes and sales contracts	-8,468	-8,644	-7,134
88.40	Interest and operating income	-264,215	-141,120	-132,854
88.40	Recoveries on defaulted mortgages	-364,677	-367,956	-348,267
88.40	Recoveries on defaulted Title I mortgages	-23,373	-23,000	-20,000
88.40	Other interest, dividends and revenue	-88,558	-90,908	-78,582
88.40	Miscellaneous collections	-76,027	-76,000	-76,000
88.90	Total, offsetting collections	-1,514,150	-1,320,350	-1,432,539
89.00	Budget authority (net)	775,475	584,060	612,000
90.00	Outlays (net)	283,795	530,733	257,935

Status of Guaranteed Loans (in thousands of dollars)

Identification code 86-4072-0-3-371	1993 actual	1994 est.	1995 est.	
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	71,266,481	63,130,562	55,767,593
2251	Repayments and prepayments	-6,805,263	-5,997,403	-5,297,921
2261	Terminations for default that result in loans receivable	-897,542	-966,471	-938,843
2262	Terminations for default that result in acquisition of property	-410,624	-396,051	-273,188
2263	Terminations for default that result in claim payments	-22,490	-3,044	-2,128
2290	Outstanding, end of year	63,130,562	55,767,593	49,255,513
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	63,130,562	55,767,593	49,255,513
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	8,196,079	7,791,961	8,023,413
2331	Disbursements for guaranteed loan claims	897,542	966,471	938,843
2351	Repayments of loans receivable	-438,989	-419,544	-940,672
2361	Write-offs of loans receivable ¹	-862,671	-315,475	-391,258
2390	Outstanding, end of year	7,791,961	8,023,413	7,630,326

¹ Includes foreclosures of HUD-held mortgage notes.

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

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

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

The detailed programs activity in the "Program Highlights" table shown below reflects the consolidated activity of the GI/SRI account.

PROGRAM HIGHLIGHTS

(in millions of dollars)

	1993 actual ¹	1994 est.	1995 est.
Insurance initiation:			
Mortgage insurance applications (units)	231,928	296,855	466,517
Mortgage insurance written:			
Units	178,661	218,114	339,933
Amount	8,703	11,172	14,348
Title I property improvement loans insured:			
Notes	85,293	95,000	95,000
Amount	1,067	1,118	1,289
Insurance maintenance: Outstanding balance of insurance in force, end of year:			
Mortgage insurance	72,262	76,580	82,774
Title I property improvement loan insurance	5,623	5,678	5,801
Total outstanding balance of insurance in force, end of year	77,885	82,258	88,575
Property acquired during year (units): ²			
Homes	8,386	7,638	6,593
Multifamily	11,473	7,272	10,559
Total property acquired during year (units)	19,859	14,910	17,152
Property sales during year (units):			
Homes	7,777	5,908	6,570
Multifamily	6,088	11,313	14,542
Total property sales during year (units)	13,865	17,221	21,112
Property on hand, end of year (units):			
Homes	4,008	5,738	5,761
Multifamily	32,124	28,083	24,100
Total property on hand (units)	36,132	33,821	29,861
Defaulted mortgage assignments during year (units):			
Homes	1,361	908	635
Multifamily	21,315	31,495	33,084
Total mortgage assignments during year (units)	22,676	32,403	33,719
Claims on current mortgages during year (units):			
Homes	2,073	4,516	4,245
Multifamily	657	.....	.....
Total claims on current mortgages during year (units)	2,730	4,516	4,245
Purchase Money Mortgages during year:			
Units .....	.....	.....	4,400
Amount .....	.....	.....	\$220
Assigned mortgages on hand, end of year (units):			
Homes	31,645	36,685	41,181
Multifamily	321,492	333,819	284,780
Total assigned mortgages on hand, end of year (units)	353,142	370,504	325,961
Inventory of property and assigned mortgages on hand, end of year (units):			
Homes	35,653	42,423	46,942
Multifamily	353,621	361,902	308,880
Total inventory of property and assigned mortgages on hand, end of year (units)	389,274	404,325	355,822
Claims with no acquisition (units): ³			
Homes	137	93	65
Multifamily	372	.....	.....
Total claims with no acquisition	409	93	65
Defaulted title I property acquisition:			
Number	9,345	8,300	8,800
Amount	\$78	\$83	\$92

¹ Unaudited preliminary results.

² Includes direct acquisition from mortgage and foreclosure of HUD-held mortgage notes.

³ Includes coinsurance claims.

Insurance reserves from operations at the end of 1993 are estimated to be in a deficit status of about \$24.1 billion for the GI and SRI funds. The status of estimated insurance reserves from operations (retained income or deficit) through 1995 is as follows:

Credit accounts—Continued

FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS—Continued

STATUS OF INSURANCE RESERVES FROM OPERATIONS

(in millions of dollars)

Insurance fund:	1993 actual ¹	1994 est.	1995 est.
General and special risk insurance:			
Liquidating account	-24,209	-23,645	-23,249
Financing account	98	50	138
Total GI/SRI²	-24,111	-23,595	-23,111

¹ Preliminary results pending final audit.

² Excludes GI/SRI Program account resources payable to the Financing account.

Revenue and Expense (in thousands of dollars)

Identification code 86-4072-0-3-371	1993 actual ¹	1994 est.	1995 est.
0101 Revenue	886,440	827,096	1,442,556
0102 Expense	-857,774	-263,286	-1,046,667
0109 Net income or loss (-)	28,666	563,810	395,889

¹ Preliminary results pending final audit.

Financial Condition (in thousands of dollars)

Identification code 86-4072-0-3-371	1992 actual	1993 actual	1994 est.	1995 est.
ASSETS:				
Fund balance with Treasury and cash:				
1000 Fund balance with Treasury	201,960	333,098	22,825	13,290
1099 Subtotal, fund balance with Treasury and cash	201,960	333,098	22,825	13,290
Accounts receivable:				
1100 Federal agencies	4,474	6,309	6,309	6,309
1110 Public	250,728	224,394	224,394	224,394
1120 Allowances for uncollectibles (-)	-105,145	-108,852	-108,852	-108,852
1199 Subtotal, accounts receivable	150,057	121,851	121,851	121,851
Advances and prepayments:				
1200 Federal agencies	20,000	20,000	20,000	20,000
1210 Public	18	78,133	78,133	78,133
1299 Subtotal, advances and prepayments	20,018	98,133	98,133	98,133
Investments:				
1400 Treasury securities, par	22,508	19,426	19,426	19,426
1410 Treasury securities, unamortized discount (-)	-76			
1499 Subtotal, investments	22,432	19,426	19,426	19,426
Loans receivable:				
1510 Public: direct loans	8,196,079	7,791,961	8,023,413	7,630,326
1520 Allowances for uncollectibles (-)	-5,276,260	-4,618,410	-4,618,410	-3,963,363
1599 Subtotal, loans receivable	2,919,819	3,173,551	3,405,003	3,666,963
Property, plant and equipment:				
1650 Other	860,922	1,089,629	1,827,257	1,800,602
1680 Allowances (-)	-649,890	-782,272	-782,272	-740,449
1699 Subtotal, property, plant and equipment	211,032	307,357	1,044,985	1,060,153
1740 Other assets: Other	29,852	4	104,523	209,042
1999 Total assets	3,555,170	4,053,704	4,817,030	5,189,142
LIABILITIES:				
Accounts payable:				
2000 Federal agencies	143,480	141,929	141,929	141,929
2010 Public	327,157	263,620	263,620	263,620
2099 Subtotal, accounts payable	470,637	405,549	405,549	405,549
Interest payable:				
2100 Federal agencies		25,048	25,048	25,048
2110 Public	71,474	44,338	44,338	44,338
2199 Subtotal, interest payable	71,474	69,386	69,386	69,386

2410 Unearned revenue (advances): Public	325,598	398,348	341,441	292,664
2499 Subtotal, unearned revenue (advances)	325,598	398,348	341,441	292,664
Debt issued under borrowing authority:				
2620 Other debt	300,264	212,163		
2699 Subtotal, debt issued under borrowing authority	300,264	212,163		
Actuarial liabilities:				
2710 Insurance and annuity programs	7,736,500	12,351,200	12,351,200	12,351,200
2799 Subtotal, actuarial liabilities	7,736,500	12,351,200	12,351,200	12,351,200
Other liabilities:				
2810 Other liabilities	66,076	67,639	71,226	71,226
2899 Subtotal, other liabilities	66,076	67,639	71,226	71,226
2999 Total liabilities	8,970,549	13,504,285	13,238,802	13,190,025
EQUITY:				
Revolving fund equity:				
Revolving fund balances:				
3200 Appropriated capital	6,786,577	7,286,557	7,751,557	7,776,557
3210 Cumulative results	-19,673,392	-24,208,878	-23,645,068	-23,249,179
3220 Forgiveness of Treasury debt	7,471,455	7,471,455	7,471,455	7,471,455
3299 Subtotal, revolving fund balances	-5,415,360	-9,450,724	-8,421,914	-8,001,025
3999 Total equity	-5,415,360	-9,450,724	-8,421,914	-8,001,025

Object Classification (in thousands of dollars)

Identification code 86-4072-0-3-371	1993 actual	1994 est.	1995 est.
25.2 Other services	59,921	67,000	89,000
32.0 Land and structures	669,301	656,549	501,464
33.0 Investments and loans	1,005,061	1,073,990	1,046,382
41.0 Grants, subsidies, and contributions		1,000	2,000
42.0 Insurance claims and indemnities	22,577	3,044	2,128
43.0 Interest and dividends	49,403	49,500	49,500
99.9 Total obligations	1,806,263	1,851,083	1,690,474

FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS LIQUIDATING ACCOUNT

(Legislative proposal, subject to PAYGO)

Program and Financing (in thousands of dollars)

Identification code 86-4072-4-3-371	1993 actual	1994 est.	1995 est.
Program by activities:			
00.02 Scheduled annual payments to Financing Account			53,366
10.00 Total obligations (object class 25.2)			53,366
Financing:			
21.40 Unobligated balance available, start of year: Treasury balance			
24.40 Unobligated balance available, end of year: Treasury balance			5,877
27.00 Capital transfer to general fund		520,000	
39.00 Budget authority (gross)		520,000	59,243
68.00 Budget authority (gross): Spending authority from offsetting collections		520,000	59,243
Relation of obligations to outlays:			
71.00 Total obligations			53,366
87.00 Outlays (gross)			53,366
Adjustments to gross budget authority and outlays:			
Offsetting collections from:			
88.40 Reduced holding costs			-59,243
88.50 Payment from financing account for multifamily PD savings		-520,000	

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS—Continued
Federal Funds—Continued

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88.90	Total, offsetting collections	-520,000	-59,243
89.00	Budget authority (net)		
90.00	Outlays (net)	-520,000	-5,877

This schedule shows offsetting savings to FHA as a direct result of increased spending from the Reformed Multifamily Property Disposition program, discussed in the preceding. The reduction in spending occurs when FHA averts the mandatory cost of continuing to hold subsidized or formerly subsidized projects in its inventory by being able to sell such projects with Section 8 subsidies.

In addition, this schedule shows savings in 1994 from the second part of the Administration's proposed reforms to multifamily property disposition. This part of the proposal would generate savings by lowering the subsidy required to preserve this housing as affordable when it is disposed of by the Department. This proposal will result in a "loan modification," as defined in the Federal Credit Reform Act of 1990.

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND

Program and Financing (in thousands of dollars)

Identification code 86-4115-0-3-371	1993 actual	1994 est.	1995 est.
Program by activities:			
Capital investment:			
00.01	Housing for the elderly or handicapped loans	4,782	25,158
00.02	Maintenance security and collateral	1,075	3,500
00.91	Total capital investment	5,857	28,658
Operating expenses:			
01.01	Interest on borrowings	727,998	804,278
01.02	Other expenses	132	200
01.91	Total operating expenses	728,130	804,478
10.00	Total obligations	733,987	833,136
Financing:			
17.00	Recovery of prior year obligations	-3,369	
21.47	Unobligated balance available, start of year: Authority to borrow		-25,197
21.90	Unobligated balance available, start of year: Fund balance	-46,550	-8,154
22.00	Unobligated balance transferred, net	-11,811	
24.47	Unobligated balance available, end of year: Authority to borrow	25,197	
24.90	Unobligated balance available, end of year: Fund balance	8,154	21,464
32.47	Balance of authority to borrow withdrawn	203,079	
39.00	Budget authority (gross)	908,687	799,786
Budget authority:			
60.05	Appropriation (indefinite)	181,886	511,830
60.47	Portion applied to debt reduction	-45,170	-475,000
63.00	Appropriation (total)	136,716	36,830
68.00	Spending authority from offsetting collections	771,971	762,956
Relation of obligations to outlays:			
71.00	Total obligations	733,987	833,136
72.47	Obligated balance, start of year: Authority to borrow	425,952	12,845
72.90	Obligated balance, start of year: Fund balance	168,748	423,283
74.47	Obligated balance, end of year: Authority to borrow	-12,845	-366,817
74.90	Obligated balance, end of year: Fund balance	-423,283	
78.00	Adjustments in unexpired accounts	-3,369	
87.00	Outlays (gross)	889,190	902,447
Adjustments to gross budget authority and outlays:			
88.40	Offsetting collections from: Non-Federal sources	-771,971	-762,956
89.00	Budget authority (net)	136,716	36,830
90.00	Outlays (net)	117,219	139,491

Status of Direct Loans (in thousands of dollars)

Identification code 86-4115-0-3-371	1993 actual	1994 est.	1995 est.
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	8,472,084	8,497,196

1231	Disbursements: Direct loan disbursements	84,403	227,355
1251	Repayments: Repayments and prepayments	-59,291	-60,330
1290	Outstanding, end of year	8,497,196	8,664,221

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 provides direct loans to nonprofit organizations building and managing housing projects for lower income persons who are elderly or disabled.

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

The data included in these schedules represent direct loan activities funded under the Housing for the Elderly or Handicapped Loan Fund. Activities in support of the needs of the elderly and disabled are carried out under a new 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 new capital advance assistance program. The operations of the new grant program are included within the Annual Contributions for Assisted Housing account presented elsewhere in this Appendix.

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

SUMMARY OF ADMINISTRATIVE COMMITMENTS

(in thousands of dollars)

Program by activities:	1993 actual	1994 est.	1995 est.
Capital investment:			
Administrative commitments, start of year	46,550	25,158	
Recovery of prior year obligations	-16,610		
Administrative commitments, end of year	25,158		
Subtotal, capital investment-loan obligations	4,782	25,158	
Other expenses (Fee inspection)	132	200	
Capital investment:			
Loan obligations	4,782	25,158	
Maintenance security and collateral	1,075	3,500	3,500
Total capital investment	5,857	28,658	3,500

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

Revenue and Expense (in thousands of dollars)

Identification code 86-4115-0-3-371	1993 actual	1994 est.	1995 est.
0101	Revenue	712,680	702,626
0102	Expense	-729,285	-807,978
0109	Net income or loss (-)	-16,605	-105,352

Financial Condition (in thousands of dollars)

Identification code 86-4115-0-3-371	1992 actual	1993 actual	1994 est.	1995 est.
ASSETS:				
1000	Fund balance with Treasury and cash:			
	Fund balance with Treasury	215,298	431,436	21,464
Accounts receivable:				
1100	Federal agencies	5	5	5
1110	Public	94,820	88,867	94,820
1120	Allowances for uncollectibles (-)	-237	-241	-262
1199	Subtotal, accounts receivable	94,588	88,631	94,563

Credit accounts—Continued

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND—Continued

Financial Condition (in thousands of dollars)—Continued

Identification code 86-4115-0-3-371	1992 actual	1993 actual	1994 est.	1995 est.
Assets:				
Loans receivable:				
1510 Public: direct loans	8,472,084	8,497,196	8,664,221	8,601,839
1520 Allowances for uncollectibles (-)	-21,180	-21,248	-21,510	
1599 Subtotal, loans receivable	8,450,904	8,475,948	8,642,711	8,601,839
1740 Other assets: Other	219	782	782	
1999 Total assets	8,761,009	8,996,797	8,738,056	8,623,303
LIABILITIES:				
2010 Accounts payable: Public	37	31	31	
2100 Interest payable: Federal agencies	402,269	326,524	360,738	332,902
2599 Deposit funds	206	145		
2615 Debt issued under borrowing authority:				
Intragovernmental debt: debt to Treasury	8,774,000	8,958,830	8,483,830	7,713,830
2810 Other liabilities	2,785	896	896	896
2999 Total liabilities	9,179,297	9,286,426	8,845,495	8,047,628
EQUITY:				
Revolving fund equity:				
Revolving fund balances:				
3200 Appropriated capital	584,510	-76,652	758,056	758,056
3210 Cumulative results	-1,002,798	-212,976	-865,389	-129,779
3299 Subtotal, revolving fund balances	-418,288	-289,628	-107,333	628,277
3999 Total equity	-418,288	-289,628	-107,333	628,277

Object Classification (in thousands of dollars)

Identification code 86-4115-0-3-371	1993 actual	1994 est.	1995 est.
22.0 Transportation of things	132	200	
32.0 Land and structures	1,075	3,500	3,500
33.0 Investments and loans	4,782	25,158	
43.0 Interest and dividends	727,998	804,278	742,216
99.9 Total obligations	733,987	833,136	745,716

NONPROFIT SPONSOR ASSISTANCE

Program and Financing (in thousands of dollars)

Identification code 86-4042-0-3-604	1993 actual	1994 est.	1995 est.
Financing:			
21.90 Unobligated balance available, start of year: Fund balance	-3,371	-3,588	-3,988
24.90 Unobligated balance available, end of year: Fund balance	3,588	3,988	4,388
68.00 Budget authority (gross): Spending authority from offsetting collections	217	400	400
Relation of obligations to outlays:			
71.00 Total obligations			
72.90 Obligated balance, start of year: Fund balance	2,773	2,768	2,768
74.90 Obligated balance, end of year: Fund balance	-2,768	-2,768	-2,768
87.00 Outlays (gross)	5		
Adjustments to gross budget authority and outlays:			
88.40 Offsetting collections from: Non-Federal sources	-217	-400	-400
89.00 Budget authority (net)			
90.00 Outlays (net)	-212	-400	-400

Status of Direct Loans (in thousands of dollars)

Identification code 86-4042-0-3-604	1993 actual	1994 est.	1995 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1,750	1,538	1,138
1231 Disbursements: Direct loan disbursements	5		
1251 Repayments: Repayments and prepayments	-217	-400	-400

1290 Outstanding, end of year	1,538	1,138	738
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As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated prior to 1992. This account is shown on a cash basis.

The Nonprofit sponsor assistance fund provided interest-free loans to nonprofit organizations to plan housing projects to be financed under the section 202 housing for the elderly or disabled program. The Budget does not propose a loan limitation in 1995 since the capital advance program for the elderly and disabled provides money for technical assistance to help nonprofit sponsors to finance these "seed" costs.

Financial Condition (in thousands of dollars)

Identification code 86-4042-0-3-604	1992 actual	1993 actual	1994 est.	1995 est.
ASSETS:				
1000 Fund balance with Treasury and cash:				
Fund balance with Treasury	6,144	6,356	6,756	7,156
Loans receivable:				
1510 Public: direct loans	1,750	1,538	1,138	738
1520 Allowances for uncollectibles (-)	-784	-607	-512	-332
1599 Subtotal, loans receivable	966	931	626	406
1999 Total assets	7,110	7,287	7,382	7,562
EQUITY:				
Revolving fund equity:				
Revolving fund balances:				
3200 Appropriated capital	8,758			
3210 Cumulative results	-1,645	7,112	7,381	7,561
3299 Subtotal, revolving fund balances	7,113	7,112	7,381	7,561
3999 Total equity	7,113	7,112	7,381	7,561

PUBLIC AND INDIAN HOUSING

Federal Funds

General and special funds:

PAYMENTS FOR OPERATION OF LOW-INCOME HOUSING PROJECTS

For payments to public housing agencies and Indian housing authorities for operating subsidies for low-income housing projects as authorized by section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g), **[\$2,620,808,000] \$2,496,000,000.** (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

Program and Financing (in thousands of dollars)

Identification code 86-0163-0-1-604	1993 actual	1994 est.	1995 est.
Program by activities:			
00.01 Operating subsidies	2,532,436	2,620,808	2,496,000
10.00 Total obligations (object class 41.0)	2,532,436	2,620,808	2,496,000
Financing:			
17.00 Recovery of prior year obligations			
21.40 Unobligated balance available, start of year: Treasury balance		-250,000	
24.40 Unobligated balance available, end of year: Treasury balance			
40.00 Budget authority (appropriation)	2,282,436	2,620,808	2,496,000
Relation of obligations to outlays:			
71.00 Total obligations	2,532,436	2,620,808	2,496,000
72.40 Obligated balance, start of year: Treasury balance	1,281,485	1,341,545	1,429,091
74.40 Obligated balance, end of year: Treasury balance	-1,341,545	-1,429,091	-1,362,563
77.00 Adjustments in expired accounts		-19,462	
78.00 Adjustments in unexpired accounts			
90.00 Outlays	2,452,914	2,533,262	2,562,528

Operating subsidy payments are provided to assist local Public Housing Agencies (PHAs) and Indian Housing Authori-

ties (IHAs) to meet certain deficits in the operation of PHA-owned and IHA-owned low-income housing. These payments are in addition to the debt service and capital funding provided by HUD for development and modernization of low-income housing.

The operating subsidy estimates for 1995 are based primarily upon the Performance Funding System (PFS) formula, but include projected savings resulting from a vacancy rule change and other actions.

[DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING]

COMMUNITY PARTNERSHIPS AGAINST CRIME

For grants to public housing agencies for use in eliminating drug-related crime in public housing projects authorized by 42 U.S.C. 11901-11908, and for drug information clearinghouse services authorized by 42 U.S.C. 11921-11925, \$265,000,000, to remain available until expended[: *Provided*, That not more than \$198,750,000 shall be available for grants to housing authorities with greater than 1,250 public housing units: *Provided further*, That not more than \$53,000,000 shall be available for grants to housing authorities with less than 1,250 public housing units: *Provided further*, That not more than \$13,250,000 shall be available for grants for federally-assisted, low-income housing], of which \$10,000,000 shall be for grants, technical assistance, contracts and other assistance training, program assessment, and execution for or on behalf of public housing agencies and resident organizations (including the cost of necessary travel for participants in such training) and of which \$1,500,000 shall be for grants for an after school demonstration program in public housing projects, run by the 4H Clubs of America and co-sponsored by private sector firms. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

Program and Financing (in thousands of dollars)

Identification code 86-0197-0-1-604	1993 actual	1994 est.	1995 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	296,499	298,608	265,000
Financing:			
17.00 Recovery of prior year obligations	-886		
21.40 Unobligated balance available, start of year: Treasury balance	-153,821	-33,608	
24.40 Unobligated balance available, end of year: Treasury balance	33,608		
39.00 Budget authority (gross)	175,400	265,000	265,000
Budget authority:			
Current:			
40.00 Appropriation	175,000	265,000	265,000
Permanent:			
68.00 Spending authority from offsetting collections	400		
Relation of obligations to outlays:			
71.00 Total obligations	296,499	298,608	265,000
72.40 Obligated balance, start of year: Treasury balance	123,741	302,896	333,949
74.40 Obligated balance, end of year: Treasury balance	-302,896	-333,949	-360,399
78.00 Adjustments in unexpired accounts	-886		
87.00 Outlays (gross)	116,458	267,555	238,550
Adjustments to gross budget authority and outlays:			
88.00 Offsetting collections from: Federal funds	-400		
89.00 Budget authority (net)	175,000	265,000	265,000
90.00 Outlays (net)	116,058	267,555	238,550

Community Partnerships Against Crime (COMPAC) replaces the Drug Elimination Grants for Low-Income Housing program. The new program will encompass a wide variety of crime reduction, security enhancements and other efforts to eliminate violent crime, substance abuse and gang-related activities. The table below shows the funding requested for drug-related and crime prevention activities for the period 1993-1995.

Summary of Program Activity (in thousands of dollars)

	1993 actual	1994 est.	1995 est.
Funding level:			
Drug elimination grants	175,000	265,000	
COMPAC			265,000
Total Funding	175,000	265,000	265,000
Outlays:			
Drug Elimination Grants:			
Annual Contributions	3,885	108	
Operating Subsidies	5,109	5,752	
Drug Elimination Grants	116,458	267,554	220,000
COMPAC			8,550
Total Outlays	125,452	273,414	238,550

SEVERELY DISTRESSED PUBLIC HOUSING

For the [urban revitalization demonstration program under the third paragraph under the head "Homeownership and Opportunity for People Everywhere grants (HOPE grants)" in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1993, Public Law 102-389, 106 Stat. 1571, 1579, \$778,240,000,] *Revitalization of Severely Distressed Public Housing program, as authorized by section 24 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437), \$500,000,000, to remain available until expended[: Provided*, That notwithstanding the first proviso in such third paragraph, the Secretary shall have discretion to approve funding for more than fifteen applicants: *Provided further*, That no part of the foregoing amount that is used for the urban revitalization demonstration program shall be made available for an application that was not submitted to the Secretary by May 26, 1993: *Provided further*, That of the foregoing \$778,240,000, the Secretary may use up to \$2,500,000], of which up to one-half of one percent may be used for technical assistance under [such urban revitalization demonstration,] *this program*, to be made available directly, or indirectly under contracts or grants, as appropriate[: *Provided further*, That nothing in this paragraph shall prohibit the Secretary from conforming the program's standards and criteria set forth herein, with subsequent authorization legislation that may be enacted into law: *Provided further*, That of the \$778,240,000 made available under this heading, \$20,000,000 shall be made to eligible grantees under the urban revitalization demonstration program, to implement programs authorized under subtitle D of title IV, and of which, \$10,000,000 shall be made for youth apprenticeship training activities for joint labor-management organizations pursuant to section 3(c)(2)(B) of the Housing and Urban Development Act of 1968, as amended]. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

Program and Financing (in thousands of dollars)

Identification code 86-0218-0-1-604	1993 actual	1994 est.	1995 est.
Program by activities:			
10.00 Total obligations (object class 41.0)		1,078,240	500,000
Financing:			
21.40 Unobligated balance available, start of year: Treasury balance			-300,000
24.40 Unobligated balance available, end of year: Treasury balance	300,000		
Budget authority:			
Current:			
40.00 Appropriation		778,240	500,000
42.00 Transferred from other accounts	300,000		
43.00 Appropriation (total)	300,000	778,240	500,000
Relation of obligations to outlays:			
71.00 Total obligations		1,078,240	500,000
72.40 Obligated balance, start of year: Treasury balance			1,048,240
74.40 Obligated balance, end of year: Treasury balance		-1,048,240	-1,402,616
89.00 Budget authority (net)	300,000	778,240	500,000
90.00 Outlays		30,000	145,624

General and special funds—Continued

SEVERELY DISTRESSED PUBLIC HOUSING—Continued

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

Public enterprise funds:

LOW-RENT PUBLIC HOUSING—LOANS AND OTHER EXPENSES

Program and Financing (in thousands of dollars)

Identification code 86-4098-0-3-604	1993 actual	1994 est.	1995 est.
Program by activities:			
00.01 Capital investment: Loans to public housing agencies and Indian housing authorities	95,253	100,000	50,000
10.00 Total obligations (object class 33.0)	95,253	100,000	50,000
Financing:			
17.00 Recovery of prior year obligations	68		
21.40 Unobligated balance available, start of year: Treasury balance	-48,500	-23,459	-23,459
24.40 Unobligated balance available, end of year: Treasury balance	23,459	23,459	23,459
31.00 Redemption of debt	52,252	54,464	57,952
39.00 Budget authority (gross)	122,532	154,464	107,952
Budget authority:			
67.15 Authority to borrow (indefinite)	60,000	100,000	50,000
68.00 Spending authority from offsetting collections	62,532	54,464	57,952
Relation of obligations to outlays:			
71.00 Total obligations	95,253	100,000	50,000
72.40 Obligated balance, start of year: Appropriation	1,644,653	1,521,753	1,402,637
72.90 Obligated balance, start of year: Fund balance	-11,118	-6,123	-6,123
74.40 Obligated balance, end of year: Appropriation	-1,521,753	-1,402,637	-1,287,014
74.90 Obligated balance, end of year: Fund balance	6,123	6,123	6,123
78.00 Adjustments in unexpired accounts	68		
87.00 Outlays (gross)	213,226	219,116	165,623
Adjustments to gross budget authority and outlays:			
Offsetting collections from:			
88.00 Federal funds	-52,252	-54,464	-57,952
88.40 Non-Federal sources	-10,280		
88.90 Total, offsetting collections	-62,532	-54,464	-57,952
89.00 Budget authority (net)	60,000	100,000	50,000
90.00 Outlays (net)	150,694	164,652	107,671

Status of Direct Loans (in thousands of dollars)

Identification code 86-4098-0-3-604	1993 actual	1994 est.	1995 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1,853,217	1,800,965	1,746,501
1251 Repayments: Repayments and prepayments	-52,252	-54,464	-57,952
1290 Outstanding, end of year	1,800,965	1,746,501	1,688,549

Status of Guaranteed Loans (in thousands of dollars)

Identification code 86-4098-0-3-604	1993 actual	1994 est.	1995 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	4,950,365	4,689,694	4,389,694
2251 Repayments and prepayments	-260,671	-300,000	-325,000
2290 Outstanding, end of year	4,689,694	4,389,694	4,064,694
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	4,689,694	4,389,694	4,064,694

The Low-Rent Public Housing Loan Fund is used to provide direct Federal loans to fund remaining Public Housing Agency (PHA) and Indian Housing Authority (IHA) construction, acquisition, and modernization activities reserved under the Annual Contributions appropriation through 1986. These loans are made from available resources of this fund and from borrowings from the Treasury. Under legislation enacted during 1986 (Public Law 99-272), the borrowings from the Treasury are forgiven at the end of each fiscal year and the loans to PHAs/IHAs are forgiven as construction, acquisition, and modernization activities are completed. Under the provisions of this legislation, \$60 million of borrowings from the Treasury were forgiven in 1993, an estimated \$100 million will be borrowed from the Treasury and forgiven in 1994, and an estimated \$50 million will be borrowed from the Treasury and forgiven in 1995. The table below shows the status of outstanding loans for the period 1993-1995. The \$88 million balance at the end of each year represents administrative loans, off-site facility loans, and preliminary loans on projects never undertaken and excess financing.

PUBLIC HOUSING AGENCIES/INDIAN HOUSING AUTHORITIES

Loans Outstanding

(in millions of dollars)

	1993 actual	1994 est.	1995 est.
Outstanding, start of year	92	88	88
Direct loan disbursements	95	100	50
Repayments	-20		
Adjustments	28		
Loans forgiven	-107	-100	-50
Outstanding, end of year	88	88	88

Since 1987, new reservations of capital funds for construction, acquisition, and modernization activities have been provided directly from the Annual Contributions appropriation.

Operating results.—The actual and estimated net operating income for 1993, 1994 and 1995 follows:

Revenue and Expense (in thousands of dollars)

Identification code 86-4098-0-3-604	1993 actual	1994 est.	1995 est.
0101 Revenue	123,354	107,400	53,150
0102 Expense	-171,365	-107,400	-53,150
0109 Net income or loss (-)	-48,011		

Financial Condition (in thousands of dollars)

Identification code 86-4098-0-3-604	1992 actual	1993 actual	1994 est.	1995 est.
ASSETS:				
1000 Fund balance with Treasury and cash:				
Fund balance with Treasury	1,682,035	1,539,089	1,440,019	1,340,949
Accounts receivable:				
1100 Federal agencies	112,427	108,958	108,958	108,958
1110 Public	12,641	16,660	16,660	16,660
1120 Allowances for uncollectibles (-)		-8,854	-8,854	-8,854
1199 Subtotal, accounts receivable	125,068	116,764	116,764	116,764
Loans receivable:				
1500 Federal agencies	83,788	88,185	88,185	88,185
1510 Public: direct loans	1,853,217	1,800,965	1,746,501	1,688,549
1520 Allowances for uncollectibles (-)		-12,746		
1599 Subtotal, loans receivable	1,937,005	1,876,404	1,834,686	1,776,734
1999 Total assets	3,744,108	3,532,257	3,391,469	3,234,447
LIABILITIES:				
2010 Accounts payable: Public	33	33	33	33
2100 Interest payable: Federal agencies	225,086	218,194	218,194	218,194
2599 Deposit funds		1,650	1,650	1,650
2610 Debt issued under borrowing authority:				
Intragovernmental debt: debt to the FFB	1,853,217	1,800,965	1,746,501	1,688,549
2810 Other liabilities	1,489			
2999 Total liabilities	2,079,825	2,020,842	1,966,378	1,908,426

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PUBLIC AND INDIAN HOUSING—Continued
Federal Funds—Continued

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EQUITY:

3210	Revolving fund equity: Cumulative re- sults	1,664,282	1,511,415	1,425,091	1,326,021
3999	Total equity	1,664,282	1,511,415	1,425,091	1,326,021

Credit accounts

INDIAN HOUSING

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

[For the cost (as defined in section 502 of the Congressional Budget Act of 1974) of guaranteed loans authorized by section 184 of the Housing and Community Development Act of 1992 (106 Stat. 3739), \$1,000,000. Such funds shall be available to subsidize guarantees of total loan principal in an amount not to exceed \$25,000,000.] For the cost of guaranteed loans, \$3,000,000, as authorized by section 184 of the Housing and Community Development Act of 1992 (106 Stat. 3739): 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 \$22,388,000. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

Program and Financing (in thousands of dollars)

Identification code 86-0223-0-1-604	1993 actual	1994 est.	1995 est.
Program by activities:			
00.02	Guaranteed Loan Subsidy	1,000	3,000
10.00	Total obligations (object class 41.0)	1,000	3,000
Financing:			
40.00	Budget authority (appropriation)	1,000	3,000
Relation of obligations to outlays:			
71.00	Total obligations	1,000	3,000
72.40	Obligated balance, start of year: Treasury balance		250
74.40	Obligated balance, end of year: Treasury balance	-250	-750
90.00	Outlays	750	2,500

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

Identification code 86-0223-0-1-604	1993 actual	1994 est.	1995 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2150	Indian loan guarantees	7,463	22,388
2159	Total loan guarantee levels	7,463	22,388
Guaranteed loan subsidy (in percent):			
2320	Subsidy rate	13.40	13.40
Guaranteed loan subsidy budget authority:			
2330	Subsidy budget authority	1,000	3,000
Guaranteed loan subsidy outlays:			
2340	Subsidy outlays	750	2,500
Major subsidy assumptions (in percent):			
2350	Default rate	16.00	16.00

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

INDIAN HOUSING LOAN GUARANTEE FUND FINANCING ACCOUNT

Program and Financing (in thousands of dollars)

Identification code 86-4104-0-3-604	1993 actual	1994 est.	1995 est.
Program by activities:			
00.01	Default claims		397
10.00	Total obligations		397
Financing:			
21.90	Unobligated balance available, start of year: Fund balance		-1,105
24.90	Unobligated balance available, end of year: Fund balance	1,105	4,075
39.00	Financing authority (gross)	1,105	3,367
Financing authority:			
68.00	Spending authority from offsetting collections, Federal sources	1,030	3,142
68.00	Spending authority from offsetting collections, non-Federal sources	75	225
68.90	Spending authority from offsetting collections (total)	1,105	3,367
Relation of obligations to financing disbursements:			
71.00	Total obligations		397
72.40	Obligated balance, start of year: Treasury balance		-250
74.40	Obligated balance, end of year: Treasury balance	250	750
87.00	Financing disbursements (gross)	250	897
Adjustments to financing authority and financing disbursements:			
Offsetting collections from:			
88.00	Federal sources: Payments from program account	-1,000	-3,000
88.25	Interest on uninvested funds	-30	-143
88.40	Non-Federal sources	-75	-224
88.90	Total, offsetting collections	-1,105	-3,367
89.00	Financing authority (net)		
90.00	Financing disbursements (net)	-855	-2,470

Status of Guaranteed Loans (in thousands of dollars)

Identification code 86-4104-0-3-604	1993 actual	1994 est.	1995 est.
Position with respect to appropriations act limitation on commitments:			
2150	Total guaranteed loan commitments	7,463	22,388
Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year		5,597
2231	Disbursements of new guaranteed loans	5,597	18,657
2261	Terminations for default that result in loans receivable		-397
2290	Outstanding, end of year	5,597	23,857
Memorandum:			
2299	Guaranteed amount of guaranteed loans outstanding, end of year	5,597	23,857
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310	Outstanding, start of year		
2331	Disbursements for guaranteed loan claims		397
2390	Outstanding, end of year		397

As required by the Federal Credit Reform Act of 1990, this nonbudgetary account records all cash flows to and from the Government resulting from the loan guarantees committed in 1994 and beyond (including modifications of loan guarantees that resulted from obligations in any year). The amounts in this account are a means of financing and not included in the budget totals.

Credit accounts—Continued**INDIAN HOUSING LOAN GUARANTEE FUND FINANCING ACCOUNT—
Continued****Revenue and Expense (in thousands of dollars)**

Identification code 86-4104-0-3-604	1993 actual	1994 est.	1995 est.
0101 Revenue		30	142
0102 Expense			
0109 Net income or loss (-)		30	142

Financial Condition (in thousands of dollars)

Identification code 86-4104-0-3-604	1992 actual	1993 actual	1994 est.	1995 est.
ASSETS:				
1000 Fund balance with Treasury and cash:				
Fund balance with Treasury		1,075	3,902	
1100 Accounts receivable: Federal agencies		250	750	
1999 Total assets		1,325	4,652	
LIABILITIES:				
2805 Other liabilities: Liabilities for loan				
guarantees, net present value		1,075	3,224	
2999 Total liabilities		1,075	3,224	

**GOVERNMENT NATIONAL MORTGAGE
ASSOCIATION****Federal Funds****Public enterprise funds:****LOANS TO FEDERAL NATIONAL MORTGAGE ASSOCIATION**

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

MANAGEMENT AND LIQUIDATING FUNCTIONS FUND**Program and Financing (in thousands of dollars)**

Identification code 86-4016-0-3-371	1993 actual	1994 est.	1995 est.
Program by activities:			
00.03 Administrative expense	116	5	5
10.00 Total obligations	116	5	5
Financing:			
Unobligated balance available, start of year:			
21.90 Treasury balance	-1,181	-409	-197
21.91 U.S. Securities: Par value	-66,556	-28,436	-28,436
Unobligated balance available, end of year:			
24.90 Treasury balance	409	197	181
24.91 U.S. Securities: Par value	28,436	28,436	20,192
27.00 Capital transfer to general fund	42,341	1,629	9,592
68.00 Budget authority (gross): Spending authority from offsetting collections	3,565	1,422	1,337
Relation of obligations to outlays:			
71.00 Total obligations	116	5	5
72.10 Receivables in excess of obligations, start of year	-1,036	-309	-192
74.10 Receivables in excess of obligations, end of year	309	192	178
87.00 Outlays (gross)	-611	-112	-9
Adjustments to gross budget authority and outlays:			
88.00 Offsetting collections from: Federal funds	-3,565	-1,422	-1,337
89.00 Budget authority (net)			
90.00 Outlays (net)	-4,176	-1,534	-1,346

Budget program.—The remaining \$28 million portfolio in the Management and Liquidating Functions Fund consists primarily of FHA debentures acquired when GNMA-held FHA insured mortgages defaulted. Debenture interest income is transferred to the Treasury.

Operating results.—Net income of \$1.4 million and \$1.3 million is expected in 1994 and 1995 respectively.

Revenue and Expense (in thousands of dollars)

Identification code 86-4016-0-3-371	1993 actual	1994 est.	1995 est.
0101 Revenue	3,565	1,422	1,337
0102 Expense	-116	-5	-5
0109 Net income or loss (-)	3,449	1,417	1,332

Financial Condition (in thousands of dollars)

Identification code 86-4016-0-3-371	1992 actual	1993 actual	1994 est.	1995 est.
ASSETS:				
1000 Fund balance with Treasury and cash:				
Fund balance with Treasury	145	116	5	3
1100 Accounts receivable: Federal agencies	1,065	337	220	205
Investments:				
1400 Treasury securities, par	6,300	8,500	8,500	1,300
1420 Agency securities, par	60,256	19,936	19,936	18,892
1499 Subtotal, investments	66,556	28,436	28,436	20,192
1999 Total assets	67,766	28,889	28,661	20,400
LIABILITIES:				
2010 Accounts payable: Public	29	28	28	27
2999 Total liabilities	29	28	28	27
EQUITY:				
3210 Revolving fund equity: Cumulative re- sults	67,737	28,845	28,633	20,373
3999 Total equity	67,737	28,845	28,633	20,373

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

(INCLUDES TRANSFER OF FUNDS)

During fiscal year [1994] 1995, new commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act, as amended (12 U.S.C. 1721(g)), shall not exceed \$130,000,000,000. *Provided, That the cost, as defined in section 502 of the Congressional Budget Act of 1974, of such loan guarantees shall not exceed zero.*

For administrative expenses necessary to carry out the guaranteed mortgage-backed securities program, [[\$8,038,000] \$8,824,000, to be derived from the GNMA—guarantees of mortgage-backed securities guaranteed loan receipt account, of which not to exceed [[\$8,038,000] \$8,824,000 shall be transferred to the appropriation for salaries and expenses. (*Departments of Veterans Affairs, and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.*)

Program and Financing (in thousands of dollars)

Identification code 86-0186-0-1-371	1993 actual	1994 est.	1995 est.
Program by activities:			
10.00 Total obligations (object class 25.2)	6,936	8,038	8,824
Financing:			
40.25 Budget authority (appropriation) (special fund, in- definite)	6,936	8,038	8,824
Relation of obligations to outlays:			
71.00 Total obligations	6,936	8,038	8,824
90.00 Outlays	6,936	8,038	8,824

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

Identification code 86-0186-0-1-371	1993 actual	1994 est.	1995 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Loan guarantee levels	107,700,000	130,000,000	130,000,000
2159 Total guarantee loan levels	107,700,000	130,000,000	130,000,000
Guaranteed loan subsidy budget authority:			
2339 Total subsidy budget authority	-6,936	-8,038	-8,824
Guaranteed loan subsidy outlays:			
2349 Total subsidy outlays	-6,936	-8,038	-8,824

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

GUARANTEES OF MORTGAGE-BACKED SECURITIES FINANCING ACCOUNT

Program and Financing (in thousands of dollars)

Identification code 86-4240-0-3-371	1993 actual	1994 est.	1995 est.
Program by activities:			
00.01 Payment to receipt account for administration	6,936	8,038	8,824
10.00 Total obligations	6,936	8,038	8,824
Financing:			
21.90 Unobligated balance available, start of year: Fund balance	-18,548	-44,688	-70,856
24.90 Unobligated balance available, end of year: Fund balance	44,688	70,856	96,560
68.00 Financing authority (gross): Spending authority from offsetting collections	33,076	34,206	34,528
Relation of obligations to financing disbursements:			
71.00 Total obligations	6,936	8,038	8,824
72.10 Receivables in excess of obligations, start of year	-25	-2,214	-2,286
74.10 Receivables in excess of obligations, end of year	2,214	2,286	2,286
87.00 Financing disbursements (gross)	9,125	8,110	8,824
Adjustments to financing authority and financing disbursements:			
Offsetting collections from:			
88.25 Interest on uninvested funds	-2,190	-2,175	-2,195
88.40 Commitment and other fees	-30,886	-32,031	-32,333
88.90 Total, offsetting collections	-33,076	-34,206	-34,528
89.00 Financing authority (net)			
90.00 Financing disbursements (net)	-23,951	-26,096	-25,704

Status of Guaranteed Loans (in thousands of dollars)

Identification code 86-4240-0-3-371	1993 actual	1994 est.	1995 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on commitments to private lenders	107,700,000	130,000,000	130,000,000
2112 Uncommitted loan guarantee limitation			
2150 Total guaranteed loan commitments	107,700,000	130,000,000	130,000,000

The Housing and Urban Development Act of 1968 authorized the Government National Mortgage Association (GNMA) to guarantee the timely payment of principal and interest on privately issued securities that are backed by pools of FHA, VA and FmHA mortgages. The GNMA guarantee gives lenders access to the capital markets for funds to originate new loans. Over 95% of new FHA and VA loans are pooled into new GNMA securities.

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

Operating results.—Fee collections, interest, and other income are expected to exceed expenses by \$26 million in both 1994 and 1995. These amounts will be retained to cover future year expenses and as a reserve against losses that may be incurred on guarantees.

Revenue and Expense (in thousands of dollars)

Identification code 86-4240-0-3-371	1993 actual	1994 est.	1995 est.
0101 Revenue	33,076	34,206	34,528
0102 Expense	-6,936	-8,038	-8,824
0109 Net income or loss (-)	26,140	26,168	25,704

Financial Condition (in thousands of dollars)

Identification code 86-4240-0-3-371	1992 actual	1993 actual	1994 est.	1995 est.
ASSETS:				
1000 Fund balance with Treasury and cash:				
Fund balance with Treasury	18,523	42,474	45,872	49,542
1110 Accounts receivable: Public	25	2,214	2,286	2,286
1999 Total assets	18,548	44,688	48,158	51,828
EQUITY:				
3210 Revolving fund equity: Cumulative results	18,548	44,688	48,158	51,828
3999 Total equity	18,548	44,688	48,158	51,828

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

GUARANTEES OF MORTGAGE-BACKED SECURITIES LIQUIDATING ACCOUNT

Program and Financing (in thousands of dollars)

Identification code 86-4238-0-3-371	1993 actual	1994 est.	1995 est.
Program by activities:			
Operating expenses:			
00.02 Functional services	17,398	18,268	19,181
00.03 Default expenses	-6,762	-5,304	2,448
00.04 Servicing expenses	14,241	16,598	16,459
00.05 Other expenses	14,988	19,889	20,886
00.06 REMIC expenses		4,000	4,000
00.91 Total operating expenses	39,865	53,451	62,974
Capital investment:			
01.01 Advances of guaranty payments	610,872	827,410	789,826
01.02 Real estate owned properties	27,542	27,267	26,994
01.03 Mortgages	12,648	2,024	2,003
01.04 Equipment			
01.91 Total capital investment	651,062	856,701	818,823
10.00 Total obligations	690,927	910,152	881,797
Financing:			
Unobligated balance available, start of year:			
21.90 Treasury balance	-52,847	-52,164	-57,576
U.S. Securities:			
21.91 Par value	-2,761,121	-3,222,128	-3,659,296
21.91 Par value (REMICs)			-146,000
21.92 Unrealized discounts	2,104	7,864	
Unobligated balance available, end of year:			
24.90 Treasury balance	52,164	57,576	67,256
U.S. Securities:			
24.91 Par value	3,222,128	3,659,296	4,293,140
24.91 Par value (REMICs)		146,000	146,000
24.92 Unrealized discounts	-7,864		
39.00 Budget authority (gross)	1,145,491	1,506,597	1,525,320
Budget authority:			
68.00 Spending authority from offsetting collections	1,145,491	1,356,597	1,375,320
68.00 Spending authority from offsetting collections (REMICs)		150,000	150,000
68.90 Spending authority from offsetting collections (total)	1,145,491	1,506,597	1,525,320

Credit accounts—Continued

GUARANTEES OF MORTGAGE-BACKED SECURITIES LIQUIDATING
ACCOUNT—Continued
Program and Financing (in thousands of dollars)—Continued

Identification code 86-4238-0-3-371	1993 actual	1994 est.	1995 est.
Relation of obligations to outlays:			
71.00 Total obligations	690,927	910,152	881,797
72.10 Receivables in excess of obligations, start of year	-52,345	-46,496	-48,451
74.10 Receivables in excess of obligations, end of year	46,496	48,451	58,151
87.00 Outlays (gross)	685,078	912,107	891,497
Adjustments to gross budget authority and outlays:			
Offsetting collections from:			
88.20 Interest on U.S. securities	-128,169	-174,632	-239,673
Non-Federal sources:			
88.40 Guarantee fees	-268,727	-286,376	-306,080
88.40 Repayments of guaranteed payments	-658,795	-791,154	-746,074
88.40 Commitment and other fees	-2,365	-2,389	-2,413
88.40 Servicing income	-40,639	-40,501	-40,096
88.40 Receipts from sale of REO properties and mobile home units	-19,721	-15,740	-14,448
88.40 Interest income mortgages	-3,346	-3,313	-3,279
88.40 Repayments on mortgages	-5,000	-23,950	-4,901
88.40 Sale of servicing rights	-18,729	-18,542	-18,356
88.40 REMICs	-150,000	-150,000	-150,000
88.90 Total, offsetting collections	-1,145,481	-1,506,597	-1,525,329
89.00 Budget authority (net)			
90.00 Outlays (net)	-460,413	-594,490	-633,823

Status of Direct Loans (in thousands of dollars)

Identification code 86-4238-0-3-371	1993 actual	1994 est.	1995 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	625,992	477,468	404,639
1232 Disbursements: Purchase of loans assets from the public	623,520	829,433	791,829
1290 Outstanding, end of year	477,468	404,639	359,206

Status of Guaranteed Loans (in thousands of dollars)

Identification code 86-4238-0-3-371	1993 actual	1994 est.	1995 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	422,480,455	415,290,516	458,185,540
2231 Disbursements of new guaranteed loans	116,911,671	104,345,169	95,597,568
2251 Repayments and prepayments	-124,101,610	-61,450,145	-67,548,381
2290 Outstanding, end of year	415,290,516	458,185,540	486,234,727
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year ¹	415,290,516	458,185,540	486,234,727

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

The Housing and Urban Development Act of 1968 authorized the Government National Mortgage Association (GNMA) to guarantee the timely payment of principal and interest on privately issued securities that are backed by pools of FHA, VA and FmHA mortgages. The GNMA guarantee gives lenders access to the capital markets for funds to originate new loans. Over 95% of new FHA and VA loans are pooled into new GNMA securities.

Budget Program.—Program activity is summarized below:

Mortgage-backed Securities

(in thousands of dollars)

	1993 actual	1994 est.	1995 est.
Commitment Limitation	107,700,000	130,000,000	130,000,000
Commitments Issued	107,700,000	130,000,000	130,000,000
Guarantees Issued	116,911,671	104,345,169	95,597,568
Securities Outstanding	415,290,516	458,185,540	486,234,727

Financing.—GNMA Issuers are assessed commitment, guarantee and other fees to cover costs incurred by GNMA and

to fund a reserve against possible future payments under the guarantee.

Operating results.—Fee collections, interest, and other income are expected to exceed expenses by \$476 million and \$551 million in 1994 and 1995, respectively. These amounts will be retained to cover future year expenses and as a reserve against losses that may be incurred on guarantees.

Revenue and Expense (in thousands of dollars)

Identification code 86-4238-0-3-371	1993 actual	1994 est.	1995 est.
Revenue:			
0101 Revenue	399,024	525,753	609,898
0101 Revenue (REMICs)		150,000	150,000
Expense:			
0102 Expense	70,071	-49,456	-58,976
0102 Expense (REMICs)		-4,000	-4,000
0109 Net income or loss (-)	469,095	476,297	550,922
0109 Net income or loss (-) (REMICs)		146,000	146,000
0199 Total income or loss	469,095	622,297	696,922

Financial Condition (in thousands of dollars)

Identification code 86-4238-0-3-371	1992 actual	1993 actual	1994 est.	1995 est.
ASSETS:				
1000 Fund balance with Treasury and cash:				
Fund balance with Treasury	501	4,474	4,832	5,218
Accounts receivable:				
Federal agencies	38,755	37,601	45,771	56,604
Public	27,862	26,086	27,631	29,270
Allowances for uncollectibles (-)	-7,664	-10,656	-4,886	-4,882
1199 Subtotal, accounts receivable	58,953	53,031	68,516	80,992
Investments:				
Treasury securities, par:				
Treasury securities, par	2,698,831	3,221,228	3,658,396	4,292,240
Treasury securities, par (REMICs)			146,000	146,000
Treasury securities, unamortized discount (-)	58,384	43,076		
Agency securities, par	62,290	900	900	900
1499 Subtotal, investments	2,819,505	3,265,204	3,805,296	4,439,140
Loans receivable:				
Public: direct loans	617,925	477,468	404,639	359,206
Allowances for uncollectibles (-)	-317,011	-193,084	-135,680	-125,242
1599 Subtotal, loans receivable	300,914	284,384	268,959	233,964
1630 Property, plant and equipment: Equipment	64	28	25	23
Other assets:				
Single Family Properties:				
Single Family Properties	10,091	6,612	6,371	7,268
Single Family Allowance for Loss	-4,612	-3,367	-2,931	-3,343
Mobile Home Properties	15,925	6,928	10,488	14,012
Mobile Home Allowance for Loss	-5,555	-3,288	-3,671	-4,904
1799 Subtotal, other assets	15,849	6,885	10,257	13,033
1999 Total assets	3,195,285	3,609,532	4,007,053	4,475,152
1999 Total assets (REMICs)	-4,612	-3,367	143,069	288,657
LIABILITIES:				
Accounts payable:				
Federal agencies				
Public	10,918	18,023	20,657	23,836
2099 Subtotal, accounts payable	10,918	18,023	20,657	23,836
2599 Deposit funds	55,537	36,939		
2810 Other liabilities	588,000	574,100	563,700	563,700
2999 Total liabilities	654,455	629,062	584,357	587,536
EQUITY:				
Revolving fund equity:				
Cumulative results:				
Cumulative results	2,541,331	2,984,944	3,427,529	3,892,834
Cumulative results (REMICs)			143,080	286,160
3299 Subtotal, revolving fund balances	2,541,331	2,984,944	3,570,609	4,178,994
3999 Total equity	2,541,331	2,984,944	3,570,609	4,178,994

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

Object Classification (in thousands of dollars)

Identification code 86-4238-0-3-371	1993 actual	1994 est.	1995 est.
25.2 Other services	39,865	53,451	62,974
33.0 Investments and loans	651,062	856,701	818,823
99.9 Total obligations	690,927	910,152	881,797

COMMUNITY PLANNING AND DEVELOPMENT

Federal Funds

General and special funds:

COMMUNITY DEVELOPMENT GRANTS

For grants to States and units of general local government and for related expenses, not otherwise provided for, necessary for carrying out a community development grants program as authorized by title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301), \$4,400,000,000, to remain available until September 30, [1996] 1997: *Provided*, That \$44,000,000 shall be available for grants to Indian tribes pursuant to section 106(a)(1) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301), and [\$45,000,000] \$60,000,000 shall be available for "special purpose grants" pursuant to section 107 of such Act: *Provided further*, That not to exceed 20 per centum of any grant made with funds appropriated herein (other than a grant using funds under section 107(b)(3) of such Act or funds set aside in the following provisos) shall be expended for "Planning and Management Development" and "Administration" as defined in regulations promulgated by the Department of Housing and Urban Development: *Provided further*, That [\$15,000,000] \$35,000,000 shall be [made] available [from the total amount provided] to carry out an early childhood development program under section 222 of the Housing and Urban-Rural Recovery Act of 1983, as amended (12 U.S.C. 1701z-6 note), including services for families that are homeless or at risk of becoming homeless: *Provided further*, That [\$5,000,000] \$10,000,000 shall be [made] available [from the total amount provided] to carry out a neighborhood development program under section 123 of said Act (42 U.S.C. 5318 note): *Provided further*, That \$200,000,000 shall be available for a "Leveraged Investment for Tomorrow (LIFT) program" only upon enactment into law, by January 1, 1995, of authorizing legislation.

During fiscal year [1994] 1995 new commitments to issue guarantees to carry out the purposes of section 108 of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301), shall not exceed \$2,054,000,000. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.*)

Program and Financing (in thousands of dollars)

Identification code 86-0162-0-1-451	1993 actual	1994 est.	1995 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	3,967,148	4,836,792	4,406,000
Financing:			
17.00 Recovery of prior year obligations	-3,646	-6,000	-6,000
21.40 Unobligated balance available, start of year: Treasury balance	-250,920	-530,792	-100,000
24.40 Unobligated balance available, end of year: Treasury balance	530,792	100,000	100,000
39.00 Budget authority	4,243,374	4,400,000	4,400,000
Budget authority:			
40.00 Appropriation	4,245,000	4,400,000	4,400,000
40.35 Appropriation rescinded	-45,000		
42.00 Transferred from other accounts	43,374		
43.00 Appropriation (total)	4,243,374	4,400,000	4,400,000
Relation of obligations to outlays:			
71.00 Total obligations	3,967,148	4,836,792	4,406,000
72.40 Obligated balance, start of year: Treasury balance	5,959,154	6,724,495	7,809,291
74.40 Obligated balance, end of year: Treasury balance	-6,724,495	-7,809,291	-8,073,300
78.00 Adjustments in unexpired accounts	-3,646	-6,000	-6,000

90.00 Outlays	3,198,161	3,745,996	4,135,991
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Title I of the Housing and Community Development Act of 1974, as amended, authorizes the Secretary to make grants to units of general local government and States to fund local community development programs.

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

Budget program. A total appropriation of \$4.4 billion is proposed for 1995 including \$200 million for the new Leveraged Investment for Tomorrow (LIFT) program which would provide project-based assistance to stimulate investment in economic and physical revitalization of urban neighborhoods. Eligible activities include industrial, commercial, and mixed use real estate projects.

In 1995, the Department proposes to fund the Early Childhood Development Program authorized by section 222 of the Housing and Urban Rural Recovery Act of 1983 at \$35 million and the neighborhood development program authorized by section 123 of the 1983 Act at \$10 million.

PROJECT-BASED COMMUNITY DEVELOPMENT GRANTS

(Legislative proposal, not subject to PAYGO)

Program and Financing (in thousands of dollars)

Identification code 86-0191-2-1-451	1993 actual	1994 est.	1995 est.
Program by activities:			
10.00 Total obligations (object class 41.0)			800,000
Financing:			
39.00 Budget authority			800,000
Budget authority:			
40.00 Appropriation			700,000
42.00 Transferred from other accounts			100,000
43.00 Appropriation (total)			800,000
Relation of obligations to outlays:			
71.00 Total obligations			800,000
72.40 Obligated balance, start of year: Treasury balance			
74.40 Obligated balance, end of year: Treasury balance			-774,215
90.00 Outlays			25,785

The Budget proposes \$800 million for a new Project-Based Community Development Grants account in 1995. This account would provide funding for three new initiatives, including: \$150 million for the Economic Revitalization Grants program, \$150 million for the Community Viability Fund (including \$20 million for the Capacity Building for Community Development and Affordable Housing program authorized by section 4 of the HUD Demonstration Act of 1993), and \$500 million for Empowerment Zones and Enterprise Communities Grants.

Economic Revitalization Grants.—This program would provide grants to assist the financing of economic development projects in conjunction with loans under the section 108 loan guarantee program. To qualify, projects must be eligible under the Community Development Block Grants program. The Budget assumes that \$100 million of the funding for these grants would be derived from a transfer of unobligated balances from the Urban Development Action Grants Program in 1995.

Community Viability Fund.—This program would provide grants aimed at improving urban design, and in support of comprehensive neighborhood, city-wide and regional planning (including planning for strategic economic development and deconcentration of the poor and minorities). Additionally, the

General and special funds—Continued

PROJECT-BASED COMMUNITY DEVELOPMENT GRANTS—Continued

Fund would support a recognition awards program to focus national attention on efforts to find solutions to housing and community development issues. Funds would also be available to build the capacity of community-based development corporations and housing development organizations, and to assist such entities to carry out community development and affordable housing activities, including the demonstration specified under section 4 of the HUD Demonstration Act of 1993. Finally, the fund would support community organizing activities.

Empowerment Zones and Enterprise Communities Grants.—This program would provide grants to support the financing of capital projects, including housing and economic development, in urban Empowerment Zones and Enterprise Communities. Grants could be used for a range of activities, at local discretion, including: repayment of debt financed by municipal bonds; financing of projects in conjunction with the section 108 loan guarantee program and other economic development projects; and support for project-based rental assistance and other housing initiatives.

HOME INVESTMENT PARTNERSHIPS PROGRAM

For the HOME investment partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101-625), as amended, **[\$1,275,000,000]** \$1,000,000,000, to remain available until expended.

For the National Homeownership Trust Demonstration Programs under subtitle A of title III of such Act, \$100,000,000, to remain available until expended. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

Program and Financing (in thousands of dollars)

Identification code 86-0205-0-1-999	1993 actual	1994 est.	1995 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	1,153,077	1,501,364	1,129,000
Financing:			
17.00 Recovery of prior year obligations		-73,000	-29,000
21.40 Unobligated balance available, start of year: Treasury balance	-73,941	-153,364	
24.40 Unobligated balance available, end of year: Treasury balance	153,364		
39.00 Budget authority	1,232,500	1,275,000	1,100,000
Budget authority:			
Current:			
40.00 Appropriation	1,050,000	1,275,000	1,100,000
42.00 Transferred from other accounts	122,500		
43.00 Appropriation (total)	1,172,500	1,275,000	1,100,000
Permanent:			
60.05 Appropriation (indefinite)	60,000		
Relation of obligations to outlays:			
71.00 Total obligations	1,153,077	1,501,364	1,129,000
72.40 Obligated balance, start of year: Treasury balance	1,423,324	2,364,613	2,916,875
74.40 Obligated balance, end of year: Treasury balance	-2,364,613	-2,916,875	-2,817,345
78.00 Adjustments in unexpired accounts		-73,000	-29,000
90.00 Outlays	211,768	876,102	1,199,530

The HOME Investment Partnerships program is authorized by the National Affordable Housing Act (P.L. 101-625). This program provides assistance to States and units of local government, through formula allocation, for the purpose of expanding the supply and affordability of housing. Eligible activities include acquisition, rehabilitation, tenant-based rental assistance, and, new construction.

In 1995, formula funds will be distributed 40 percent to States and 60 percent to eligible local governments after set-

asides for Indian tribes and Insular Areas and technical assistance. Jurisdictions participating in the program are required to develop a "Comprehensive Housing Affordability Strategy" in order to receive funding. A total appropriation of \$1 billion is proposed for 1995 for the HOME program.

An additional \$100 million is requested for the National Homeownership Trust authorized by title III of the National Affordable Housing Act, as amended by section 182 of the HCD Act of 1992.

COLONIAS ASSISTANCE PROGRAM

(Legislative proposal, not subject to PAYGO)

Program and Financing (in thousands of dollars)

Identification code 86-0193-2-1-451	1993 actual	1994 est.	1995 est.
Program by activities:			
10.00 Total obligations (object class 41.0)			100,000
Financing:			
40.00 Budget authority (appropriation)			100,000
Relation of obligations to outlays:			
71.00 Total obligations			100,000
72.40 Obligated balance, start of year: Treasury balance			
74.40 Obligated balance, end of year: Treasury balance			-96,000
90.00 Outlays			4,000

The Budget proposes a new Colonias Assistance Program to be funded at \$100 million in 1995. This new program will provide assistance to improve the infrastructure and housing needs of colonias residents. Funds will be used to implement comprehensive strategies developed by affected areas with coordination through relevant public bodies. Authorizing legislation will be proposed for this program.

URBAN DEVELOPMENT ACTION GRANTS

Program and Financing (in thousands of dollars)

Identification code 86-0170-0-1-451	1993 actual	1994 est.	1995 est.
Financing:			
17.00 Recovery of prior year obligations	-3,374	-10,000	-90,000
21.40 Unobligated balance available, start of year: Treasury balance			-10,000
24.40 Unobligated balance available, end of year: Treasury balance		10,000	
41.00 Budget authority (transferred to other accounts)	-3,374		-100,000
Relation of obligations to outlays:			
71.00 Total obligations			
72.40 Obligated balance, start of year: Treasury balance	289,054	234,366	179,366
74.40 Obligated balance, end of year: Treasury balance	-234,366	-179,366	-54,366
78.00 Adjustments in unexpired accounts	-3,374	-10,000	-90,000
90.00 Outlays	51,314	45,000	35,000

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

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

[CAPACITY BUILDING FOR COMMUNITY DEVELOPMENT AND AFFORDABLE HOUSING]

[For the capacity building for community development and affordable housing program as authorized by section 4 of the HUD Demonstration Act of 1993, \$20,000,000.] (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

Program and Financing (in thousands of dollars)

Identification code 86-0222-0-1-451	1993 actual	1994 est.	1995 est.
Program by activities:			
10.00 Total obligations (object class 41.0)		20,000	
Financing:			
40.00 Budget authority (appropriation)		20,000	
Relation of obligations to outlays:			
71.00 Total obligations		20,000	
72.40 Obligated balance, start of year: Treasury balance			16,000
74.40 Obligated balance, end of year: Treasury balance		-16,000	-8,000
90.00 Outlays		4,000	8,000

As authorized by section 4 of the HUD Demonstration Act of 1993, this program provides funding to the National Community Development Initiative to build the capacity of community-based development corporations and housing development organizations, and to assist such corporations and organizations to carry out community development and affordable housing activities. A separate appropriation is not requested for this program in 1995. Instead, funds will be included for section 4 activities within a new Project-Based Community Development Grants account which is described elsewhere in this chapter.

RENTAL REHABILITATION GRANTS

Program and Financing (in thousands of dollars)

Identification code 86-0182-0-1-451	1993 actual	1994 est.	1995 est.
Financing:			
21.40 Unobligated balance available, start of year: Treasury balance	-507	-507	-507
24.40 Unobligated balance available, end of year: Treasury balance	507	507	507
39.00 Budget authority			
Relation of obligations to outlays:			
71.00 Total obligations			
90.00 Outlays			

This program was authorized under section 17(a)(1)(A) of the United States Housing Act of 1937, as amended by section 301 of the Housing and Urban-Rural Recovery Act of 1983 (Public Law 98-181).

The National Affordable Housing Act (P.L. 101-625) terminated the Rental Rehabilitation program effective October 1, 1991, and the program's unexpended balances were transferred to the revolving fund (liquidating programs), effective October 1, 1991.

URBAN HOMESTEADING

Program and Financing (in thousands of dollars)

Identification code 86-0171-0-1-451	1993 actual	1994 est.	1995 est.
Financing:			
17.00 Recovery of prior year obligations	-47		
25.00 Unobligated balance expiring	47		
39.00 Budget authority			
Relation of obligations to outlays:			
71.00 Total obligations			
78.00 Adjustments in unexpired accounts	-47		
90.00 Outlays	-47		

Section 810 of the Housing and Community Development Act of 1974, as amended, authorized the Secretary of HUD

to transfer one- to four-unit HUD-owned properties, without payment, to units of local government for use in an urban homesteading program. In addition, the Act authorized the Secretary of the Department of Veterans Affairs, the Secretary of Agriculture, and the Resolution Trust Corporation to transfer their unoccupied, single family properties for use in such programs.

The National Affordable Housing Act (P.L. 101-625) terminated the Urban Homesteading Program effective October 1, 1991.

ASSISTANCE FOR SOLAR AND CONSERVATION IMPROVEMENTS

Program and Financing (in thousands of dollars)

Identification code 86-0179-0-1-272	1993 actual	1994 est.	1995 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	45		
Financing:			
17.00 Recovery of prior year obligations	-24		
21.40 Unobligated balance available, start of year: Treasury balance	-75	-54	
24.40 Unobligated balance available, end of year: Treasury balance		54	
25.00 Unobligated balance expiring (P.L. 101-507)		54	
39.00 Budget authority			
Relation of obligations to outlays:			
71.00 Total obligations	45		
72.40 Obligated balance, start of year: Treasury balance		24	
74.40 Obligated balance, end of year: Treasury balance			
78.00 Adjustments in unexpired accounts	-24		
90.00 Outlays	45		

Title V of the Energy Security Act of 1980 authorized the creation of the Solar Energy and Energy Conservation Bank to encourage energy conservation and the use of solar energy. It has provided funds to subsidize loans and grants for the installation of energy conservation and solar energy improvements in single and multifamily residences, and agricultural and commercial buildings.

The Solar Bank terminated operation on March 15, 1988.

[EMERGENCY SHELTER GRANTS PROGRAM]

[For the emergency shelter grants program, as authorized under subtitle B of title IV of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77), as amended, \$115,000,000, to remain available until expended.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.*)

Program and Financing (in thousands of dollars)

Identification code 86-0181-0-1-604	1993 actual	1994 est.	1995 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	50,032	117,407	
Financing:			
17.00 Recovery of prior year obligations	-125		
21.40 Unobligated balance available, start of year: Treasury balance	-2,314	-2,407	
24.40 Unobligated balance available, end of year: Treasury balance		2,407	
40.00 Budget authority (appropriation)	50,000	115,000	
Relation of obligations to outlays:			
71.00 Total obligations	50,032	117,407	
72.40 Obligated balance, start of year: Treasury balance	87,537	65,960	115,756
74.40 Obligated balance, end of year: Treasury balance	-65,960	-115,756	-29,352
78.00 Adjustments in unexpired accounts	-125		
90.00 Outlays	71,483	67,611	86,404

General and special funds—Continued

[EMERGENCY SHELTER GRANTS PROGRAM]—Continued

Title IV, subtitle B, of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77), authorizes the Secretary to make Emergency Shelter Grants to States, units of local government, and nonprofit organizations to provide emergency shelter and other support for the homeless. No appropriation is requested for this account in 1995. Instead, the Administration proposes to provide funding for the homeless within a new Homeless Assistance Grants account which is described separately in this chapter.

[SUPPORTIVE HOUSING PROGRAM]

[For the supportive housing program, as authorized under subtitle C of title IV of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77), as amended, \$334,000,000, to remain available until expended, of which not to exceed \$50,000,000 may be used for a safe havens demonstration initiative, including activities authorized within subtitle D of such Act, and not to exceed \$20,000,000 may be used for a rural homeless demonstration initiative, including activities authorized within subtitle G of such Act.] (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

Program and Financing (in thousands of dollars)

Identification code 86-0188-0-1-604	1993 actual	1994 est.	1995 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	192,260	484,333	
Financing:			
17.00 Recovery of prior year obligations	-8,422	-15,000	
21.40 Unobligated balance available, start of year: Treasury balance	-168,728	-135,333	
24.40 Unobligated balance available, end of year: Treasury balance	135,333		
39.00 Budget authority	150,443	334,000	
Budget authority:			
40.00 Appropriation	150,000	334,000	
42.00 Transferred from other accounts	443		
43.00 Appropriation (total)	150,443	334,000	
Relation of obligations to outlays:			
71.00 Total obligations	192,260	484,333	
72.40 Obligated balance, start of year: Treasury balance	296,256	388,732	750,865
74.40 Obligated balance, end of year: Treasury balance	-388,732	-750,865	-592,038
78.00 Adjustments in unexpired accounts	-8,422	-15,000	
90.00 Outlays	91,361	187,200	158,827

Title IV, subtitle C, of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77) authorizes assistance to promote the development of supportive housing and services for deinstitutionalized homeless individuals, homeless families with children, homeless individuals with mental disabilities, and other homeless persons. Such assistance is available for the acquisition, rehabilitation, construction, or leasing of structures to be used for homeless persons as well as to pay for operating costs and supportive services.

The Budget does not propose an appropriation for this program in 1995. Instead, the Administration proposes to provide funding for the homeless within a new Homeless Assistance Grants account which is described separately in this chapter.

SUPPLEMENTAL ASSISTANCE FOR FACILITIES TO ASSIST THE HOMELESS

Program and Financing (in thousands of dollars)

Identification code 86-0187-0-1-451	1993 actual	1994 est.	1995 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	11,089		
Financing:			
17.00 Recovery of prior year obligations	-3		
21.40 Unobligated balance available, start of year: Treasury balance	-11,529		
24.40 Unobligated balance available, end of year: Treasury balance			
39.00 Budget authority	-443		
Budget authority:			
40.00 Appropriation			
41.00 Transferred to other accounts	-443		
43.00 Appropriation (total)	-443		
Relation of obligations to outlays:			
71.00 Total obligations	11,089		
72.40 Obligated balance, start of year: Treasury balance	17,751	24,143	17,143
74.40 Obligated balance, end of year: Treasury balance	-24,143	-17,143	-10,643
78.00 Adjustments in unexpired accounts	-3		
90.00 Outlays	4,695	7,000	6,500

Title IV, subtitle D, of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77), authorized the Supplemental Assistance for Facilities To Assist the Homeless program (SAFAH) to provide comprehensive assistance for particularly innovative programs or alternative methods of meeting the immediate and long-term needs of the homeless. The authority for the SAFAH program was terminated by section 1403 of the Housing and Community Development Act of 1992.

[SHELTER PLUS CARE]

[For the shelter plus care program, as authorized by subtitle F of title IV of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77), as amended, \$123,747,000, to remain available until expended.] (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

Program and Financing (in thousands of dollars)

Identification code 86-0204-0-1-604	1993 actual	1994 est.	1995 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	59,585	438,198	
Financing:			
21.40 Unobligated balance available, start of year: Treasury balance	-107,486	-314,451	
24.40 Unobligated balance available, end of year: Treasury balance	314,451		
40.00 Budget authority (appropriation)	266,550	123,747	
Relation of obligations to outlays:			
71.00 Total obligations	59,585	438,198	
72.40 Obligated balance, start of year: Treasury balance	3,047	61,658	484,856
74.40 Obligated balance, end of year: Treasury balance	-61,658	-484,856	-434,856
90.00 Outlays	974	15,000	50,000

Title IV, subtitle F, of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77), authorizes the Secretary to provide rental assistance to persons with disabilities. Supportive services at least equal in value to the aggregate rental

assistance must also be provided by grant recipients, using other Federal, State, local and private resources. Eligible recipients include States, units of general local government and Indian tribes. Grants are awarded on a competitive basis.

No appropriation is requested in 1995. Instead, the Administration proposes to provide funding for the homeless within a new Homeless Assistance Grants account which is described separately in this chapter.

[INNOVATIVE HOMELESS INITIATIVES DEMONSTRATION PROGRAM]

[For the innovative homeless initiatives demonstration program as authorized by section 2 of the HUD Demonstration Act of 1993, \$100,000,000, to remain available until expended.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.*)

Program and Financing (in thousands of dollars)

Identification code 86-0221-0-1-604	1993 actual	1994 est.	1995 est.
Program by activities:			
10.00 Total obligations (object class 41.0)		100,000	
Financing:			
40.00 Budget authority (appropriation)		100,000	
Relation of obligations to outlays:			
71.00 Total obligations		100,000	
72.40 Obligated balance, start of year: Treasury balance			92,500
74.40 Obligated balance, end of year: Treasury balance		-92,500	-74,000
90.00 Outlays		7,500	18,500

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

The Budget does not propose an appropriation for this program in 1995. The types of activities funded will be eligible for assistance under the proposed Homeless Assistance Grants program.

HOMELESS ASSISTANCE GRANTS

(Legislative proposal, not subject to PAYGO)

Program and Financing (in thousands of dollars)

Identification code 86-0192-2-1-604	1993 actual	1994 est.	1995 est.
Program by activities:			
10.00 Total obligations (object class 41.0)			1,250,000
Financing:			
40.00 Budget authority (appropriation)			1,250,000
Relation of obligations to outlays:			
71.00 Total obligations			1,250,000
72.40 Obligated balance, start of year: Treasury balance			
74.40 Obligated balance, end of year: Treasury balance			-1,097,600
90.00 Outlays			152,400

The Budget proposes a total appropriation of \$1,250 million for this account in 1995, of which \$1,120 million would be for a reorganization of the HUD McKinney programs which would be authorized under a proposed amendment to Title IV of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77). This program would provide support to States, local governments, nonprofit organizations, and Indian tribes. Funds would support a wide range of activities which are components of an innovative approach to providing a "continuum of care" system to assist homeless persons and prevent future homelessness.

Grant funds would be initially allocated to communities that can demonstrate that they have an effective plan to

comprehensively address homelessness, to forge partnerships with local, private, and nonprofit providers, and to improve access by homeless persons to mainstream services and income support programs. In subsequent years, awards may be phased out as mainstream programs take over. A portion of the funds could be used for the Secretary's Innovative Homeless Initiative, which also promotes comprehensive homeless service systems through local partnership.

The Budget also proposes \$130 million under this account for the Emergency Food and Shelter program authorized under Title III of the McKinney Act. This authorization requires amendment to authorize administration of the program in HUD, instead of FEMA.

YOUTHBUILD PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For the HOPE for Youth: Youthbuild program, authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as amended, \$50,000,000 to remain available until expended. In addition, the unexpended balances from the \$28,000,000 made available for subtitle D of title IV of such Act under the head "Homeownership and Opportunity for People Everywhere Grants (HOPE Grants)" in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994 shall be transferred to and merged with this appropriation.

Program and Financing (in thousands of dollars)

Identification code 86-0219-0-1-604	1993 actual	1994 est.	1995 est.
Program by activities:			
10.00 Total obligations (object class 41.0)		40,000	50,000
Financing:			
21.40 Unobligated balance available, start of year: Treasury balance			-40,000
24.40 Unobligated balance available, end of year: Treasury balance		40,000	
39.00 Budget authority		40,000	50,000
Budget authority:			
40.00 Appropriation			50,000
42.00 Transferred from other accounts		40,000	
43.00 Appropriation (total)		40,000	50,000
Relation of obligations to outlays:			
71.00 Total obligations		40,000	50,000
72.40 Obligated balance, start of year: Treasury balance			32,000
73.00 Obligated balance transferred, net			28,000
74.40 Obligated balance, end of year: Treasury balance		-32,000	-94,400
90.00 Outlays		8,000	15,600

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

[NATIONAL CITIES IN SCHOOLS COMMUNITY DEVELOPMENT PROGRAM]

[For the national cities in schools community development program, as authorized under section 930 of the Housing and Community Development Act of 1992 (Public Law 102-550), \$10,000,000, to remain available until expended.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.*)

Program and Financing (in thousands of dollars)

Identification code 86-0220-0-1-451	1993 actual	1994 est.	1995 est.
Program by activities:			
10.00 Total obligations (object class 41.0)		10,000	

General and special funds—Continued

[NATIONAL CITIES IN SCHOOLS COMMUNITY DEVELOPMENT PROGRAM]—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code 86-0220-0-1-451	1993 actual	1994 est.	1995 est.
Financing:			
40.00 Budget authority (appropriation)		10,000	
Relation of obligations to outlays:			
71.00 Total obligations		10,000	
72.40 Obligated balance, start of year: Treasury balance			9,000
74.40 Obligated balance, end of year: Treasury balance		-9,000	-2,000
90.00 Outlays		1,000	7,000

This program provides grants for community-wide programs designed to assist at-risk youth and their families. No appropriation is requested in 1995.

Public enterprise funds:

REVOLVING FUND (LIQUIDATING PROGRAMS)

Program and Financing (in thousands of dollars)

Identification code 86-4015-0-3-451	1993 actual	1994 est.	1995 est.
Program by activities:			
00.01 Operating expenses	8	110	15
00.02 Public facility loan expenses	39	90	90
00.03 Loan servicing and other expenses	8,435	10,900	10,895
00.04 Maintenance of acquired security and collateral	6,828	14,120	9,084
00.05 Administrative expenses	1,374	1,254	1,290
10.00 Total obligations (object class 25.2)	16,684	26,474	21,374
Financing:			
17.00 Recovery of prior year obligations	-6,844		
21.90 Unobligated balance available, start of year: Fund balance	-129,336	-105,981	-76,663
24.90 Unobligated balance available, end of year: Fund balance	105,981	76,663	74,289
27.00 Capital transfer to general fund	100,000	80,000	55,000
68.00 Budget authority (gross): Spending authority from offsetting collections	86,485	77,156	74,000
Relation of obligations to outlays:			
71.00 Total obligations	16,684	26,474	21,374
72.90 Obligated balance, start of year: Fund balance	190,550	106,326	60,326
74.90 Obligated balance, end of year: Fund balance	-106,326	-60,326	-15,071
78.00 Adjustments in unexpired accounts	-6,844		
87.00 Outlays (gross)	94,064	72,474	66,629
Adjustments to gross budget authority and outlays:			
88.40 Offsetting collections: from Non-Federal sources	-86,485	-77,156	-74,000
89.00 Budget authority (net)			
90.00 Outlays (net)	7,579	-4,682	-7,371

Status of Direct Loans (in thousands of dollars)

Identification code 86-4015-0-3-451	1993 actual	1994 est.	1995 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	556,953	504,462	454,162
1231 Disbursements: Direct loan disbursements	11,113	6,000	5,309
1251 Repayments: Repayments and prepayments	-59,319	-56,300	-54,000
Adjustments:			
1263 Direct loans	-3,157		
1264 Other adjustments, net	-1,128		
1290 Outstanding, end of year	504,462	454,162	405,471

Status of Guaranteed Loans (in thousands of dollars)

Identification code 86-4015-0-3-451	1993 actual	1994 est.	1995 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	11,126	8,337	4,145

2251 Repayments and prepayments	-2,789	-4,192	-682
2290 Outstanding, end of year	8,337	4,145	3,463

Memorandum:

2299 Guaranteed amount of guaranteed loans outstanding, end of year	8,337	4,145	3,463
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The Revolving fund (liquidating programs) was established by the Independent Offices Appropriation Act of 1955 for the more efficient liquidation of assets acquired under a number of housing and urban development programs.

Revenue and Expense (in thousands of dollars)

Identification code 86-4015-0-3-451	1993 actual	1994 est.	1995 est.
0101 Revenue	22,314	20,855	20,000
0102 Expense	-28,921	-20,224	-14,474
0109 Net income or loss (-)	-6,607	631	5,526

Financial Condition (in thousands of dollars)

Identification code 86-4015-0-3-451	1992 actual	1993 actual	1994 est.	1995 est.
ASSETS:				
1000 Fund balance with Treasury and cash:				
Fund balance with Treasury	320,370	212,528	137,209	89,360
Accounts receivable:				
1110 Public	19,153	17,672	17,672	17,672
1120 Allowances for uncollectibles (-)	-5,449	-11,640	-11,640	-11,640
1199 Subtotal, accounts receivable	13,704	6,032	6,032	6,032
Advances and prepayments:				
1210 Public		3	3	3
1299 Subtotal, advances and prepayments		3	3	3
Investments:				
1450 Other		3	3	3
1499 Subtotal, investments		3	3	3
Loans receivable:				
1510 Public: direct loans	556,953	504,462	454,162	405,471
1520 Allowances for uncollectibles (-)	-37,000	-74,250	-68,000	-60,800
1599 Subtotal, loans receivable	519,953	430,212	386,162	344,671
Property, plant and equipment:				
1650 Other	10,056	7,397	7,397	7,397
1680 Allowances (-)	-3,085	-5,178	-5,178	-5,178
1699 Subtotal, property, plant and equipment	6,971	2,219	2,219	2,219
1740 Other assets: Other	3,851	1,018	1,018	1,018
1999 Total assets	864,849	652,015	532,646	443,306
LIABILITIES:				
Accounts payable:				
2010 Public	4,983	4,378	4,378	4,378
2099 Subtotal, accounts payable	4,983	4,378	4,378	4,378
2599 Deposit funds	15,609	11,873	11,873	11,873
2999 Total liabilities	20,592	16,251	16,251	16,251
EQUITY:				
3210 Revolving fund equity: Cumulative results	844,257	635,764	516,395	427,055
3999 Total equity	844,257	635,764	516,395	427,055

COMMUNITY DEVELOPMENT LOAN GUARANTEE PROGRAM ACCOUNT

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

Identification code 86-0198-0-1-451	1993 actual	1994 est.	1995 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Loan guarantee levels	2,000,000	2,054,000	2,054,000
2159 Total guarantee loan levels	2,000,000	2,054,000	2,054,000

Credit accounts:**COMMUNITY DEVELOPMENT GUARANTEED LOANS FINANCING
ACCOUNT****Status of Guaranteed Loans (in thousands of dollars)**

Identification code 86-4096-0-3-451	1993 actual	1994 est.	1995 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	2,000,000	2,054,000	2,054,000
2112 Uncommitted loan guarantee limitation	-1,770,700		
2150 Total guaranteed loan commitments	229,300	2,054,000	2,054,000
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	11,115	93,995	183,995
2231 Disbursements of new guaranteed loans	85,575	100,000	100,000
2251 Repayments and prepayments	-2,695	-10,000	-20,000
2290 Outstanding, end of year	93,995	183,995	263,995
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	93,995	183,995	263,995

Guaranteed loans.—Section 108 provides for Federal guarantees of private loans. A commitment level of \$2,054 million is proposed for 1995. There is an accompanying liquidating account which shows activity for Federal Financing Bank direct loan activity, obligated prior to July 1, 1986. Also following is a status of privately financed guaranteed loan commitments made prior to 1992.

No credit subsidy is estimated for the section 108 program.

Public enterprise funds:**COMMUNITY DEVELOPMENT GUARANTEED LOANS LIQUIDATING
ACCOUNT****Program and Financing (in thousands of dollars)**

Identification code 86-4097-0-3-451	1993 actual	1994 est.	1995 est.
Relation of obligations to outlays:			
71.00 Total obligations			
72.47 Obligated balance, start of year: Authority to borrow	150,857	151,937	176,937
74.47 Obligated balance, end of year: Authority to borrow	-151,937	-176,937	-196,937
77.00 Adjustments in expired accounts	-43,060		
90.00 Outlays	-44,140	-25,000	-20,000

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 Federal Financing Bank direct loans for which loan guarantees were committed prior to 1992. This account is shown on a cash basis.

Status of Direct Loans (in thousands of dollars)

Identification code 86-4097-0-3-451	1993 actual	1994 est.	1995 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	174,444	131,384	106,384
1251 Repayments: Repayments and prepayments	-43,060	-25,000	-20,000
1290 Outstanding, end of year	131,384	106,384	86,384

Status of Guaranteed Loans (in thousands of dollars)

Identification code 86-4097-0-3-451	1993 actual	1994 est.	1995 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	321,585	301,166	351,166
2231 Disbursements of new guaranteed loans	53,130	100,000	50,000
2251 Repayments and prepayments	-73,549	-50,000	-50,000
2290 Outstanding, end of year	301,166	351,166	351,166

Memorandum:

2299	Guaranteed amount of guaranteed loans outstanding, end of year	301,166	351,166	351,166
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Guaranteed loans.—Guaranteed loan assistance under section 108 is provided to eligible communities to finance acquisition of real property, rehabilitation of publicly owned real property, and certain related expenses. In the past the Federal Financing Bank (FFB) financed these guaranteed loans. The Consolidated Omnibus Budget Reconciliation Act of 1985 requires private financing of all loan guarantees committed after July 1, 1986. FFB will continue disbursing loans for commitments approved prior to July 1, 1986. The activity shown in the above account reflects privately financed guaranteed loans for which commitments were made prior to 1992.

POLICY DEVELOPMENT AND RESEARCH**Federal Funds****General and special funds:****RESEARCH AND TECHNOLOGY**

For contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970, as amended (12 U.S.C. 1701z-1 et seq.), including carrying out the functions of the Secretary under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, [\$35,000,000] \$40,000,000, to remain available until September 30, [1995] 1996. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

Program and Financing (in thousands of dollars)

Identification code 86-0108-0-1-451	1993 actual	1994 est.	1995 est.
Program by activities:			
00.01 Direct program	23,116	38,205	40,100
01.01 Reimbursable program	100		
10.00 Total obligations	23,216	38,205	40,100
Financing:			
17.00 Recovery of prior year obligations	-187	-100	-100
21.40 Unobligated balance available, start of year: Treasury balance	-2,784	-3,105	
24.40 Unobligated balance available, end of year: Treasury balance	3,105		
25.00 Unobligated balance expiring			
39.00 Budget authority (gross)	23,350	35,000	40,000
Budget authority:			
Current:			
40.00 Appropriation	25,000	35,000	40,000
41.00 Transferred to other accounts	-1,750		
43.00 Appropriation (total)	23,250	35,000	40,000
Permanent:			
68.00 Spending authority from offsetting collections	100		
Relation of obligations to outlays:			
71.00 Total obligations	23,216	38,205	40,100
72.40 Obligated balance, start of year: Treasury balance	19,393	13,821	26,926
74.40 Obligated balance, end of year: Treasury balance	-13,821	-26,926	-31,326
77.00 Adjustments in expired accounts	-459		
78.00 Adjustments in unexpired accounts	-187	-100	-100
87.00 Outlays (gross)	28,142	25,000	35,600
Adjustments to gross budget authority and outlays:			
88.00 Offsetting collections from: Federal funds	-100		
89.00 Budget authority (net)	23,250	35,000	40,000
90.00 Outlays (net)	28,042	25,000	35,600

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.

General and special funds—Continued

RESEARCH AND TECHNOLOGY—Continued

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 1995, the research program will continue to emphasize the improvement of the operation of the Department's programs. Also, program evaluation and monitoring will continue to be carried out in 1995.

Object Classification (in thousands of dollars)

Identification code 86-0108-0-1-451	1993 actual	1994 est.	1995 est.
25.2 Other services	21,647	34,205	39,100
41.0 Grants, subsidies, and contributions	1,469	4,000	1,000
99.0 Subtotal, direct obligations	23,116	38,205	40,100
99.0 Reimbursable obligations	100		
99.9 Total obligations	23,216	38,205	40,100

FAIR HOUSING AND EQUAL OPPORTUNITY

Federal Funds

General and special funds:

FAIR HOUSING ACTIVITIES

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and section 561 of the Housing and Community Development Act of 1987, as amended, **[\$25,000,000] \$33,375,000**, to remain available until September 30, **[1995] 1996: Provided, That [\$20,481,000] \$26,000,000** shall be available to carry out activities pursuant to section 561 of the Housing and Community Development Act of 1987. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.*)

Program and Financing (in thousands of dollars)

Identification code 86-0144-0-1-751	1993 actual	1994 est.	1995 est.
Program by activities:			
00.01 Fair housing assistance	5,341	8,231	7,375
00.02 Fair housing initiatives	7,900	31,081	26,000
10.00 Total obligations (object class 41.0)	13,241	39,312	33,375
Financing:			
17.00 Recovery of prior year obligations	-4	-96	
21.40 Unobligated balance available, start of year: Treasury balance	-12,461	-14,216	
24.40 Unobligated balance available, end of year: Treasury balance	14,216		
25.00 Unobligated balance expiring	8		
40.00 Budget authority (appropriation)	15,000	25,000	33,375
Relation of obligations to outlays:			
71.00 Total obligations	13,241	39,312	33,375
72.40 Obligated balance, start of year: Treasury balance	8,949	13,012	39,753
74.40 Obligated balance, end of year: Treasury balance	-13,012	-39,753	-51,230
77.00 Adjustments in expired accounts	-281		
78.00 Adjustments in unexpired accounts	-4	-96	
90.00 Outlays	8,833	12,475	21,898

The Budget proposes an appropriation of \$33.4 million in 1995 for Fair Housing Activities to aid in eliminating housing discrimination. Of the amount requested, \$7.4 million is for the Fair Housing Assistance program and \$26 million is for the Fair Housing Initiatives program.

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

effective processing of title VIII (Civil Rights Act of 1968) complaints.

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

MANAGEMENT AND ADMINISTRATION

Federal Funds

General and special funds:

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary administrative and nonadministrative expenses of the Department of Housing and Urban Development, not otherwise provided for, including not to exceed \$7,000 for official reception and representation expenses, **[\$916,963,000] \$1,000,773,000**, of which **[\$444,872,000] \$495,355,000** shall be provided from the various funds of the Federal Housing Administration, and **[\$8,038,000] \$8,824,000** shall be provided from funds of the Government National Mortgage Association. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.*)

Program and Financing (in thousands of dollars)

Identification code 86-0143-0-1-999	1993 actual	1994 est.	1995 est.
Program by activities:			
Direct program:			
00.01 Housing, mortgage credit, regulatory and energy conservation	153,334	166,414	181,264
00.02 Community planning and development programs	67,243	69,944	73,679
00.03 Equal opportunity and research programs	61,062	63,785	83,408
00.04 Departmental management, legal and audit services	82,448	76,924	68,481
00.05 Field direction and administration	73,214	86,986	89,762
00.91 Total direct program	437,301	464,053	496,594
01.01 Reimbursable program	443,366	452,910	504,179
10.00 Total obligations	880,667	916,963	1,000,773
Financing:			
21.40 Unobligated balance available, start of year: Treasury balance	-4,000		
24.40 Unobligated balance available, end of year: Treasury balance			
25.00 Unobligated balance expiring	19,266		
39.00 Budget authority (gross)	895,933	916,963	1,000,773
Budget authority:			
Current:			
40.00 Appropriation	452,567	464,053	496,594
Permanent:			
68.00 Spending authority from offsetting collections	443,366	452,910	504,179
Relation of obligations to outlays:			
71.00 Total obligations	880,667	916,963	1,000,773
72.40 Obligated balance, start of year: Treasury balance	122,943	84,783	106,732
74.40 Obligated balance, end of year: Treasury balance	-84,783	-106,732	-114,217
77.00 Adjustments in expired accounts	-3,561		
87.00 Outlays (gross)	915,266	895,014	993,288
Adjustments to gross budget authority and outlays:			
88.00 Offsetting collections from: Federal funds	-443,366	-452,910	-504,179
89.00 Budget authority (net)	452,567	464,053	496,594
90.00 Outlays (net)	471,900	442,104	489,109

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

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Object Classification (in thousands of dollars)			
Identification code 86-0143-0-1-999	1993 actual	1994 est.	1995 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	255,003	276,737	278,341
11.3 Other than full-time permanent	4,588	4,979	4,917
11.5 Other personnel compensation	3,578	3,883	3,835
11.9 Total personnel compensation	263,169	285,599	287,093
12.1 Civilian personnel benefits	51,984	56,415	55,716
13.0 Benefits for former personnel	688	746	737
21.0 Travel and transportation of persons	5,576	6,409	7,284
22.0 Transportation of things	168	301	1,295
23.1 Rental payments to GSA	35,408	38,732	38,354
23.3 Communications, utilities, and miscellaneous charges	12,381	13,025	11,914
24.0 Printing and reproduction	2,569	2,999	2,940
25.1 Consulting services	2,918	2,805	2,782
25.2 Other services	56,280	52,244	83,795
26.0 Supplies and materials	2,783	2,653	2,600
31.0 Equipment	3,165	1,909	1,872
42.0 Insurance claims and indemnities	212	216	212
99.0 Subtotal, direct obligations	437,301	464,053	496,594
99.0 Reimbursable obligations	443,366	452,910	504,179
99.9 Total obligations	880,667	916,963	1,000,773

Personnel Summary

Identification code 86-0143-0-1-999	1993 actual	1994 est.	1995 est.
Direct:			
Total compensable workyears:			
1001 Full-time equivalent employment	6,060	6,044	6,089
1005 Full-time equivalent of overtime and holiday hours	45	30	30
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	6,308	6,290	6,329

**OFFICE OF INSPECTOR GENERAL
(INCLUDING TRANSFER OF FUNDS)**

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, **[\$46,305,000] \$47,538,000**, of which **[\$10,190,000] \$10,961,000** shall be transferred from the various funds of the Federal Housing Administration. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.*)

Program and Financing (in thousands of dollars)

Identification code 86-0189-0-1-451	1993 actual	1994 est.	1995 est.
Program by activities:			
00.01 Direct program	34,329	36,115	36,577
01.01 Reimbursable program	10,657	10,190	10,961
10.00 Total obligations	44,986	46,305	47,538
Financing:			
25.00 Unobligated balance expiring	1,683		
39.00 Budget authority (gross)	46,669	46,305	47,538
Budget authority:			
Current:			
40.00 Appropriation	36,012	36,115	36,577
Permanent:			
68.00 Spending authority from offsetting collections	10,657	10,190	10,961
Relation of obligations to outlays:			
71.00 Total obligations	44,986	46,305	47,538
72.40 Obligated balance, start of year: Treasury balance	7,003	6,968	8,306
74.40 Obligated balance, end of year: Treasury balance	-6,968	-8,306	-8,318
77.00 Adjustments in expired accounts	-462		
87.00 Outlays (gross)	44,559	44,967	47,526
Adjustments to gross budget authority and outlays:			
88.00 Offsetting collections from: Federal funds	-10,657	-10,190	-10,961

89.00 Budget authority (net)	36,012	36,115	36,577
90.00 Outlays (net)	33,902	34,777	36,565

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

Object Classification (in thousands of dollars)

Identification code 86-0189-0-1-451	1993 actual	1994 est.	1995 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	19,507	20,897	21,576
11.3 Other than full-time permanent	35	37	39
11.5 Other personnel compensation	523	561	615
11.9 Total personnel compensation	20,065	21,495	22,230
12.1 Civilian personnel benefits	3,964	3,793	4,013
21.0 Travel and transportation of persons	1,941	2,171	2,156
22.0 Transportation of things	4	39	38
23.1 Rental payments to GSA	2,554	2,597	2,639
23.3 Communications, utilities, and miscellaneous charges	444	594	557
24.0 Printing and reproduction	28	58	57
25.2 Other services	4,764	4,840	4,448
26.0 Supplies and materials	147	227	222
31.0 Equipment	416	299	215
42.0 Insurance claims and indemnities	2	2	2
99.0 Subtotal, direct obligations	34,329	36,115	36,577
99.0 Reimbursable obligations	10,657	10,190	10,961
99.9 Total obligations	44,986	46,305	47,538

Personnel Summary

Identification code 86-0189-0-1-451	1993 actual	1994 est.	1995 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment	417	422	408
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	129	119	122

NEW COMMUNITY ASSISTANCE GRANTS

Program and Financing (in thousands of dollars)

Identification code 86-0149-0-1-451	1993 actual	1994 est.	1995 est.
Financing:			
21.40 Unobligated balance available, start of year: Treasury balance	-23	-23	-23
24.40 Unobligated balance available, end of year: Treasury balance	23	23	23
39.00 Budget authority			
Relation of obligations to outlays:			
71.00 Total obligations			
90.00 Outlays			

New community assistance grants were authorized by the Housing and Urban Development Act of 1970, as amended. *Budget program.*—Grants were distributed to new community developers under section 718 to supplement public facil-

General and special funds—Continued

NEW COMMUNITY ASSISTANCE GRANTS—Continued

ity projects in existing new communities. Public Law 96-7, dated April 9, 1979, rescinded all budget authority not administratively committed.

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For carrying out the Federal Housing Enterprise Financial Safety and Soundness Act of 1992, [\$10,700,000] \$17,523,000, to remain available until expended, from the Federal Housing Enterprise Oversight Fund: *Provided*, That such amounts shall be collected by the Director as authorized by section 1316 (a) and (b) of such Act, and deposited in the Fund under section 1316(f): *Provided further*, That notwithstanding the last sentence in section 1316(e) of such Act, the amount of this first annual assessment shall not be reduced by any part of the amount of the initial special assessment under section 1316(e): *Provided further*, That not more than \$5,000,000 of the amounts made available under this heading may be used for personnel compensation and benefits]. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.*)

Program and Financing (in thousands of dollars)

Identification code 86-5272-0-2-371	1993 actual	1994 est.	1995 est.
Program by activities:			
10.00 Total obligations	2,126	10,700	17,523
Financing:			
21.40 Unobligated balance available, start of year: Treasury balance		-874	-874
24.40 Unobligated balance available, end of year: Treasury balance	874	874	874
39.00 Budget authority	3,000	10,700	17,523
Budget authority:			
Current:			
40.20 Appropriation (special fund)		10,700	17,523
Permanent:			
60.20 Appropriation (special fund, definite)	3,000		
Relation of obligations to outlays:			
71.00 Total obligations	2,126	10,700	17,523
72.40 Obligated balance, start of year: Treasury balance		1,961	
74.40 Obligated balance, end of year: Treasury balance	-1,961		
90.00 Outlays	165	12,661	17,523

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

Object Classification (in thousands of dollars)

Identification code 86-5272-0-2-371	1993 actual	1994 est.	1995 est.
11.1 Personnel compensation: Full-time permanent	139	4,150	6,547
11.9 Total personnel compensation	139	4,150	6,547
12.1 Civilian personnel benefits	24	850	1,341
21.0 Travel and transportation of persons	3	80	87
22.0 Transportation of things		16	27
23.1 Rental payments to GSA		345	751

23.3 Communications, utilities, and miscellaneous charges	343	351	
24.0 Printing and reproduction		25	49
25.2 Other services	1,956	4,589	8,281
26.0 Supplies and materials	4	46	50
31.0 Equipment		256	39
99.9 Total obligations	2,126	10,700	17,523

Personnel Summary

Identification code 86-5272-0-2-371	1993 actual	1994 est.	1995 est.
1001 Total compensable workyears: Full-time equivalent employment	7	45	56

Intragovernmental funds:

WORKING CAPITAL FUND

Program and Financing (in thousands of dollars)

Identification code 86-4586-0-4-451	1993 actual	1994 est.	1995 est.
Program by activities:			
00.03 Operating expenses: Data processing services	111,264	119,134	141,351
01.01 Capital investment: Data processing services	2,482	1,800	1,800
10.00 Total obligations	113,746	120,934	143,151
Financing:			
17.00 Recovery of prior year obligations	-1,655		
21.90 Unobligated balance available, start of year: Fund balance	-6,679	-7,011	-8,811
24.90 Unobligated balance available, end of year: Fund balance	7,011	8,811	10,611
68.00 Budget authority (gross): Spending authority from offsetting collections	112,423	122,734	144,951
Relation of obligations to outlays:			
71.00 Total obligations	113,746	120,934	143,151
72.90 Obligated balance, start of year: Fund balance	24,292	7,824	6,024
74.90 Obligated balance, end of year: Fund balance	-7,824	-6,024	-4,224
78.00 Adjustments in unexpired accounts	-1,655		
87.00 Outlays (gross)	128,559	122,734	144,951
Adjustments to gross budget authority and outlays:			
88.00 Offsetting collections from: Federal funds	-112,423	-122,734	-144,951
89.00 Budget authority (net)			
90.00 Outlays (net)	16,136		

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

Object Classification (in thousands of dollars)

Identification code 86-4586-0-4-451	1993 actual	1994 est.	1995 est.
Personnel compensation:			
11.1 Full-time permanent	19,152	18,011	18,833
11.3 Other than full-time permanent	291	694	267
11.5 Other personnel compensation	139	157	169
11.9 Total personnel compensation	19,582	18,862	19,269
12.1 Civilian personnel benefits	3,242	3,199	3,204
21.0 Travel and transportation of persons	196	227	227
22.0 Transportation of things	62	15	15
23.3 Communications, utilities, and miscellaneous charges	13,708	17,547	20,547
24.0 Printing and reproduction	98	125	125
25.2 Other services	68,814	78,039	88,044
26.0 Supplies and materials	1,410	839	839
31.0 Equipment	6,634	2,081	10,881
99.9 Total obligations	113,746	120,934	143,151

Personnel Summary

Identification code 86-4586-0-4-451		1993 actual	1994 est.	1995 est.
5001	Total compensable workyears: Full-time equivalent employment	379	370	370

Trust Funds

GIFTS AND BEQUESTS

Program and Financing (in thousands of dollars)

Identification code 86-8093-0-7-451		1993 actual	1994 est.	1995 est.
Financing:				
21.90	Unobligated balance available, start of year: Fund balance	-4	-4	-4
24.90	Unobligated balance available, end of year: Fund balance	4	4	4
39.00	Budget authority			

Relation of obligations to outlays:

71.00	Total obligations			
90.00	Outlays			

This fund is the repository of gifts and bequests that the Secretary of Housing and Urban Development is authorized to accept and use for the purposes of aiding the work of the Department. Section 7(k)(1) of the Department of Housing and Urban Development Act, 42 U.S.C. 3535(k)(1), authorizes the installment of a fund amount for the above purpose.

ADMINISTRATIVE PROVISION

None of the funds provided under this title to the Department of Housing and Urban Development, which are obligated to State or local governments or to housing finance agencies or other public or quasi-public housing agencies, shall be used to indemnify contractors or subcontractors of the government or agency against costs associated with judgments of infringement of intellectual property rights. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.*)

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

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

In order to better address the needs of communities and cities and the nation's poorest and most vulnerable populations, the Administration is proposing a reinvention plan which will dramatically alter the way in which the Department carries out its mission. Flexibility will be increased as State and local governments decide for themselves how funds can best be allocated. The reinvention plan represents a financial restructuring that will result in the eventual consolidation of the activities of some sixty current programs into three programs by 1998. In addition, the reinvention plan calls for the transformation of the Federal Housing Administration into a government corporation.

The reinvention process will begin with the consolidation of some sixty programs into seven new programs in 1996. In 1998, these seven programs will be further consolidated so that these activities are carried out by three grant programs: Housing Certificates for Families and Individuals Performance Funds, Community Opportunity Performance Funds, and Affordable Housing Performance Funds.

Activities currently carried out by the Department and the seven new accounts to be established in 1996—along with the funding requested for each—are summarized in the table below. Budget details are contained in the remainder of this chapter under the Department's major activity headings.

PROPOSED CONSOLIDATION OF HUD ACTIVITIES AND 1996 FUNDING REQUESTS
(In thousands of dollars)

Current programs/activities	Fiscal year 1996 budget structure
Section 8 Vouchers	Housing Certificates for Families and Individuals Performance Funds \$7,665,000
Section 8 Certificates	
Section 8 Certificates for Persons with Disabilities	
Section 8 Certificates for Persons with AIDS	
Section 8 Certificates for the Homeless	
Section 8 Counseling	
Homeownership/Preservation	
Property Disposition	
Loan Management	
Section 8 Opt Outs	
Lease Adjustments	
Renewal of Expiring Section 8 Contracts	
Sec. 8 Family Unification	
Family Self Sufficiency Coordinators	
Elderly Housing Service Coordinators	
Project-Based Service Coordinators	
Flexible Subsidy Fund	
Congregate Housing	
Public/Indian Housing Development	Public and Indian Housing Capital Performance Funds \$4,884,000
Public/Indian Housing Amendments	
Indian Housing Development	
Tenant Opportunity Program (TOP)	
Urban Youth Corps	
Public/Indian Housing Modernization	
Public Housing Coordinators	
Major Reconstruction of Public Housing (MROP)	Public and Indian Housing Operation Performance Funds \$3,220,000
Severely Distressed Public Housing	
Family Investment Centers	
Public Housing Operating Subsidies	Community Opportunity Performance Funds \$4,850,000
Drug Elimination Grants	
Service Coordinators	
Community Development Grants (CDBG)	Community Opportunity Performance Funds \$4,850,000
Youthbuild	
Economic Development Initiative (EDI)	
Colonias	

Urban Development Action Grants (UDAG)
Historically Black Colleges
Work Study Program
Joint Community Development
Community Outreach
Early Childhood Development
Insular Areas
Technical Assistance
Neighborhood Development
Community Adjustment Planning

HOME	Affordable Housing Performance Funds
National Homeownership Trust Demonstration	\$3,339,000
EZ Homes	
Housing Counseling	
Section 202 Elderly Housing	
Section 811 Housing for the Disabled	
Pension Fund Partnerships	
HOPE	
Lead-Based Paint Hazard Reduction	
Homeless Assistance Grants	Homeless Assistance Performance Funds
Shelter Plus Care	\$1,120,000
Section 8 Mod Rehab SRO	
Emergency Shelter Grants	
Supportive Housing	
Innovative Program	
Housing Opportunity for Persons with AIDS	Housing Opportunities for Persons With AIDS Funds
	\$186,000

The major divisions of this chapter conform to the following Department activities:

Public and Indian housing programs cover three of the Department's proposed new performance programs: Housing Certificates for Families and Individuals Performance Funds, Public and Indian Housing Operation Performance Funds, and Public and Indian Housing Capital Performance Funds. Current public housing, assisted housing and Section 8 rental assistance programs will eventually be consolidated into one housing certificates program. Local and state governments, with a premium on metropolitan strategies, will administer the new housing certificates. This section also includes programs addressing the problems of severely distressed public housing and housing assistance to Native Americans.

Community planning and development covers the new consolidated performance-based Community Opportunity Performance Funds, Affordable Housing Performance Funds, and Homeless Assistance Performance Funds programs. The Community Opportunity program will provide formula grants, offering local and State governments flexible funding for the economic revitalization and renewal of distressed communities. The Affordable Housing program will consolidate activities currently included under HOME, housing for the elderly and persons with disabilities, housing counseling, and the National Homeownership fund. The program will provide grants to local and State governments under a formula with a national set-aside for Native Americans. Various grants and other assistance for the homeless would be consolidated in the proposed Homeless Assistance Performance Funds program. This heading also includes a program offering Housing Opportunities to Persons with AIDS.

Housing programs cover the planned consolidation of mortgage insurance activities of the Federal Housing Administration into two funds, single family and multifamily housing, to be carried out by a government-owned corporation. The new FHA corporation will also restructure the existing single family and multifamily programs based on market forces. HUD's reinvention of FHA will transform it into a streamlined enterprise using credit enhancement to finance expanded homeownership opportunities and the development of affordable rental housing. Other activities included under this

heading are the Office of Interstate Land Sales Registration and manufactured home inspection and monitoring programs.

Government National Mortgage Association (GNMA) covers the Department's programs to assist in the availability of mortgage credit and stabilize financing of selected types of mortgage loans through the guarantee of mortgage-backed securities. GNMA also utilizes multiple maturity securities issued through Real Estate Mortgage Investment Conduits (REMICS) in addition to its current single-class mortgage-backed securities.

Fair housing and equal opportunity includes the Fair Housing Assistance Program authorized by title VIII of the Civil Rights Act of 1968, as amended, and the Fair Housing Initiatives Program.

Policy development and research includes the policy development, economic analysis, program evaluation, and research activities of the Department.

Departmental Management includes the Department's Salaries and Expenses, the Inspector General, and the Office of Federal Housing Enterprise Oversight.

PUBLIC AND INDIAN HOUSING

Federal Funds

General and special funds:

HOUSING CERTIFICATES FOR FAMILIES AND INDIVIDUALS PERFORMANCE FUNDS

For assistance in accordance with the Housing Certificates for Families and Individuals Performance Funds program, \$7,664,875,000, to remain available until expended: Provided, That such amount shall be available only upon enactment into law of authorizing legislation. (Additional authorizing legislation required.)

Program and Financing (in thousands of dollars)			
Identification code 86-0302-0-1-604	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 41.0)			3,832,438
Financing:			
24.40 Unobligated balance available, end of year: Treasury balance			3,832,438
40.00 Budget authority (appropriation)			7,664,875
Relation of obligations to outlays:			
71.00 Total obligations			3,832,438
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance			-3,052,087
90.00 Outlays			780,351

The Administration proposes to consolidate all rental assistance programs into one that provides Housing Certificates for Families and Individuals. Consolidated programs would include Incremental Rental Assistance, Section 8 Family Unification, Section 8 Opt-Outs, Section 8 contract renewals, and Family Self Sufficiency Coordinators.

Certificates would provide recipients with subsidies to help them afford rental housing in the private housing market. The program would provide formula allocations of certificates to local and State governments, which would be encouraged to administer certificates on a marketwide basis. Jurisdictions would be given the authority to select administering entities.

PUBLIC AND INDIAN HOUSING OPERATION PERFORMANCE FUNDS

For assistance in accordance with the Public Housing/Indian Housing Operation Performance Funds program, \$3,220,000,000, to remain available until expended: Provided, That such amount shall be available only upon enactment into law of authorizing legislation. (Additional authorizing legislation required.)

Program and Financing (in thousands of dollars)			
Identification code 86-0303-0-1-604	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 41.0)			3,220,000
Financing:			
40.00 Budget authority (appropriation)			3,220,000
Relation of obligations to outlays:			
71.00 Total obligations			3,220,000
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance			-1,996,560
90.00 Outlays			1,223,440

The Administration proposes to consolidate operating subsidies for public housing into a single Public and Indian Housing Operation Performance Funds program. Programs to be consolidated include Operating Subsidies for Public and Indian Housing, Drug Elimination Grants, and Public Housing Service Coordinators. Operating subsidy payments are provided to assist local Public Housing Agencies (PHAs) and Indian Housing Authorities (IHAs) to meet certain deficits in the operations of public and Indian housing. These payments are in addition to debt service and capital funding provided by HUD. A portion of the funds will be awarded competitively to States and local governments and to private and non-profit entities who are proven performers. The funds may be used for a variety of special purposes.

PUBLIC AND INDIAN HOUSING CAPITAL PERFORMANCE FUNDS

For the Public Housing/Indian Housing Capital Performance Funds program, \$4,884,000,000, to remain available until expended; and in addition, \$287,000,000 of amounts reserved or obligated in prior years for reconstruction of obsolete public housing projects under 42 U.S.C. 1437 which were recaptured during fiscal year 1995, which shall become available only upon enactment into law of authorizing legislation, and remain available until expended. (Additional authorizing legislation required.)

Program and Financing (in thousands of dollars)			
Identification code 86-0304-0-1-604	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 41.0)			517,100
Financing:			
22.00 Unobligated balance transferred, net			-287,000
24.40 Unobligated balance available, end of year: Treasury balance			4,653,900
40.00 Budget authority (appropriation)			4,884,000
Relation of obligations to outlays:			
71.00 Total obligations			517,100
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance			-504,401
90.00 Outlays			12,699

The Administration proposes to consolidate all current public housing capital programs into a single Public and Indian Housing Capital Performance Funds program. Consolidated programs would include Public Housing Modernization, Public and Indian Housing Development, Severely Distressed Public Housing, public and Indian housing amendments and Family Investment Centers. This program would provide Federal resources to rehabilitate and restore viable public housing in need of modernization, demolish uninhabitable and non-viable public housing projects, and construct replacement housing where feasible.

[PAYMENTS FOR OPERATION OF LOW-INCOME HOUSING PROJECTS]

For payments to public housing agencies and Indian housing authorities for operating subsidies for low-income housing projects as authorized by section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g), \$2,900,000,000. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)			
Identification code 86-0163-0-1-604	1994 actual	1995 est.	1996 est.
Program by activities:			
00.01 Operating subsidies	2,620,304	2,900,000	
10.00 Total obligations (object class 41.0)	2,620,304	2,900,000	
Financing:			
21.40 Unobligated balance available, start of year: Treasury balance	504		
24.40 Unobligated balance available, end of year: Treasury balance			
40.00 Budget authority (appropriation)	2,620,808	2,900,000	
Relation of obligations to outlays:			
71.00 Total obligations	2,620,304	2,900,000	
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance	1,341,545	1,373,295	1,566,000
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance	-1,373,295	-1,566,000	-29,000
77.00 Adjustments in expired accounts	-4,770		
90.00 Outlays	2,583,784	2,707,295	1,537,000

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

The operating subsidy estimates were based primarily upon the Performance Funding System (PFS) formula.

This program will be terminated at the end of fiscal year 1995. Beginning in fiscal year 1996, funding for these activities will be provided under the Public and Indian Housing Operation Performance Funds program.

[DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING]

For grants to public housing agencies for use in eliminating drug-related crime in public housing projects authorized by 42 U.S.C. 11901-11908, and for drug information clearinghouse services authorized by 42 U.S.C. 11921-11925, \$290,000,000, to remain available until expended, of which \$10,000,000 shall be for grants, technical assistance, contracts and other assistance training, program assessment, and execution for or on behalf of public housing agencies and resident organizations (including the cost of necessary travel for participants in such training). (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)			
Identification code 86-0197-0-1-604	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	44,729	544,740	
Financing:			
17.00 Recovery of prior year obligations	-861		
Unobligated balance available, start of year:			
21.40 Treasury balance	-13,853	-20,763	
21.49 Contract authority	-19,755	-233,977	
Unobligated balance available, end of year:			
24.40 Treasury balance	20,763		
24.49 Contract authority	233,977		
40.00 Budget authority (appropriation)	265,000	290,000	

Relation of obligations to outlays:			
71.00 Total obligations	44,729	544,740	
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance	302,896	186,427	552,350
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance	-186,427	-552,350	-293,350
78.00 Adjustments in unexpired accounts	-861		
90.00 Outlays	160,337	178,817	259,000

The table below shows the funding requested for drug-related and crime prevention activities for the period 1994-1995. This program will be terminated at the end of fiscal year 1995. Beginning in fiscal year 1996, funding for these types of activities will be provided under the Public and Indian Housing Operation Performance Funds program.

Summary of Program Activity (in thousands of dollars)			
	1994 actual	1995 est.	1996 est.
Funding level:			
Drug elimination grants	265,000	290,000	
Total Funding	265,000	290,000	
Outlays:			
Drug Elimination Grants:			
Annual Contributions	108		
Operating Subsidies	5,752		
Drug Elimination Grants	160,337	178,817	259,000
Total Outlays	166,187	178,817	259,000

VIOLENT CRIME REDUCTION PROGRAMS

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

Program and Financing (in thousands of dollars)

Identification code 86-8192-0-1-754	1994 actual	1995 est.	1996 est.
Program by activities:			
00.01 Local Partnership Act			3,000
10.00 Total obligations (object class 25.1)			3,000
Financing:			
42.00 Budget authority (transferred from other accounts)			3,000
Relation of obligations to outlays:			
71.00 Total obligations			3,000
90.00 Outlays			3,000

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

[SEVERELY DISTRESSED PUBLIC HOUSING]

For the HOPE VI/urban revitalization demonstration program under the third paragraph under the head "Homeownership and Opportunity for People Everywhere grants (HOPE grants)" in the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1993, Public Law 102-389, 106 Stat. 1571, 1579, \$500,000,000, to remain available until expended: *Provided*, That notwithstanding the first proviso of such third paragraph, the Secretary shall have discretion to approve fund-

General and special funds—Continued

[SEVERELY DISTRESSED PUBLIC HOUSING]—Continued

ing for more than fifteen applicants: *Provided further*, That notwithstanding the third proviso of such third paragraph, the Secretary may provide funds for more than 500 units for each participating city: *Provided further*, That in selecting HOPE VI implementation grants recipients in fiscal year 1995, the Secretary must first award such grants to those cities or jurisdictions which have received HOPE VI planning grants in fiscal year 1993 or fiscal year 1994: *Provided further*, That the requirement of the immediately proceeding proviso shall not limit the Secretary's discretion to limit funding to amounts he deems appropriate, nor shall it prevent the Secretary from guaranteeing that all implementation grant recipients conform with the requirements of the HOPE VI/urban revitalization demonstration program: *Provided further*, That of the foregoing \$500,000,000, the Secretary may use up to \$2,500,000 for technical assistance under such urban revitalization demonstration, to be made available directly, or indirectly, under contracts or grants, as appropriate: *Provided further*, That nothing in this paragraph shall prohibit the Secretary from conforming the program standards and criteria set forth herein, with subsequent authorization legislation that may be enacted into law. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

Identification code 86-0218-0-1-604	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	579,248	549,446	
Financing:			
Unobligated balance available, start of year:			
21.40 Treasury balance		-22,564	
21.49 Contract authority	-300,000	-476,428	-449,546
Unobligated balance available, end of year:			
24.40 Treasury balance	22,564		
24.49 Contract authority	476,428	449,546	449,546
40.00 Budget authority (appropriation)	778,240	500,000	
Relation of obligations to outlays:			
71.00 Total obligations	579,248	549,446	
Obligated balance, start of year: Unpaid obligations:			
72.40 Treasury balance		577,827	1,107,773
Obligated balance, end of year: Unpaid obligations:			
74.40 Treasury balance	-577,827	-1,107,773	-1,087,773
90.00 Outlays	1,421	19,500	20,000

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

This program will be terminated at the end of fiscal year 1995. Beginning in fiscal year 1996, funding for this type of activity will be provided under the Public and Indian Housing Capital Performance Funds program.

Public enterprise funds:

LOW-RENT PUBLIC HOUSING—LOANS AND OTHER EXPENSES

Program and Financing (in thousands of dollars)

Identification code 86-4098-0-3-604	1994 actual	1995 est.	1996 est.
Program by activities:			
00.01 Capital investment: Loans to public housing agencies and Indian housing authorities	47,949	50,000	50,000
10.00 Total obligations (object class 33.0)	47,949	50,000	50,000
Financing:			
17.00 Recovery of prior year obligations			
21.40 Unobligated balance available, start of year: Treasury balance	-23,459	-20,092	-20,092

24.40 Unobligated balance available, end of year: Treasury balance	20,092	20,092	20,092
31.00 Redemption of debt	54,464	57,952	61,711
39.00 Budget authority (gross)	99,046	107,952	111,711
Budget authority:			
67.15 Authority to borrow (indefinite)	25,000	50,000	50,000
68.00 Spending authority from offsetting collections	74,046	57,952	61,711
Relation of obligations to outlays:			
71.00 Total obligations	47,949	50,000	50,000
Obligated balance, start of year:			
72.10 Receivables from other government accounts			
72.40 Appropriation	1,521,753	1,414,832	1,299,209
72.90 Unpaid obligations: Fund balance	6,123	1,276	1,276
Obligated balance, end of year:			
74.10 Receivables from other government accounts			
74.40 Appropriation	-1,414,832	-1,299,209	-1,187,353
74.90 Unpaid obligations: Fund balance	-1,276	-1,276	-1,276
78.00 Adjustments in unexpired accounts			
87.00 Outlays (gross)	159,717	165,623	161,856
Adjustments to gross budget authority and outlays:			
Offsetting collections from:			
88.00 Federal sources	-54,464	-57,952	-61,711
88.40 Non-Federal sources	-19,582		
88.90 Total, offsetting collections	-74,046	-57,952	-61,711
89.00 Budget authority (net)	25,000	50,000	50,000
90.00 Outlays (net)	85,671	107,671	100,145

Status of Direct Loans (in thousands of dollars)

Identification code 86-4098-0-3-604	1994 actual	1995 est.	1996 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1,800,965	1,746,501	1,688,549
1251 Repayments: Repayments and prepayments	-54,464	-57,952	-61,711
1290 Outstanding, end of year	1,746,501	1,688,549	1,626,838

Status of Guaranteed Loans (in thousands of dollars)

Identification code 86-4098-0-3-604	1994 actual	1995 est.	1996 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	4,689,694	4,412,635	4,112,635
2251 Repayments and prepayments	-277,059	-300,000	-325,000
2290 Outstanding, end of year	4,412,635	4,112,635	3,787,635
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	4,412,635	4,112,635	3,787,635

The Low-Rent Public Housing Loan Fund is used to provide direct Federal loans to fund remaining Public Housing Agency (PHA) and Indian Housing Authority (IHA) construction, acquisition, and modernization activities reserved under the Annual Contributions appropriation through 1986. These loans are made from available resources of this fund and from borrowings from the Treasury. Under legislation enacted during 1986 (Public Law 99-272), the borrowings from the Treasury are forgiven at the end of each fiscal year and the loans to PHAs/IHAs are forgiven as construction, acquisition, and modernization activities are completed. Under the provisions of this legislation, \$25 million of borrowings from the Treasury were forgiven in 1994, an estimated \$50 million will be borrowed from the Treasury and forgiven in 1995, and an estimated \$50 million will be borrowed from the Treasury and forgiven in 1996. The table below shows the status of outstanding loans for the period 1994-1996. The \$68 million balance at the end of each year represents administrative loans, off-site facility loans, and preliminary loans on projects never undertaken and excess financing.

PUBLIC HOUSING AGENCIES/INDIAN HOUSING AUTHORITIES

Loans Outstanding

[In millions of dollars]

	1994 actual	1995 est.	1996 est.
Outstanding, start of year	88	68	68
Direct loan disbursements	48	50	50
Repayments	-27		
Adjustments	13		
Total loans forgiven	-54	-50	-50
Outstanding, end of year	68	68	68

Since 1987, new reservations of capital funds for construction, acquisition, and modernization activities have been provided directly from the Annual Contributions appropriation.

Operating results.—The actual and estimated net operating income for 1993, 1994, 1995, and 1996 follows:

Statement of Operations (in thousands of dollars)

Identification code 86-4098-0-3-604	1993 actual	1994 actual	1995 est.	1996 est.
0101 Revenue	123,354	119,386	53,150	53,150
0102 Expense	-171,365	-138,807	-53,150	-53,150
0109 Net income or loss (-)	-48,011	-19,421		

Balance Sheet (in thousands of dollars)

Identification code 86-4098-0-3-604	1993 actual	1994 actual	1995 est.	1996 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	1,539,089	1,423,954	1,324,884	1,225,814
1106 Investments in US securities: Receivables, net	1,876,404	1,852,164	1,794,212	1,732,501
1601 Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Direct loans, gross	129,510	68,247	68,247	68,247
1602 Interest receivable	3,143	3,143	3,143	3,143
1603 Allowance for estimated uncollectible loans and interest (-)	-12,746	-12,004		
1604 Direct loans and interest receivable, net	59,385	71,390	71,390	71,390
1699 Value of assets related to direct loans	59,385	71,390	71,390	71,390
1999 Total assets	3,532,257	3,335,504	3,190,486	3,029,705
LIABILITIES:				
Federal liabilities:				
2102 Interest payable	218,194	211,652	211,652	211,652
2104 Resources payable to Treasury	1,800,965	1,746,500	1,688,549	1,626,838
Non-Federal liabilities:				
2201 Accounts payable	33	33	33	33
2207 Other	1,650	1,242		
2999 Total liabilities	2,020,842	1,959,427	1,900,234	1,838,523
NET POSITION:				
3100 Appropriated capital	3,532,257	3,335,503	3,190,486	3,029,705
3300 Cumulative results of operations	79,477	79,477	79,477	79,477
3999 Total net position	3,532,257	3,414,980	3,269,963	3,109,182
4999 Total liabilities and net position	5,553,099	5,374,407	5,170,197	4,947,705

Credit accounts:

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

For the cost of guaranteed loans, \$3,000,000, as authorized by section 184 of the Housing and Community Development Act of 1992 (106 Stat. 3739): *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 **[\$22,388,000]** \$36,900,000. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

Program and Financing (in thousands of dollars)

Identification code 86-0223-0-1-604	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	209	3,000	3,000
Financing:			
25.00 Unobligated balance expiring	791		
40.00 Budget authority (appropriation)	1,000	3,000	3,000
Relation of obligations to outlays:			
71.00 Total obligations	209	3,000	3,000
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance		209	750
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance	-209	-750	-750
90.00 Outlays		2,459	3,000

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

Identification code 86-0223-0-1-604	1994 actual	1995 est.	1996 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Indian loan guarantees	1,560	22,388	36,900
2159 Total loan guarantee levels	1,560	22,388	36,900
Guaranteed loan subsidy (in percent):			
2320 Subsidy rate	13.40	13.40	8.13
Guaranteed loan subsidy budget authority:			
2330 Subsidy budget authority	209	3,000	3,000
Guaranteed loan subsidy outlays:			
2340 Subsidy outlays		2,459	2,459

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

INDIAN HOUSING LOAN GUARANTEE FUND FINANCING ACCOUNT

Program and Financing (in thousands of dollars)

Identification code 86-4104-0-3-604	1994 actual	1995 est.	1996 est.
Program by activities:			
00.01 Default claims		397	397
10.00 Total obligations		397	397
Financing:			
21.90 Unobligated balance available, start of year: Fund balance		-209	-3,179
24.90 Unobligated balance available, end of year: Fund balance	209	3,179	6,149
39.00 Financing authority (gross)	209	3,367	3,367
Financing authority:			
Spending authority from offsetting collections:			
68.00 Spending authority from offsetting collections, Federal sources	209	3,143	3,143
68.00 Spending authority from offsetting collections, non-Federal sources		224	224

Credit accounts—Continued

INDIAN HOUSING LOAN GUARANTEE FUND FINANCING ACCOUNT—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code 86-4104-0-3-604	1994 actual	1995 est.	1996 est.
68.90 Spending authority from offsetting collections (total)	209	3,367	3,367
Relation of obligations to financing disbursements:			
71.00 Total obligations		397	397
Obligated balance, start of year:			
72.10 Receivables from other government accounts		-209	-750
72.40 Unpaid obligations: Treasury balance			
Obligated balance, end of year:			
74.10 Receivables from other government accounts	209	750	750
74.40 Unpaid obligations: Treasury balance			
87.00 Financing disbursements (gross)	209	938	397
Adjustments to financing authority and financing disbursements:			
Offsetting collections from:			
88.00 Federal sources: Payments from program account	-209	-3,000	-3,000
88.25 Interest on uninvested funds		-143	-143
88.40 Non-Federal sources		-224	-224
88.90 Total, offsetting collections	-209	-3,367	-3,367
89.00 Financing authority (net)			
90.00 Financing disbursements (net)		-2,429	-2,970

Status of Guaranteed Loans (in thousands of dollars)

Identification code 86-4104-0-3-604	1994 actual	1995 est.	1996 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	7,463	22,388	36,900
2150 Total guaranteed loan commitments	7,463	22,388	36,900
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year			17,954
2231 Disbursements of new guaranteed loans		18,351	33,272
2261 Adjustments: Terminations for default that result in loans receivable		-397	-397
2290 Outstanding, end of year		17,954	50,829
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year		17,954	50,829
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year			397
2331 Disbursements for guaranteed loan claims		397	397
2390 Outstanding, end of year		397	794

As required by the Federal Credit Reform Act of 1990, this nonbudgetary account records all cash flows to and from the Government resulting from the loan guarantees committed in 1994 and beyond (including modifications of loan guarantees that resulted from obligations in any year). The amounts in this account are a means of financing and not included in the budget totals.

Balance Sheet (in thousands of dollars)

Identification code 86-4104-0-3-604	1993 actual	1994 actual	1995 est.	1996 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury		209	3,179	6,149
Investments in US securities:				
1106 Receivables, net		209	750	750

1501 Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable: Defaulted guaranteed loans receivable, gross			397	794
1999 Total assets	418	4,326	7,693	
LIABILITIES:				
2204 Non-Federal liabilities: Liabilities for loan guarantees	209	750	750	
2999 Total liabilities	209	750	750	
NET POSITION:				
3100 Appropriated capital	209	3,576	6,943	
3999 Total net position	209	3,576	6,943	
4999 Total liabilities and net position	418	4,326	7,693	

COMMUNITY PLANNING AND DEVELOPMENT

Federal Funds

General and special funds:

COMMUNITY OPPORTUNITY PERFORMANCE FUNDS

For assistance in accordance with the Community Opportunity Performance Funds program, \$4,850,000,000, to remain available until expended: Provided, That such amount shall be available only upon enactment into law of authorizing legislation. (Additional authorizing legislation required.)

Program and Financing (in thousands of dollars)

Identification code 86-0305-0-1-451	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 41.0)			4,850,000
Financing:			
40.00 Budget authority (appropriation)			4,850,000
Relation of obligations to outlays:			
71.00 Total obligations			4,850,000
74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance			
			-4,675,400
90.00 Outlays			174,600

The Administration proposes to consolidate current HUD grants for community economic development into a single Community Opportunity Performance Funds program. Consolidated programs would include Community Development Block Grants, Economic Development Initiative and recaptures from the Urban Development Action Grants (UDAG).

Community Opportunity Performance Funds would provide localities and States with flexible funding for the economic revitalization and renewal of distressed communities. The new program would provide formula grants to local and State governments, with a national set-aside for Native Americans. Jurisdictions would be permitted to use grants for a wide range of activities including assistance to community-based organizations for neighborhood revitalization activities, business loans to entrepreneurs in distressed communities, and cleanup of environmentally contaminated sites for economic or housing development. The budget proposes that a small percentage of program funds be retained for later distribution to reward those jurisdictions that are deemed high performers.

AFFORDABLE HOUSING PERFORMANCE FUNDS

For assistance in accordance with the Affordable Housing Performance Funds program, \$3,339,000,000, to remain available until expended: Provided, That such amount shall be available only upon enactment into law of authorizing legislation: Provided further, That

during fiscal year 1996, the Secretary shall sell assigned mortgage notes having an unpaid principal balance of up to \$4,000,000,000, which notes were originally insured under section 203(b) of the National Housing Act: Provided further, That of the amount appropriated herein, an amount equal to the lesser of \$175,000,000 or the excess of net proceeds above the value of holding the loans to maturity, such value established using assumptions specified in the President's fiscal year 1996 Budget adjusted for interest rates at the time of the sale, shall become available only after such sale has been completed. (Additional authorizing legislation required.)

Program and Financing (in thousands of dollars)			
Identification code 86-0306-0-1-604	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 41.0)			3,339,000
Financing:			
40.00 Budget authority (appropriation)			3,339,000
Relation of obligations to outlays:			
71.00 Total obligations			3,339,000
74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance			-3,278,898
90.00 Outlays			60,102

The Administration proposes to consolidate current grants for housing production and rehabilitation, including homeownership initiatives, into a single Affordable Housing Performance Funds program. Consolidated programs would include HOME, Housing for the Elderly and Persons with Disabilities, Housing Counseling, HOPE, and the National Homeownership Trust Demonstration program.

Affordable Housing Performance Funds would provide localities and States with flexible funding for the development of affordable housing. The Fund would provide formula grants to local and State governments, with a national set-aside for Native Americans. Jurisdictions would be permitted to use the Federal grants for a wide range of activities including housing acquisition, rehabilitation and construction of affordable housing, particularly housing for special vulnerable populations, and homeownership efforts to draw moderate-income families into housing or to help stabilize distressed communities. The budget proposes that a small percentage of program funds be retained for later distribution to reward those jurisdictions that are deemed high performers.

HOMELESS ASSISTANCE PERFORMANCE FUNDS

For assistance in accordance with the Homeless Assistance Performance Funds program, \$1,120,000,000, to remain available until expended: Provided, That such amount shall be available only upon enactment into law of authorizing legislation. (Additional authorizing legislation required.)

Program and Financing (in thousands of dollars)			
Identification code 86-0307-0-1-604	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 41.0)			1,120,000
Financing:			
40.00 Budget authority (appropriation)			1,120,000
Relation of obligations to outlays:			
71.00 Total obligations			1,120,000
74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance			-1,069,600
90.00 Outlays			50,400

The Administration proposes to create a single Homeless Assistance Performance Funds program. The program would include activities currently funded under the Homeless Assistance Grants account, including the Innovative Homeless Ini-

tiatives Demonstration, Shelter Plus Care, Emergency Shelter Grants, Supportive Housing program, and Section 8 Moderate Rehabilitation Single Room Occupancy program.

The new Homeless Assistance Performance Funds program would provide support on a formula basis to States, local governments, nonprofit organizations, and Indian tribes. Funds would support a wide range of activities that are components of an innovative approach to providing a "continuum of care" system to assist homeless persons move to permanent housing and prevent future homelessness. The budget proposes that a small percentage of program funds will be retained for later distribution to reward those jurisdictions that are deemed high performers.

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

For assistance in accordance with the Housing Opportunities for Persons with AIDS Fund, \$186,000,000, to remain available until expended. (Additional authorizing legislation required.)

Program and Financing (in thousands of dollars)			
Identification code 86-0308-0-1-604	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 41.0)			186,000
Financing:			
40.00 Budget authority (appropriation)			186,000
Relation of obligations to outlays:			
71.00 Total obligations			186,000
73.00 Obligated balance transferred, net			373,000
74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance			-445,461
90.00 Outlays			113,539

The Administration proposes to establish a Housing Opportunities for Persons with AIDS program as a separate account in 1996. All of the balances from prior appropriations for this program would be merged with the new appropriations. The program would resemble the program which is already in existence. The purpose of the program is to provide States and localities with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with AIDS and their families.

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

COMMUNITY DEVELOPMENT GRANTS

[For grants to States and units of general local government and for related expenses, not otherwise provided for, necessary for carrying out a community development grants program as authorized by title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301), \$4,600,000,000, to remain available until September 30, 1997: Provided, That \$46,000,000 shall be available for grants to Indian tribes pursuant to section 106(a)(1) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301), and \$44,000,000 shall be available for "special purpose grants" pursuant to section 107 of such Act: Provided further, That not to exceed 20 per centum of any grant made with funds appropriated herein (other than a grant using funds under section 107(b)(3) of such Act or funds set aside in the following provisos) shall be expended for "Planning and Management Development" and "Administration" as defined in regulations promulgated by the Department of Housing and Urban Development: Provided further, That \$20,000,000 shall be made available from the total amount provided to carry out an early childhood development program under section

General and special funds—Continued

[COMMUNITY DEVELOPMENT GRANTS]—Continued

222 of the Housing and Urban-Rural Recovery Act of 1983, as amended (12 U.S.C. 1701z-6 note), including services for families that are homeless or at risk of becoming homeless: *Provided further*, That \$5,000,000 shall be made available from the total amount provided to carry out a neighborhood development program under section 123 of said Act (42 U.S.C. 5318 note).]

[During fiscal year 1995, new commitments to issue guarantees to carry out the purposes of section 108 of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301), shall not exceed \$2,054,000,000.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

Program and Financing (in thousands of dollars)

Identification code 86-0162-0-1-451	1994 actual	1995 est.	1996 est.
Program by activities:			
00.01 Grant	4,877,319	5,224,457	100,000
00.02 Salaries and expenses	70	475	
10.00 Total obligations (object class 41.0)	4,877,389	5,224,932	100,000
Financing:			
17.00 Recovery of prior year obligations	-723	-6,000	
21.40 Unobligated balance available, start of year: Treasury balance	-524,255	-696,732	-100,000
24.40 Unobligated balance available, end of year: Treasury balance	696,732	100,000	
25.00 Unobligated balance expiring	857		
39.00 Budget authority	5,050,000	4,622,200	
Budget authority:			
40.00 Appropriation	5,075,000	4,622,200	
41.00 Transferred to other accounts	-75,000		
42.00 Transferred from other accounts	50,000		
43.00 Appropriation (total)	5,050,000	4,622,200	
Relation of obligations to outlays:			
71.00 Total obligations	4,877,389	5,224,932	100,000
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance	6,724,495	7,949,629	8,838,113
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance	-7,949,629	-8,838,113	-4,373,905
77.00 Adjustments in expired accounts	-49		
78.00 Adjustments in unexpired accounts	-723	-6,000	
90.00 Outlays	3,651,483	4,330,448	4,564,208

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

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

Funding for this program will be terminated at the end of fiscal year 1995. Beginning in fiscal year 1996, funding for these types of activities will be provided under the Community Opportunity Performance Funds program.

[HOME INVESTMENT PARTNERSHIPS PROGRAM]

[For the HOME investment partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101-625), as amended, \$1,400,000,000, to remain available until expended.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

Program and Financing (in thousands of dollars)

Identification code 86-0205-0-1-999	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	1,450,003	1,485,441	
Financing:			
17.00 Recovery of prior year obligations	-80	-2,000	
21.40 Unobligated balance available, start of year: Treasury balance	-153,364	-83,441	
24.40 Unobligated balance available, end of year: Treasury balance	83,441		
39.00 Budget authority	1,380,000	1,400,000	
Budget authority:			
40.00 Appropriation	1,275,000	1,400,000	
42.00 Transferred from other accounts	105,000		
43.00 Appropriation (total)	1,380,000	1,400,000	
Relation of obligations to outlays:			
71.00 Total obligations	1,450,003	1,485,441	
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance	2,364,612	3,032,323	3,303,024
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance	-3,032,323	-3,303,024	-2,080,571
78.00 Adjustments in unexpired accounts	-80	-2,000	
90.00 Outlays	782,212	1,212,740	1,222,453

The HOME Investment Partnerships program is authorized by the National Affordable Housing Act (P.L. 101-625). This program provided assistance to States and units of local government, through formula allocation, for the purpose of expanding the supply and affordability of housing. Eligible activities included acquisition, rehabilitation, tenant-based rental assistance, and, new construction.

This program will be terminated at the end of fiscal year 1995. Beginning in fiscal year 1996, funding for these types of activities will be provided under the Affordable Housing Performance Funds program.

URBAN DEVELOPMENT ACTION GRANTS

Program and Financing (in thousands of dollars)

Identification code 86-0170-0-1-451	1994 actual	1995 est.	1996 est.
Financing:			
17.00 Recovery of prior year obligations	-10,534	-89,464	
21.40 Unobligated balance available, start of year: Treasury balance		-10,534	
24.40 Unobligated balance available, end of year: Treasury balance	10,534		
41.00 Budget authority (transferred to other accounts)		-100,000	
Relation of obligations to outlays:			
71.00 Total obligations			
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance	234,366	191,157	66,693
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance	-191,157	-66,693	-36,693
78.00 Adjustments in unexpired accounts	-10,534	-89,464	
90.00 Outlays	32,675	35,000	30,000

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

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

CAPACITY BUILDING FOR COMMUNITY DEVELOPMENT AND AFFORDABLE HOUSING

Program and Financing (in thousands of dollars)

Identification code 86-0222-0-1-451	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	20,000		
Financing:			
40.00 Budget authority (appropriation)	20,000		
Relation of obligations to outlays:			
71.00 Total obligations	20,000		
72.40 Obligated balance, start of year: Unpaid obligations:			
Treasury balance		20,000	12,000
74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance	-20,000	-12,000	-4,000
90.00 Outlays		8,000	8,000

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

RENTAL REHABILITATION GRANTS

Program and Financing (in thousands of dollars)

Identification code 86-0182-0-1-451	1994 actual	1995 est.	1996 est.
Financing:			
21.40 Unobligated balance available, start of year: Treasury balance	-507		
22.00 Unobligated balance transferred, net	507		
39.00 Budget authority			
Relation of obligations to outlays:			
71.00 Total obligations			
90.00 Outlays			

This program was authorized under section 17(a)(1)(A) of the United States Housing Act of 1937, as amended by section 301 of the Housing and Urban-Rural Recovery Act of 1983 (Public Law 98-181).

The National Affordable Housing Act (P.L. 101-625) terminated the Rental Rehabilitation program effective October 1, 1991, and the program's unexpended balances were transferred to the revolving fund (liquidating programs), effective October 1, 1991.

URBAN HOMESTEADING

Program and Financing (in thousands of dollars)

Identification code 86-0171-0-1-451	1994 actual	1995 est.	1996 est.
Financing:			
17.00 Recovery of prior year obligations	-184		
25.00 Unobligated balance expiring	184		
39.00 Budget authority			
Relation of obligations to outlays:			
71.00 Total obligations			
78.00 Adjustments in unexpired accounts	-184		
90.00 Outlays		-184	

Section 810 of the Housing and Community Development Act of 1974, as amended, authorized the Secretary of HUD

to transfer one- to four-unit HUD-owned properties, without payment, to units of local government for use in an urban homesteading program. In addition, the Act authorized the Secretary of the Department of Veterans Affairs, the Secretary of Agriculture, and the Resolution Trust Corporation to transfer their unoccupied, single family properties for use in such programs.

The National Affordable Housing Act (P.L. 101-625) terminated the Urban Homesteading Program effective October 1, 1991.

ASSISTANCE FOR SOLAR AND CONSERVATION IMPROVEMENTS

Program and Financing (in thousands of dollars)

Identification code 86-0179-0-1-272	1994 actual	1995 est.	1996 est.
Financing:			
21.40 Unobligated balance available, start of year: Treasury balance		-54	
25.00 Unobligated balance expiring (P.L. 101-507)		54	
39.00 Budget authority			
Relation of obligations to outlays:			
71.00 Total obligations			
90.00 Outlays			

Title V of the Energy Security Act of 1980 authorized the creation of the Solar Energy and Energy Conservation Bank to encourage energy conservation and the use of solar energy. It has provided funds to subsidize loans and grants for the installation of energy conservation and solar energy improvements in single and multifamily residences, and agricultural and commercial buildings.

The Solar Bank terminated operation on March 15, 1988.

EMERGENCY SHELTER GRANTS PROGRAM

Program and Financing (in thousands of dollars)

Identification code 86-0181-0-1-604	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	113,587	160,677	
Financing:			
17.00 Recovery of prior year obligations		-57	
21.40 Unobligated balance available, start of year: Treasury balance	-2,407	-3,877	
24.40 Unobligated balance available, end of year: Treasury balance	3,877		
40.00 Budget authority (appropriation)	115,000	156,800	
Relation of obligations to outlays:			
71.00 Total obligations	113,587	160,677	
72.40 Obligated balance, start of year: Unpaid obligations:			
Treasury balance	65,960	116,893	167,646
74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance	-116,893	-167,646	-44,214
78.00 Adjustments in unexpired accounts	-57		
90.00 Outlays	62,596	109,924	123,432

Title IV, subtitle B, of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77), authorizes the Secretary to make Emergency Shelter Grants to States, units of local government, and nonprofit organizations to provide emergency shelter and other support for the homeless. For fiscal year 1995, this assistance was funded by appropriations to the Homeless Assistance Grants account. Beginning in fiscal year 1996, funding for this type of activity will be provided under the Homeless Assistance Performance Funds program.

General and special funds—Continued

SUPPORTIVE HOUSING PROGRAM

Program and Financing (in thousands of dollars)

Identification code 86-0188-0-1-604	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	134,176	370,738	
Financing:			
17.00 Recovery of prior year obligations	-1,981		
21.40 Unobligated balance available, start of year: Treasury balance	-135,333	-337,138	
24.40 Unobligated balance available, end of year: Treasury balance	337,138		
40.00 Budget authority (appropriation)	334,000	33,600	
Relation of obligations to outlays:			
71.00 Total obligations	134,176	370,738	
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance	388,732	418,662	675,053
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance	-418,662	-675,053	-554,420
78.00 Adjustments in unexpired accounts	-1,981		
90.00 Outlays	102,265	114,347	120,633

Title IV, subtitle C, of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77) authorizes assistance to promote the development of supportive housing and services for deinstitutionalized homeless individuals, homeless families with children, homeless individuals with mental disabilities, and other homeless persons. Such assistance is available for the acquisition, rehabilitation, construction, or leasing of structures to be used for homeless persons as well as to pay for operating costs and supportive services.

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

SUPPLEMENTAL ASSISTANCE FOR FACILITIES TO ASSIST THE HOMELESS

Program and Financing (in thousands of dollars)

Identification code 86-0187-0-1-451	1994 actual	1995 est.	1996 est.
Financing:			
17.00 Recovery of prior year obligations	-4		
22.00 Unobligated balance transferred, net	4		
39.00 Budget authority			
Relation of obligations to outlays:			
71.00 Total obligations			
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance	24,143	17,015	10,515
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance	-17,015	-10,515	-4,515
78.00 Adjustments in unexpired accounts	-4		
90.00 Outlays	7,124	6,500	6,000

Title IV, subtitle D, of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77), authorized the Supplemental Assistance for Facilities To Assist the Homeless program (SAFAH) to provide comprehensive assistance for particularly innovative programs or alternative methods of meeting the immediate and long-term needs of the homeless. The authority for the SAFAH program was terminated by section 1403 of the Housing and Community Development Act of 1992.

SHELTER PLUS CARE

Program and Financing (in thousands of dollars)

Identification code 86-0204-0-1-604	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	239,199	198,999	
Financing:			
21.40 Unobligated balance available, start of year: Treasury balance	-314,451	-198,999	
24.40 Unobligated balance available, end of year: Treasury balance	198,999		
40.00 Budget authority (appropriation)	123,747		
Relation of obligations to outlays:			
71.00 Total obligations	239,199	198,999	
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance	61,658	295,878	444,877
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance	-295,878	-444,877	-394,877
90.00 Outlays	4,980	50,000	50,000

Title IV, subtitle F, of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77), authorizes the Secretary to provide rental assistance to persons with disabilities. Supportive services at least equal in value to the aggregate rental assistance must also be provided by grant recipients, using other Federal, State, local and private resources. Eligible recipients include States, units of general local government and Indian tribes. Grants are awarded on a competitive basis.

For 1995, this type of assistance can be provided within the Homeless Assistance Grants account. Beginning in fiscal year 1996, funding for this type of activity will be provided under the Homeless Assistance Performance Funds program.

INNOVATIVE HOMELESS INITIATIVES DEMONSTRATION PROGRAM

Program and Financing (in thousands of dollars)

Identification code 86-0221-0-1-604	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	99,950	25,050	
Financing:			
21.40 Unobligated balance available, start of year: Treasury balance		-50	
24.40 Unobligated balance available, end of year: Treasury balance	50		
40.00 Budget authority (appropriation)	100,000	25,000	
Relation of obligations to outlays:			
71.00 Total obligations	99,950	25,050	
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance		95,637	79,687
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance	-95,637	-79,687	-44,687
90.00 Outlays	4,313	41,000	35,000

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

In 1995, demonstration activities were funded by appropriations to the Homeless Assistance Grants account. Beginning in fiscal year 1996, funding for these types of activities will be provided under the Homeless Assistance Performance Funds program.

[HOMELESS ASSISTANCE GRANTS]

For the emergency shelter grants program (as authorized under subtitle B of title IV of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77), as amended); the supportive housing program (as authorized under subtitle C of title IV of such Act); the section 8 moderate rehabilitation single room occupancy program (as authorized under the United States Housing Act of 1937, as amended) to assist homeless individuals pursuant to section 441 of the Stewart B. McKinney Homeless Assistance Act; the shelter plus care program (as authorized under subtitle F of title IV of such Act); and the innovative homeless initiatives demonstration program (as authorized under section 2 of the HUD Demonstration Act of 1993 (Public Law 103-120)), \$1,120,000,000, to remain available until expended.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

Program and Financing (in thousands of dollars)

Identification code 86-0192-0-1-604	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 41.0)		904,600	
Financing:			
40.00 Budget authority (appropriation)		904,600	
Relation of obligations to outlays:			
71.00 Total obligations		904,600	
72.40 Obligated balance, start of year: Unpaid obligations:			
Treasury balance			859,370
74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance		-859,370	-768,910
90.00 Outlays		45,230	90,460

This appropriation provided support to States, local governments, nonprofit organizations, and Indian tribes for a wide range of activities to assist homeless persons and prevent future homelessness. Beginning in fiscal year 1996, funding for these types of activities will be provided under the Homeless Assistance Performance Funds program.

[YOUTHBUILD PROGRAM]

[(INCLUDING TRANSFER OF FUNDS)]

For youthbuild program activities authorized by subtitle D of title IV of the Crantson-Gonzalez National Affordable Housing Act, as amended, \$50,000,000, to remain available until expended. In addition, the unexpended balances from the \$28,000,000 made available for subtitle D of title IV of such Act under the head "Homeownership and opportunity for people everywhere grants (HOPE Grants)" in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994 shall be transferred to and merged with this appropriation.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

Program and Financing (in thousands of dollars)

Identification code 86-0219-0-1-604	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	36,080	79,520	
Financing:			
21.40 Unobligated balance available, start of year: Treasury balance	-40,000	-3,920	
22.00 Unobligated balance transferred, net		-25,600	
24.40 Unobligated balance available, end of year: Treasury balance	3,920		
40.00 Budget authority (appropriation)		50,000	
Relation of obligations to outlays:			
71.00 Total obligations	36,080	79,520	
72.40 Obligated balance, start of year: Unpaid obligations:			
Treasury balance		35,727	102,047
73.00 Obligated balance transferred, net		2,400	
74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance	-35,727	-102,047	-77,047

90.00 Outlays		353	15,600	25,000
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This program provided resources to educate, train and provide stipends for economically disadvantaged young adults to construct and rehabilitate housing for low-income and homeless persons. The program expanded the supply of affordable housing, while at the same time, enabling high school dropouts to obtain the education and employment skills necessary to achieve self-sufficiency.

This program will be terminated at the end of fiscal year 1995. Beginning in fiscal year 1996, funding for these types of activities will be provided as part of the Administration's GI Bill for America's workers.

NATIONAL CITIES IN SCHOOLS COMMUNITY DEVELOPMENT PROGRAM

Program and Financing (in thousands of dollars)

Identification code 86-0220-0-1-451	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	10,000		
Financing:			
40.00 Budget authority (appropriation)	10,000		
Relation of obligations to outlays:			
71.00 Total obligations	10,000		
72.40 Obligated balance, start of year: Unpaid obligations:			
Treasury balance		8,700	1,700
74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance	-8,700	-1,700	
90.00 Outlays	1,300	7,000	1,700

This program provided grants for community-wide programs designed to assist at-risk youth and their families. The program was terminated at the end of fiscal year 1994. Funding for such activities will be provided in the future under the Community Opportunity Performance Funds program.

Public enterprise funds:

REVOLVING FUND (LIQUIDATING PROGRAMS)

Program and Financing (in thousands of dollars)

Identification code 86-4015-0-3-451	1994 actual	1995 est.	1996 est.
Program by activities:			
00.01 Operating expenses		441	
00.02 Public facility loan expenses	34	60	50
00.03 Loan servicing and other expenses	6,015	7,500	6,000
00.04 Maintenance of acquired security and collateral	7,044	17,500	8,000
00.05 Administrative expenses	1,254	1,290	1,290
10.00 Total obligations (object class 25.2)	14,347	26,791	15,340
Financing:			
17.00 Recovery of prior year obligations	-2,242		
21.90 Unobligated balance available, start of year: Fund balance	-105,890	-91,870	-83,925
22.00 Unobligated balance transferred, net	-4,041		
24.90 Unobligated balance available, end of year: Fund balance	91,870	83,925	71,585
25.00 Unobligated balance expiring			
27.00 Capital transfer to general fund	84,041	55,000	70,000
39.00 Budget authority (gross)	78,085	73,846	73,000
Budget authority:			
68.00 Spending authority from offsetting collections	78,085	74,000	73,000
68.75 Procurement reduction pursuant to P.L. 103-327		-154	
68.90 Spending authority from offsetting collections (total)	78,085	73,846	73,000
Relation of obligations to outlays:			
71.00 Total obligations	14,347	26,791	15,340

Public enterprise funds—Continued

REVOLVING FUND (LIQUIDATING PROGRAMS)—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code 86-4015-0-3-451	1994 actual	1995 est.	1996 est.
72.90 Obligated balance, start of year: Unpaid obligations: Fund balance	106,416	71,421	24,421
74.90 Obligated balance, end of year: Unpaid obligations: Fund balance	-71,421	-24,421	-4,754
78.00 Adjustments in unexpired accounts	-2,242		
87.00 Outlays (gross)	47,100	73,791	35,007
Adjustments to gross budget authority and outlays:			
88.40 Offsetting collections from: Non-Federal sources	-78,085	-74,000	-73,000
89.00 Budget authority (net)		-154	
90.00 Outlays (net)	-30,985	-209	-37,993

Status of Direct Loans (in thousands of dollars)

Identification code 86-4015-0-3-451	1994 actual	1995 est.	1996 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	504,462	449,607	398,607
1231 Disbursements: Direct loan disbursements			
1251 Repayments: Repayments and prepayments	-53,659	-51,000	-49,000
Write-offs for default:			
1263 Direct loans	-651		
1264 Other adjustments, net	-545		
1290 Outstanding, end of year	449,607	398,607	349,607

Status of Guaranteed Loans (in thousands of dollars)

Identification code 86-4015-0-3-451	1994 actual	1995 est.	1996 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	11,126	8,337	4,145
2251 Repayments and prepayments	-2,789	-4,192	-682
2290 Outstanding, end of year	8,337	4,145	3,463
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	8,337	4,145	3,463

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

Statement of Operations (in thousands of dollars)

Identification code 86-4015-0-3-451	1993 actual	1994 actual	1995 est.	1996 est.
0101 Revenue	22,314	21,426	23,000	24,000
0102 Expense	-28,921	-26,158	-12,652	-2,110
0109 Net income or loss (-)	-6,607	-4,732	10,348	21,890

Balance Sheet (in thousands of dollars)

Identification code 86-4015-0-3-451	1993 actual	1994 actual	1995 est.	1996 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	212,528	163,292	155,501	143,161
Non-Federal assets:				
1201 Investments in non-Federal securities, net	6	3	3	3
1206 Receivables, net	6,032	2,530	2,530	2,530
1207 Advances and prepayments				
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	504,462	449,607	398,607	349,607
1602 Interest receivable		19,720	19,720	19,720
1603 Allowance for estimated uncollectible loans and interest (-)	-74,250	-121,762	-107,623	-94,393

1604 Direct loans and interest receivable, net	430,212	347,565	310,704	274,934
1606 Foreclosed property	2,219	1,335	1,335	1,335
1699 Value of assets related to direct loans	432,431	348,900	312,039	276,269
Other Federal assets:				
1801 Cash and other monetary assets		189	189	189
1803 Property, plant and equipment, net				
1901 Other assets	1,018	293	293	293
1999 Total assets	652,015	515,207	470,555	422,445
LIABILITIES:				
Non-Federal liabilities:				
2201 Accounts payable	4,983	758	757	757
2207 Other	15,609	13,430	13,430	13,430
2999 Total liabilities	20,592	14,188	14,187	14,187
NET POSITION:				
3300 Cumulative results of operations	631,423	501,019	456,368	408,258
3999 Total net position	631,423	501,019	456,368	408,258
4999 Total liabilities and net position	652,015	515,207	470,555	422,445

Credit accounts:

COMMUNITY OPPORTUNITY PERFORMANCE FUNDS PROGRAM ACCOUNT

For the cost of guaranteed loans, \$21,000,000, as authorized by section 108 of the Housing and Community Development Act of 1974: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$2,000,000,000. In addition, for administrative expenses to carry out the guaranteed loan program, \$900,000, which shall be transferred to and merged with the appropriation for Salaries and Expenses. (Additional authorizing legislation required.)

Program and Financing (in thousands of dollars)

Identification code 86-0198-0-1-451	1994 actual	1995 est.	1996 est.
Program by activities:			
00.02 Guaranteed loan subsidy		23,000	21,000
00.09 Administrative expenses			900
10.00 Total obligations (object class 33.0)		23,000	21,900
Financing:			
40.00 Budget authority (appropriation)		23,000	21,900
Relation of obligations to outlays:			
71.00 Total obligations		23,000	21,900
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance			11,500
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance		-11,500	-10,500
90.00 Outlays		11,500	22,900

Guaranteed loans.—The Community Opportunity Performance Funds (COPF) program will include a loan guarantee mechanism similar in nature and use to the existing Community Development Block Grant (CDBG) guaranteed loan provision (Section 108). A commitment level of \$2 billion is proposed for the COPF guarantee program for 1996. The credit subsidy estimate for the COPF guaranteed loans is \$21 million for the estimated use of this authority in 1996.

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

Identification code 86-0198-0-1-451	1994 actual	1995 est.	1996 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Loan guarantee levels	2,054,000	500,000	456,522

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2159	Total guarantee loan levels	2,054,000	500,000	456,522
Guaranteed loan subsidy (in percent):				
2329	Weighted average subsidy rate	0.00	4.60	4.60
Guaranteed loan subsidy budget authority:				
2330	Subsidy budget authority		23,000	21,000
2339	Total subsidy budget authority		23,000	21,000
Guaranteed loan subsidy outlays:				
2340	Subsidy outlays		11,500	22,000
2349	Total subsidy outlays		11,500	22,000
Administrative expense data:				
3510	Budget authority			900
3590	Outlays			900

COMMUNITY OPPORTUNITY PERFORMANCE FUND PROGRAM ACCOUNT

(Legislative proposal, not subject to PAYGO)

The COPF guaranteed loan provision will enable local governments receiving COPF funds to obtain loan guarantees by pledging current and future COPF funds as security for the loan. In order to obtain the guarantee, borrowers will be required to provide additional security, such as pledges of existing grant balances and program income, liens on assets financed with the guaranteed loans funds, or the establishment of loss reserves. In all cases, HUD will structure additional security requirements to ensure that each guaranteed loan is adequately collateralized with existing assets and credit enhancements. Adopting these reforms will reduce the amount of credit subsidy required to support expected loan guarantee activity.

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

Identification code 86-0198-2-1-451		1994 actual	1995 est.	1996 est.
Guaranteed loan levels supportable by subsidy budget authority:				
2150	Loan guarantee levels			543,478
2159	Total guarantee loan levels			543,478
Guaranteed loan subsidy (in percent):				
2329	Weighted average subsidy rate			-2.50

COMMUNITY OPPORTUNITY PERFORMANCE FUNDS FINANCING ACCOUNT

Program and Financing (in thousands of dollars)

Identification code 86-4096-0-3-451		1994 actual	1995 est.	1996 est.
Financing:				
21.90	Unobligated balance available, start of year: Fund balance			-23,468
24.90	Unobligated balance available, end of year: Fund balance		23,468	46,282
68.00	Financing authority (gross): Spending authority from offsetting collections		23,468	22,814
Relation of obligations to financing disbursements:				
71.00	Total obligations			
72.10	Obligated balance, start of year: Receivables from other government accounts			-11,500
74.10	Obligated balance, end of year: Receivables from other government accounts		11,500	10,500
87.00	Financing disbursements (gross)		11,500	-1,000
Adjustments to financing authority and financing disbursements:				
Offsetting collections from:				
88.00	Federal sources		-23,000	-21,000
88.25	Interest on uninvested funds		-468	-1,814
88.90	Total, offsetting collections		-23,468	-22,814
89.00	Financing authority (net)			
90.00	Financing disbursements (net)		-11,968	-23,814

Status of Guaranteed Loans (in thousands of dollars)

Identification code 86-4096-0-3-451		1994 actual	1995 est.	1996 est.
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders	2,054,000	2,054,000	2,000,000
2112	Uncommitted loan guarantee limitation	-1,703,480	-1,554,000	-1,543,487
2150	Total guaranteed loan commitments	350,520	500,000	456,513
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	88,605	218,570	629,570
2231	Disbursements of new guaranteed loans	139,115	425,000	750,000
2251	Repayments and prepayments	-9,150	-14,000	-30,000
2290	Outstanding, end of year	218,570	629,570	1,349,570
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	218,570	629,570	1,349,570

Guaranteed loans.—As part of the Community Opportunity Performance Funds program, the budget provides a mechanism for Federal guarantees of private loans. There is an accompanying liquidating account which shows activity for Federal Financing Bank direct loan activity, obligated prior to July 1, 1986. Also following is a status of privately financed guaranteed loan commitments made prior to 1992.

The Department will add a balance sheet to this account in the FY 1997 budget.

COMMUNITY OPPORTUNITY PERFORMANCE FUNDS FINANCING ACCOUNT

(Legislative proposal, not subject to PAYGO)

Status of Guaranteed Loans (in thousands of dollars)

Identification code 86-4096-2-3-451		1994 actual	1995 est.	1996 est.
Position with respect to appropriations act limitation on commitments:				
2112	Uncommitted loan guarantee limitation			543,478
2150	Total guaranteed loan commitments			543,478

COMMUNITY OPPORTUNITY PERFORMANCE FUNDS LIQUIDATING ACCOUNT

Program and Financing (in thousands of dollars)

Identification code 86-4097-0-3-451		1994 actual	1995 est.	1996 est.
Financing:				
39.00	Budget authority (gross)			
Budget authority:				
68.00	Spending authority from offsetting collections	-27,271	-23,000	-20,000
68.47	Portion applied to debt reduction	27,271	23,000	20,000
68.90	Spending authority from offsetting collections (total)			
Relation of obligations to outlays:				
71.00	Total obligations			
72.47	Obligated balance, start of year: Authority to borrow	151,937	151,937	151,937
74.47	Obligated balance, end of year: Authority to borrow	-151,937	-151,937	-151,937
87.00	Outlays (gross)			
Adjustments to gross budget authority and outlays:				
88.40	Offsetting collections from: Non-Federal sources	-27,271	-23,000	-20,000
89.00	Budget authority (net)	-27,271	-23,000	-20,000
90.00	Outlays (net)	-27,271	-23,000	-20,000

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 Federal Financing Bank

Credit accounts—ContinuedCOMMUNITY OPPORTUNITY PERFORMANCE FUNDS LIQUIDATING
ACCOUNT—Continued

direct loans for which loan guarantees were committed prior to 1992. This account is shown on a cash basis.

Status of Direct Loans (in thousands of dollars)

Identification code 86-4097-0-3-451	1994 actual	1995 est.	1996 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	131,384	109,902	86,902
1251 Repayments: Repayments and prepayments	-21,482	-23,000	-20,000
1290 Outstanding, end of year	109,902	86,902	66,902

Status of Guaranteed Loans (in thousands of dollars)

Identification code 86-4097-0-3-451	1994 actual	1995 est.	1996 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	309,700	297,055	254,055
2231 Disbursements of new guaranteed loans	42,075	30,000	15,000
2251 Repayments and prepayments	-54,720	-73,000	-53,000
2290 Outstanding, end of year	297,055	254,055	216,055
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	297,055	254,055	216,055

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

HOUSING PROGRAMS**Federal Funds****General and special funds:**

[ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING]

[INCLUDING RESCISSION AND TRANSFERS OF FUNDS]

[For assistance under the United States Housing Act of 1937, as amended ("the Act" herein) (42 U.S.C. 1437), not otherwise provided for, \$11,083,000,000, to remain available until expended: *Provided*, That to be added to and merged with the foregoing amounts there shall be up to \$400,000,000 of amounts of budget authority (and contract authority) reserved or obligated in prior years for the development or acquisition costs of public housing (including public housing for Indian families), for modernization of existing public housing projects (including such projects for Indian families), and, except as herein provided, for programs under section 8 of the Act (42 U.S.C. 1437f), which are recaptured during fiscal year 1995 or are unobligated as of September 30, 1994; and up to \$100,000,000 of transfers of unobligated balances from the Urban Development Action Grants program: *Provided further*, That of the total amount provided under this head, \$282,000,000 shall be for the development or acquisition cost of public housing for Indian families, including amounts for housing under the mutual help homeownership opportunity program under section 202 of the Act (42 U.S.C. 1437bb); and \$598,000,000 shall be for the development or acquisition cost of public housing, of which up to .67 per centum shall be available for technical assistance and inspection of public housing agencies by the Secretary: *Provided further*, That of the total amount provided under this head, \$3,700,000,000 shall be for modernization of existing public housing projects pursuant to section 14 of the Act (42 U.S.C. 1437l), including

up to \$15,000,000 for the inspection of modernization units and provision of technical assistance by the Secretary and contract expertise to assist in the oversight and management of the public and Indian housing modernization program, including an annual resident survey: *Provided further*, That of the amounts provided under this head for modernization of existing public housing projects, \$25,000,000 may be used for the Tenant Opportunity Program: *Provided further*, That of the total amount provided under this head, \$2,785,582,000 shall be for rental assistance under the section 8 existing housing certificate program (42 U.S.C. 1437f) and the housing voucher program under section 8(o) of the Act (42 U.S.C. 1437f(o)): *Provided further*, That of the total amount provided for rental assistance, a total of up to \$400,000,000 may be made available for new programs subject to enactment into law of applicable authorizing legislation: *Provided further*, That those portions of the fees for the costs incurred in administering incremental units assisted in the certificate and housing voucher programs under sections 8(b), 8(o), and 8(e)(2) shall be established or increased in accordance with the authorization for such fees in section 8(q) of the Act: *Provided further*, That of the total amount provided under this head, \$17,300,000 shall be available for fees for coordinators under section 23(h)(1) for the family self-sufficiency program (42 U.S.C. 1437u): *Provided further*, That of the total amount provided under this head, \$735,000,000 shall be for amendments to section 8 contracts other than contracts for projects developed under section 202 of the Housing Act of 1959, as amended, and \$555,000,000 shall be for section 8 assistance for property disposition, and \$175,000,000 shall be for assistance for State or local units of government, tenant and nonprofit organizations to purchase projects where owners have indicated an intention to prepay mortgages and for assistance to be used as an incentive to prevent prepayment or for vouchers to aid eligible tenants adversely affected by mortgage prepayment, as authorized in the Emergency Low-Income Housing Preservation Act of 1987, as amended: *Provided further*, That 50 per centum of the amounts of budget authority, or in lieu thereof 50 per centum of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Public Law 100-628, 102 Stat. 3224, 3268) shall be rescinded, or in the case of cash, shall be remitted to the Treasury, and such amounts of budget authority or cash recaptured and not rescinded or remitted to the Treasury shall be used by State housing finance agencies or local governments or local housing agencies with projects approved by the Secretary of Housing and Urban Development for which settlement occurred after January 1, 1992, in accordance with such section: *Provided further*, That of the total amount provided under this head, \$186,000,000 shall be for housing opportunities for persons with AIDS under title VIII, subtitle D of the Cranston-Gonzalez National Affordable Housing Act; \$100,000,000 shall be for the lead-based paint hazard reduction program as authorized under sections 1011 and 1053 of the Residential Lead-Based Hazard Reduction Act of 1992; and \$30,000,000 shall be for service coordinators in public housing pursuant to section 9(a)(1)(B)(ii) of the United States Housing Act of 1937; and \$30,000,000 shall be for service coordinators in project-based section 8 housing, pursuant to section 8(d)(2)(F)(1) of the Act, tenant-based section 8 housing, pursuant to section 8(q) of the Act and, for service coordinators in multifamily housing assisted under the National Housing Act, pursuant to section 676 of the Housing and Community Development Act of 1992: *Provided further*, That notwithstanding the language preceding the first proviso of this paragraph, \$289,500,000 shall be used for special purpose grants in accordance with the terms and conditions specified for such grants in the committee of conference report and statement of the managers (H. Rept. 103-715) accompanying H.R. 4624, except for the grant of \$500,000 for the Earth Conservatory for the acquisition of land near Wilkes-Barre, Pennsylvania.]

[Of the total amount provided under this head, \$1,279,000,000 shall be for capital advances, including amendments to capital advance contracts, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for the elderly under section 202(c)(2) of the Housing Act of 1959: *Provided*, That \$22,000,000 shall be for service coordinators pursuant to section 202(q) of the Housing Act of 1959 and subtitle E of title VI of the Housing and Community Development Act of 1992, other than section 676 of such Act and section 8(d)(2)(F)(i) of the Act.]

[Of the total amount provided under this head, \$387,000,000 shall be for capital advances, including amendments to capital advance contracts, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act; and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for persons with disabilities as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

Program and Financing (in thousands of dollars)			
Identification code 86-0164-0-1-604	1994 actual	1995 est.	1996 est.
Program by activities:			
Assistance contracts:			
00.01 Lower income housing (section 8)	4,316,325	4,647,955	4,415,814
00.02 Public and Indian housing	3,615,377	3,893,152	2,837,969
00.03 Elderly/Disabled Grants	1,331,660	1,623,692	1,217,769
10.00 Total obligations (object class 41.0)	9,263,362	10,164,799	8,471,552
Financing:			
17.00 Recovery of prior year obligations	-2,435,736	-2,012,420	-2,000,000
Unobligated balance available, start of year:			
Treasury balance:			
21.40 Grants (available)	-2,205,166	-2,089,715	-90,296
21.40 Administrative commitments (re-served)	-17,280,624	-17,711,683	-20,818,551
21.49 Administrative commitments (reserved) ..	-73,167	-89,248	
22.00 Unobligated balance transferred, net	-11,037		-740,621
Unobligated balance available, end of year:			
Treasury balance:			
24.40 Available	2,089,715	90,296	90,296
24.40 Reserved	17,711,683	20,818,551	13,087,620
24.49 Administrative commitments	89,248		
Unobligated balance expiring:			
25.00 Unobligated balance expiring	19,814		
25.00 Unobligated balance expiring	2,160,741	2,000,000	2,000,000
39.00 Budget authority	9,328,833	11,170,580	
Budget authority:			
Current:			
40.00 Appropriation	9,437,900	11,083,000	
40.35 Appropriation rescinded	-45,515		
41.00 Transferred to other accounts	-68,552	-12,420	
42.00 Transferred from other accounts	5,000	100,000	
43.00 Appropriation (total)	9,328,833	11,170,580	
Permanent:			
60.00 Appropriation	28,932	15,330,754	15,943,587
60.05 Appropriation (indefinite)			
60.49 Portion applied to liquidate contract authority	-28,932	-15,330,754	-15,943,587
63.00 Appropriation (total)			
Relation of obligations to outlays:			
71.00 Total obligations	9,263,362	10,164,799	8,471,552
Obligated balance, start of year:			
72.40 Appropriation	28,831,392	22,517,436	31,247,456
72.49 Contract authority	105,005,567	103,021,778	86,031,403
73.00 Obligated balance transferred, net			18,938,637
Obligated balance, end of year:			
74.40 Appropriation	-22,517,436	-31,247,456	-37,304,989
74.49 Contract authority	-103,021,778	-86,031,403	-85,545,396
77.00 Adjustments in expired accounts	-11,154		
78.00 Adjustments in unexpired accounts	-2,435,736	-2,012,420	-2,000,000
90.00 Outlays	15,114,217	16,412,734	19,838,663

Summary of Budget Authority and Outlays

(in thousands of dollars)

Enacted/requested:	1994 actual	1995 est.	1996 est.
Budget Authority	9,328,833	11,170,580	
Outlays	15,114,217	16,412,734	19,838,663
Rescission proposal:			
Budget Authority		-439,200	
Outlays		-53,600	-112,700
Total:			
Budget Authority	9,328,833	10,731,380	

Outlays	15,114,217	16,359,134	19,725,963
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ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

Status of Contract Authority (in thousands of dollars)—Continued

	1994 actual	1995 est.	1996 est.
Total unfunded balance, start of year	105,106,916	103,203,669	85,872,915
Unfunded balances rescinded:			
Debt forgiveness	-2,160,741	-2,000,000	-2,000,000
Total, unobligated balance lapsing			
	286,426		
Unfunded balances transferred for liquidation			
	-28,932	-15,330,754	-15,943,587
Unfunded balance, end of year	103,203,669	85,872,915	67,929,328

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

Summary of Administrative Commitments—Continued

(In thousands of dollars)

Program by activities:	1994 actual	1995 est.	1996 est.
Assistance contracts:			
Lower income housing (section 8)	3,967,179	6,662,352	
Public and Indian housing	4,130,247	4,849,438	
Sec. 202/811	1,596,995	1,758,256	
Subtotal	9,694,421	13,270,046	
Administrative commitments, start of year	17,369,825	17,800,884	20,906,131
Administrative commitments transferred ¹			1,027,621
Administrative commitments, end of year	-17,800,884	-20,906,131	-13,462,200
Total obligations	9,263,362	10,164,799	8,471,552

¹ Reflects transfer from Contract Renewals to Annual Contributions account.

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

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

Housing for the elderly and disabled (section 801 and 811).—The Cranston-Gonzales National Affordable Housing Act authorized a grant program to make new construction assistance available to elderly and disabled persons. Both the Grant funding and the Rental Assistance—or operating subsidy—needed to aid these low-income tenants was provided under the annual contributions account.

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

Funding for the Annual Contributions for Assisted Housing account will be terminated at the end of fiscal year 1995. Beginning in fiscal year 1996, the funding for the assistance once provided under this program will be provided under the Housing Certificates for Families and Individuals Performance Funds program, the Affordable Housing Performance Funds program, the Public and Indian Housing Capital Performance Funds program, and the Housing Opportunities for Persons with AIDS program.

General and special funds—Continued

OTHER ASSISTED HOUSING PROGRAMS

RENTAL HOUSING ASSISTANCE

(RESCISSION)

The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 236 of the National Housing Act (12 U.S.C. 1715z-1) is reduced in fiscal year [1995] 1996 by not more than \$2,000,000 in uncommitted balances of authorizations provided for this purpose in appropriations Acts: *Provided*, That up to [\$66,000,000] \$163,000,000 of recaptured section 236 budget authority resulting from the prepayment of mortgages subsidized under section 236 of the National Housing Act (12 U.S.C. 1715z-1) shall be rescinded in fiscal year [1995] 1996. (*Departments of Veterans Affairs, and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

[HOMEOWNERSHIP ASSISTANCE]

[(INCLUDING RESCISSION OF FUNDS)]

[For payments under section 235(r) of the National Housing Act, as amended (12 U.S.C. 1715z), for incentives to mortgagors to refinance mortgages that are insured under such section 235 and for closing and other costs in connection with such refinancing, \$6,875,000, to remain available until expended; *Provided*, That up to \$50,000,000 of recaptured section 235 budget authority resulting from reducing the interest rate on such refinanced mortgages shall be reused for payments under this heading; *Provided further*, That up to \$184,000,000 of additional recaptured section 235 budget authority from refinancing section 235 mortgages shall be rescinded in fiscal year 1995.] (*Departments of Veterans Affairs, and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

Program and Financing (in thousands of dollars)

Identification code 86-0206-0-1-999	1994 actual	1995 est.	1996 est.
Program by activities:			
00.01 Rent supplement	28,950	43,966	41,652
00.02 Homeownership and rental housing assistance (Sections 235 and 236)	82,520	132,875	72,000
10.00 Total obligations (object class 41.0)	111,470	176,841	113,652
Financing:			
17.00 Recovery of prior year obligations	-630,618	-372,466	-230,771
Unobligated balance available, start of year:			
Contract authority:			
21.49 Administrative commitments (reserved)	-16,034		
21.49 Contract authority (available)	-1,175,207	-1,042,833	-950,829
22.00 Unobligated balance transferred, net	20,180	9,738	9,824
Unobligated balance available, end of year:			
Contract authority:			
24.49 Administrative commitments (reserved)			
24.49 Contract authority (available)	1,042,833	950,829	817,739
25.00 Unobligated balance expiring	647,376	46,766	42,266
39.00 Budget authority		-231,125	-198,119
Budget authority:			
Current:			
40.00 Appropriation		56,875	
40.36 Unobligated balance rescinded		-288,000	-198,119
43.00 Appropriation (total)		-231,125	-198,119
Permanent:			
60.00 Appropriation	764,792	828,537	762,182
60.49 Portion applied to liquidate contract authority	-764,792	-828,537	-762,182
63.00 Appropriation (total)			
Relation of obligations to outlays:			
71.00 Total obligations	111,470	176,841	113,652
Obligated balance, start of year:			
72.40 Administrative commitment (reserved)	192,661	128,483	128,483
72.49 Contract authority	24,960,744	23,725,861	22,701,699
Obligated balance, end of year:			
74.40 Administrative commitment reserved	-128,483	-128,483	-128,483
74.49 Contract authority	-23,725,861	-22,701,699	-21,822,398

78.00 Adjustments in unexpired accounts	-630,618	-372,466	-230,771
90.00 Outlays	779,913	828,537	762,182

OTHER ASSISTED HOUSING (In thousands of dollars)

	1994 actual	1995 est.	1996 est.
Unfunded balance, start of year:			
Homeownership and rental housing assistance	24,006,213	22,759,095	21,754,935
Rent supplement	1,894,926	1,836,943	1,755,675
College housing grants	221,322	192,838	171,838
Total unfunded balance, start of year	26,122,461	24,788,876	23,682,448
New Budget Authority Sec. 523			
Recaptures Sec. 235		6,875	
Unfunded balances rescinded:			
Rental and homeownership assistance		50,000	
		501,000	
		-288,000	-198,119
Total, unfunded balances rescinded		-288,000	-198,119
Unobligated balance expiring or restored:			
Homeownership and rental housing assistance	-639,982	-23,292	-20,292
Rent supplement		-23,474	-21,974
College housing	-7,484		
Total, unobligated balance lapsing	-647,376	-46,766	-42,266
Unfunded balances transferred for liquidation	-764,792	-828,537	-762,182
Other transfers	23,976		
Prior year adjustment	54,607		
Unfunded balance, end of year:			
Homeownership and rental housing assistance	22,759,095	21,754,933	20,409,768
Rent supplement	1,836,943	1,755,675	2,119,275
College housing grants	192,838	171,838	150,838
Total unfunded balance, end of year	24,788,876	23,682,448	22,679,881

OTHER ASSISTED HOUSING

Summary of Administrative Commitments—Continued

(In thousands of dollars)

Program by activities:	1994 actual	1995 est.	1996 est.
Assistance contracts:			
Rent supplement	28,950	43,966	41,652
Homeownership and rental housing assistance (sections 235 and 236)	82,520	132,875	72,000
Administrative commitments, start of year	16,034	16,034	16,034
Administrative commitments, end of year	-16,034	-16,034	-16,034
Total obligations	111,470	176,841	113,652

The Other Assisted Housing Account contains the programs listed below:

Rent supplement.—Rent supplement assistance payments will continue to be made on behalf of qualified low-income tenants in approximately 18,000 units which have not converted to section 8.

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

In addition, appropriations were enacted in 1995 in the amount of \$6.9 million, to fund closing costs, discount points, and incentives needed to encourage mortgagors subsidized under the Section 235 program to refinance at lower, prevailing market interest rates. The subsidy savings from refinancing these loans substantially exceed the costs involved and will produce a net savings to the Treasury over time. Up to \$184 million in budget authority may be rescinded in 1995.

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

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

In addition, up to \$163 million in budget authority may be rescinded as a result of mortgage prepayments by section 236 project owners.

The table below reflects the consolidated outlay total for both the Annual Contributions for Assisted Housing account and the Other Assisted Housing account, for fiscal years 1994, 1995, and 1996.

SUMMARY OF OUTLAYS

[In thousands of dollars]

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

	1994 actual	1995 est.	1996 est. ²
Subsidized Housing Programs, total	21,381,876	21,155,401	20,600,845
Low income housing assistance (sec. 8)	16,576,233	15,877,757	15,128,347
Public housing	4,025,730	4,449,107	4,710,316
Rent supplement	56,293	57,793	59,293
Homeownership assistance (sec. 235)	45,948	89,171	31,269
Rental housing assistance (sec. 236)	659,310	660,573	650,620
College housing grants	18,362	21,000	21,000

¹ Excludes outlays for contract renewals.
² Reflects spendout from old programs.

[ASSISTANCE FOR THE RENEWAL OF EXPIRING SECTION 8 SUBSIDY CONTRACTS]

[(INCLUDING TRANSFER OF FUNDS)]

[For assistance under the United States Housing Act of 1937 (42 U.S.C. 1437) not otherwise provided for, for use in connection with expiring section 8 subsidy contracts, \$2,536,000,000, to remain available until expended: *Provided*, That to the extent the amount in this appropriation is insufficient to fund all expiring section 8 contracts, the Secretary may transfer to and merge with this appropriation such amounts from the "Annual contributions for assisted housing" appropriation as the Secretary shall determine, and amounts earmarked in the foregoing account may be reduced accordingly, at the Secretary's discretion: *Provided further*, That the Secretary may maintain consolidated accounting data for funds disbursed at the public housing agency or Indian housing authority or project level for subsidy assistance regardless of the source of the disbursement so as to minimize the administrative burden of multiple accounts.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

Program and Financing (in thousands of dollars)

Identification code 86-0194-0-1-604	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	5,099,793	3,395,224	.....
Financing:			
21.40 Unobligated balance available, start of year:			
Treasury balance	-30,266	-59,224	-1,027,621
21.49 Administrative commitments	-885,714	-1,027,621	.....
22.00 Unobligated balance transferred, net .....	.....	.....	1,027,621
Unobligated balance available, end of year:			
24.40 Treasury balance	59,224	1,027,621	.....
24.49 Administrative commitments	1,027,621	.....	.....
39.00 Budget authority	5,270,658	3,336,000	.....
Budget authority:			
Current:			
40.00 Appropriation	4,482,106	2,536,000	.....
42.00 Transferred from other accounts	68,552	.....	.....
43.00 Appropriation (total)	4,550,658	2,536,000	.....
Permanent:			
65.00 Advance appropriation (definite)	720,000	800,000	.....
Relation of obligations to outlays:			
71.00 Total obligations	5,099,793	3,395,224	.....

72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance	18,218,497	19,830,544	19,311,637
73.00 Obligated balance transferred, net .....	.....	.....	-19,311,637
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance	-19,830,544	-19,311,637	.....
90.00 Outlays	3,487,746	3,914,130	.....

STATUS OF ADMINISTRATIVE COMMITMENTS

Program by activities:	1994 actual	1995 est.	1996 est.
Section 8 Contract Renewals	5,252,533	3,395,224	.....
Net Recaptures	-10,832	.....	.....
Administrative commitments, start of year	885,714	1,027,621	.....
Administrative commitments transferred .....	.....	-1,027,621	.....
Administrative commitments, end of year	-1,027,621	.....	.....
Total obligations	5,099,793	3,395,224	.....

¹ Reflects transfer from Contract Renewals account.

The Assistance for the Renewal of Expiring Section 8 Contracts account provided funding to renew existing section 8 loan management, property disposition, new construction, substantial rehabilitation, moderate rehabilitation, voucher and certificate contracts.

This account will be terminated at the end of fiscal year 1995. Beginning in fiscal year 1996, the funding for this assistance will be provided under the Housing Certificates for Families and Individuals Performance Funds program.

Multifamily Debt Restructuring.—The contract renewal requirements for project-based assistance contracts (LMSA, PD and New Construction/Sub Rehab projects) have been reduced in this budget to reflect the Administration's proposal to lower or "mark-to-market" Section 8 rents to reflect comparable prevailing market rents for assisted projects.

A principal objective of the "mark-to-market" proposal is to balance market-determined rental income against project costs including: debt service, operating costs, reserve requirements and profit margin. This will permit projects to operate over the long run on a sound financial basis without the need for permanent project-based assistance. Projects will have affordable, market priced units which will be able to compete for tenants with comparable projects in the locality. Renters with certificates or vouchers (tenant based assistance), as well as non-assisted tenants, will be attracted to projects with an affordable, market-determined rent structure.

Marking down of rents will be accomplished at or near the point of Section 8 contract renewal. In order to make operations feasible under a lower total rent structure, FHA will restructure the mortgage debt of the project by paying partial claim payments against the outstanding mortgage on the property. This will lower the debt service portion of total project costs. Thus lower Section 8 rental income will service lower project costs. The amount of the debt restructuring will be determined by how much total costs the market rents can support.

A new Housing Resolution Fund, shown under a separate schedule, would make available resources to repair, secure and provide tenant services in multifamily projects, as well as property disposition assistance in connection with the sale of projects.

All contract renewal obligations will occur in the proposed "Housing Certificates for Families and Individuals Performance Fund" beginning in 1996. A two year transition period, during which renewal vouchers may be tied to projects, is also proposed to facilitate a gradual changeover to a market driven basis.

[NATIONAL HOMEOWNERSHIP TRUST DEMONSTRATION PROGRAM]

[For the National Homeownership Trust Demonstration program, as authorized by title III of the National Affordable Housing Act, as amended by section 182 of the Housing and Community Development Act of 1992, \$50,000,000, to remain available until expended.]

General and special funds—Continued

[NATIONAL HOMEOWNERSHIP TRUST DEMONSTRATION PROGRAM]—Continued

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

Identification code 86-0301-0-1-371	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 41.0)		50,000	
Financing:			
40.00 Budget authority (appropriation)		50,000	
Relation of obligations to outlays:			
71.00 Total obligations		50,000	
72.90 Obligated balance, start of year: Unpaid obligations:			
Fund balance			50,000
74.90 Obligated balance, end of year: Unpaid obligations:			
Fund balance		-50,000	-33,000
90.00 Outlays			17,000

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

This account reflects an appropriation of \$50 million for the National Homeownership Demonstration in 1995. Beginning in 1996, funding for this type of activity will be provided under the Affordable Housing Performance Funds program.

[HOMEOWNERSHIP AND OPPORTUNITY FOR PEOPLE EVERYWHERE GRANTS (HOPE GRANTS)]

[For the homeownership and opportunity for people everywhere (HOPE grants) program as authorized under title III of the United States Housing Act of 1937 (42 U.S.C. 1437aaa et seq.) and subtitles A, B, and C, of title IV of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101-625), \$50,000,000, to remain available until expended, of which up to one and one-half percent may be made available for technical assistance to potential applicants, applicants and recipients of assistance under this head as authorized under subtitle E of title I of the Housing and Community Development Act of 1992.] *(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)*

Program and Financing (in thousands of dollars)

Identification code 86-0196-0-1-604	1994 actual	1995 est.	1996 est.
Program by activities:			
00.01 Hope I	11,504	63,775	
00.02 Hope II	38,191	12,146	50,213
00.03 Hope III	93,537	3,864	1,000
00.04 Elderly independence	8,686	1,716	2,416
00.05 Youthbuild	2,400		
10.00 Total obligations (object class 41.0)	154,318	81,501	53,629
Financing:			
17.00 Recovery of prior year obligations	-1,634	-1,000	
Unobligated balance available, start of year:			
Treasury balance:			
21.40 Uncommitted	-423,839	-34,069	-1,000
21.40 Administratively committed	-32,965	-63,241	-52,629
22.00 Unobligated balance transferred		25,600	
Unobligated balance available, end of year:			
Treasury balance:			
24.40 Uncommitted	34,069	1,000	
24.40 Administratively committed	63,241	52,629	
39.00 Budget authority	-206,810	62,420	
Budget authority:			
40.00 Appropriation	109,190	50,000	
40.35 Appropriation rescinded	-66,000		

40.36 Unobligated balance rescinded	-250,000		
42.00 Transferred from other accounts		12,420	
43.00 Appropriation (total)	-206,810	62,420	
Relation of obligations to outlays:			
71.00 Total obligations	154,318	81,501	53,629
72.40 Obligated balance, start of year: Unpaid obligations:			
Treasury balance	140,170	228,037	218,856
73.00 Obligated balance transferred, net		-2,400	
74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance	-228,037	-218,856	-208,998
78.00 Adjustments in unexpired accounts	-1,634	-1,000	
90.00 Outlays	64,817	87,282	63,487

The Homeownership and Opportunity for People Everywhere Program provided homeownership opportunities which were affordable for low-income families. Units were converted to homeownership from public and Indian housing properties in HOPE 1, from FHA-insured and Government-held multi-family properties in HOPE 2 and from Government-owned or -held single family properties in HOPE 3. HOPE Grants were used for property acquisition, rehabilitation, mortgage subsidies, security measures, and technical assistance. In addition, grants have been devoted to counseling and training of residents, and other activities intended to help them become economically self-sufficient homeowners.

Funding for the HOPE program will be terminated at the end of fiscal year 1995. Beginning in fiscal year 1996, funding for this type of assistance will be provided under the Affordable Housing Performance Funds program.

[CONGREGATE SERVICES]

[For contracts with payments to public housing agencies and non-profit corporations for congregate services programs, \$25,000,000, to remain available until September 30, 1995, of which \$6,267,000 shall be for entities operating such programs in accordance with the provisions of the Congregate Services Act of 1978, as amended, and the balance shall be for programs under section 802 of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101-625).] *(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)*

Program and Financing (in thousands of dollars)

Identification code 86-0178-0-1-604	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	22,089	44,747	
Financing:			
17.00 Recovery of prior year obligations	-48		
21.40 Unobligated balance available, start of year: Treasury balance	-19,880	-19,747	
24.40 Unobligated balance available, end of year: Treasury balance		19,747	
25.00 Unobligated balance expiring		3,092	
40.00 Budget authority (appropriation)	25,000	25,000	
Relation of obligations to outlays:			
71.00 Total obligations	22,089	44,747	
72.40 Obligated balance, start of year: Unpaid obligations:			
Treasury balance	22,478	38,355	77,002
74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance	-38,355	-77,002	-63,002
77.00 Adjustments in expired accounts	-104		
78.00 Adjustments in unexpired accounts	-48		
90.00 Outlays	6,060	6,100	14,000

Summary of Budget Authority and Outlays

(in thousands of dollars)

	1994 actual	1995 est.	1996 est.
Enacted/requested:			
Budget Authority	25,000	25,000	
Outlays	6,060	6,100	14,000
Rescission proposal:			
Budget Authority		-37,000	

Outlays			-5,088
Total:			
Budget Authority	25,000	-12,000	
Outlays	6,060	6,100	8,912

Under the Congregate Services program, the Department contracted directly with local public housing agencies and section 202 housing for the elderly or disabled sponsors to supply support services, including meals and other services.

This program will be terminated at the end of fiscal year 1995. Beginning in fiscal year 1996 funding for this type of activity will be provided under the Housing Certificates for Families and Individuals Performance Funds program.

As identified in a separate section of this budget, \$37 million of the funding available for this program in fiscal year 1995 is proposed for rescission.

[HOUSING COUNSELING ASSISTANCE]

[For contracts, grants, and other assistance, other than loans, not otherwise provided for, for providing counseling and advice to tenants and homeowners—both current and prospective—with respect to property maintenance, financial management, and such other matters as may be appropriate to assist them in improving their housing conditions and meeting the responsibilities of tenancy or homeownership, including provisions for training and for support of voluntary agencies and services as authorized by section 106 of the Housing and Urban Development Act of 1968, as amended, \$50,000,000.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

Program and Financing (in thousands of dollars)

Identification code 86-0156-0-1-506	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	10,846	50,000	
Financing:			
25.00 Unobligated balance expiring	1,154		
40.00 Budget authority (appropriation)	12,000	50,000	
Relation of obligations to outlays:			
71.00 Total obligations	10,846	50,000	
72.40 Obligated balance, start of year: Unpaid obligations:			
Treasury balance	7,498	12,679	49,580
74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance	-12,679	-49,580	-11,580
77.00 Adjustments in expired accounts	-273		
90.00 Outlays	5,392	13,100	38,000

The Housing Counseling Assistance program provided comprehensive housing counseling services to eligible homeowners and tenants, including default and renter counseling. This program will be terminated at the end of fiscal year 1995. Beginning in fiscal year 1996, funding for this type of activity will be provided under the Affordable Housing Performance Funds program.

SECTION 8 MODERATE REHABILITATION

SINGLE ROOM OCCUPANCY

Program and Financing (in thousands of dollars)

Identification code 86-0195-0-1-604	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	57,192	286,353	
Financing:			
21.40 Unobligated balance available, start of year: Treasury balance	-193,545	-286,353	
24.40 Unobligated balance available, end of year: Treasury balance	286,353		

40.00 Budget authority (appropriation)	150,000		
Relation of obligations to outlays:			
71.00 Total obligations	57,192	286,353	
72.40 Obligated balance, start of year: Unpaid obligations:			
Treasury balance	190,619	240,029	490,144
74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance	-240,029	-490,144	-446,728
90.00 Outlays	7,783	36,238	43,416

Section 8 assistance for single room occupancy dwellings is authorized by Title IV, subtitle E, of the Stewart B. McKinney Homeless Assistance Act, as amended by the Housing and Community Development Act of 1992. Beginning in fiscal year 1996, funding for this type of activity will be provided under the Homeless Assistance Performance Funds program.

MANUFACTURED HOME INSPECTION AND MONITORING

Program and Financing (in thousands of dollars)

Identification code 86-5271-0-2-376	1994 actual	1995 est.	1996 est.
Program by activities:			
00.01 Transfer to salaries and expenses	835	1,009	1,035
00.02 Other program costs	7,791	7,938	8,038
10.00 Total obligations (object class 25.2)	8,626	8,947	9,073
Financing:			
21.40 Unobligated balance available, start of year: Treasury balance	-3,523	-5,662	-7,260
24.40 Unobligated balance available, end of year: Treasury balance	5,662	7,260	8,731
60.25 Budget authority (appropriation) (special fund, indefinite)	10,766	10,544	10,544
Relation of obligations to outlays:			
71.00 Total obligations	8,626	8,947	9,073
72.40 Obligated balance, start of year: Unpaid obligations:			
Treasury balance	1,741	1,654	1,718
74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance	-1,654	-1,718	-1,744
90.00 Outlays	8,713	8,883	9,047

Section 620 of the National Manufactured Housing Construction and Safety Standards Act of 1974, as amended, authorizes enforcement of appropriate construction standards for the construction, design and performance of manufactured homes to assure their quality, durability, and safety. All manufactured homes produced since the standards took effect on June 15, 1976 must comply with Federal construction and safety standards. The States are actively encouraged to participate in the program under compliance plans approved by HUD.

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

INTERSTATE LAND SALES

Program and Financing (in thousands of dollars)

Identification code 86-5270-0-2-376	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 25.2)	349	550	550
Financing:			
60.25 Budget authority (appropriation) (special fund, indefinite)	349	550	550

General and special funds—Continued

INTERSTATE LAND SALES—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code 86-5270-0-2-376	1994 actual	1995 est.	1996 est.
Relation of obligations to outlays:			
71.00 Total obligations	349	550	550
90.00 Outlays	349	550	550

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

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

Public enterprise funds:

TITLE IV—CORPORATIONS

Corporations and agencies of the Department of Housing and Urban Development which are subject to the Government Corporation Control Act, as amended, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Act as may be necessary in carrying out the programs set forth in the budget for [1995] 1996 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. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

RENTAL HOUSING ASSISTANCE FUND

Program and Financing (in thousands of dollars)

Identification code 86-4041-0-3-604	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 25.2)	64,200	66,126	68,176
Financing:			
17.00 Recovery of prior year obligations	-3		
21.90 Unobligated balance available, start of year: Fund balance	-503	-506	-506
24.90 Unobligated balance available, end of year: Fund balance	506	506	506
68.00 Budget authority (gross): Spending authority from offsetting collections	64,200	66,126	68,176
Relation of obligations to outlays:			
71.00 Total obligations	64,200	66,126	68,176
72.90 Obligated balance, start of year: Unpaid obligations: Fund balance	1,320	2,525	
74.90 Obligated balance, end of year: Unpaid obligations: Fund balance	-2,525		
78.00 Adjustments in unexpired accounts	-3		
87.00 Outlays (gross)	62,992	68,651	68,176
Adjustments to gross budget authority and outlays:			
88.40 Offsetting collections from: Non-Federal sources	-64,200	-66,126	-68,176

89.00 Budget authority (net)			
90.00 Outlays (net)	-1,208	2,525	

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

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

Statement of Operations (in thousands of dollars)

Identification code 86-4041-0-3-604	1993 actual	1994 actual	1995 est.	1996 est.
0101 Revenue	68,230	64,863	66,126	68,176
0102 Expense	-70,056	-60,330	-66,126	-68,176
0109 Net income or loss (-)	-1,826	4,533		

Balance Sheet (in thousands of dollars)

Identification code 86-4041-0-3-604	1993 actual	1994 actual	1995 est.	1996 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	1,823	3,031	506	506
1206 Non-Federal assets: Receivables, net	2,269	6,800		
1999 Total assets	4,092	9,831	506	506
LIABILITIES:				
2101 Federal liabilities: Accounts payable	1,270	2,496		
2207 Non-Federal liabilities: Other	50	29		
2999 Total liabilities	1,320	2,525		
NET POSITION:				
3300 Cumulative results of operations	2,772	7,305	506	506
3999 Total net position	2,772	7,305	506	506
4999 Total liabilities and net position	4,092	9,830	506	506

FLEXIBLE SUBSIDY FUND

[For assistance to owners of eligible multifamily housing projects insured, or formerly insured, and under] *From the fund established by section 236(g) of the National Housing Act, as amended, [or which are otherwise eligible for assistance under section 201(c) of the Housing and Community Development Amendments of 1978, as amended (12 U.S.C. 1715z-1a), in the program of assistance for troubled multifamily housing projects under the Housing and Community Development Amendments of 1978, as amended, \$50,000,000, and] all uncommitted balances of excess rental charges as of September 30, [1994] 1995, and any collections [and other amounts in the fund authorized under section 201(j) of the Housing and Community Development Amendments of 1978, as amended,] during fiscal year [1995, to remain available until expended: *Provided*, That assistance to an owner of a multifamily housing project assisted, but not insured, under the National Housing Act may be made if the project owner and the mortgagee have provided or agreed to provide assistance to the project in a manner as determined by the Secretary of Housing and Urban Development] 1996 shall be transferred, as authorized under such section, to the fund authorized under Section 201 (j) of the Housing and Community Development Amendments of 1978, as amended. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriation Act, 1995.*)*

Program and Financing (in thousands of dollars)

Identification code 86-4044-0-3-604	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	126,044	124,351	198,724
Financing:			
17.00 Recovery of prior year obligations	-619		
Unobligated balance available, start of year:			
21.90 Treasury balance: Uncommitted	-7,840	-77,496	
21.91 U.S. Securities: Par Value—Administratively Committed	-114,532	-124,351	-198,724
Unobligated balance available, end of year:			
24.90 Treasury balance: Uncommitted	77,496		68,176
24.91 U.S. Securities: Par Value—Administratively Committed	124,351	198,724	5,255
39.00 Budget authority (gross)	204,900	121,228	73,431
Budget authority:			
Current:			
40.00 Appropriation	135,747	50,000	
Permanent:			
68.00 Spending authority from offsetting collections	69,153	71,228	73,431
Relation of obligations to outlays:			
71.00 Total obligations	126,044	124,351	198,724
Obligated balance, start of year:			
72.10 Receivables from other government accounts	-1,270	-2,496	
72.90 Unpaid obligations: Fund balance	36,493	75,750	24,159
72.91 U.S. Securities: Par value	35,468	25,649	
Obligated balance, end of year:			
74.10 Receivables from other government accounts	2,496		
74.90 Unpaid obligations: Fund balance	-75,750	-24,159	-132,883
74.91 U.S. Securities: Par value	-25,649		
78.00 Adjustments in unexpired accounts	-619		
87.00 Outlays (gross)	97,213	199,095	90,000
Adjustments to gross budget authority and outlays:			
Offsetting collections from:			
88.00 Federal sources	-64,200	-66,126	-68,176
88.20 Interest on U.S. securities	-4,435	-4,568	-4,705
88.40 Non-Federal sources	-518	-534	-550
88.90 Total, offsetting collections	-69,153	-71,228	-73,431
89.00 Budget authority (net)	135,747	50,000	
90.00 Outlays (net)	28,060	127,867	16,569

Status of Direct Loans (in thousands of dollars)

Identification code 86-4044-0-3-604	1994 actual	1995 est.	1996 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	366,584	459,114	656,117
1231 Disbursements: Direct loan disbursements	97,941	199,095	90,000
1251 Repayments: Repayments and prepayments	-1,670	-2,092	-2,705
1264 Write-offs for default: Other adjustments, net	-3,741		
1290 Outstanding, end of year	459,114	656,117	743,412

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

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

Funding for this program will be terminated at the end of fiscal year 1995. Beginning in fiscal year 1996, funding for this type of activity will be provided under the Housing Certificates for Families and Individuals Performance Funds program or carried out under the proposed Housing Resolution Fund which appears elsewhere in this appendix.

Although new activity will not be carried out in this account, the budget assumes that the account will continue to serve as a repository of excess rental charges appropriated from the Rental Housing Assistance Fund.

Summary of Administrative Commitments

Program by activities:	[In thousands of dollars]			
	1994 actual	1995 est.	1996 est.	
Capital investments:				
Flexible subsidy reservations	136,531	198,724	5,255	
Administrative commitments, start of year	114,532	124,351	198,724	
Cancellation of prior year commitments	-668			
Administrative commitments, end of year	-124,351	-198,724	-5,255	
Capital investment—obligations	126,044	124,351	198,724	

Statement of Operations (in thousands of dollars)

Identification code 86-4044-0-3-604	1993 actual	1994 actual	1995 est.	1996 est.
0101 Revenue	75,490	69,779	69,136	71,056
0102 Expense	-66,411	-67,172	-117,461	-148,102
0109 Net income or loss (-)	9,079	2,607	-48,325	-77,046

Balance Sheet (in thousands of dollars)

Identification code 86-4044-0-3-604	1993 actual	1994 actual	1995 est.	1996 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	43,062	150,749	24,259	132,883
Investments in US securities:				
1102 Treasury securities, par ..	150,000	150,000	198,724	73,431
1106 Receivables, net	1,270	2,495		
Non-Federal assets:				
1206 Receivables, net	1,575	2,014		
1207 Advances and prepayments	273			
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	366,584	459,114	656,117	743,412
1603 Allowance for estimated uncollectible loans and interest (-)	-321,188	-413,203	-590,503	-669,071
1699 Value of assets related to direct loans	45,396	45,911	65,614	74,341
1901 Other Federal assets: Other assets		28,868		
1999 Total assets	241,576	380,037	288,597	280,655
LIABILITIES:				
2201 Non-Federal liabilities: Accounts payable	241	348		
2999 Total liabilities	241	348		
NET POSITION:				
3100 Appropriated capital	39,200	174,947	224,947	224,947
3300 Cumulative results of operations	202,135	204,742	63,650	55,708
3999 Total net position	241,335	379,689	288,597	280,655
4999 Total liabilities and net position	241,576	380,037	288,597	280,655

COMMUNITY DISPOSAL OPERATIONS FUND

Program and Financing (in thousands of dollars)

Identification code 86-4040-0-3-451	1994 actual	1995 est.	1996 est.
Financing:			
21.90 Unobligated balance available, start of year: Fund balance		-22	
27.00 Capital transfer to general fund	7		

Public enterprise funds—Continued

COMMUNITY DISPOSAL OPERATIONS FUND—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code 86-4040-0-3-451	1994 actual	1995 est.	1996 est.
68.00 Budget authority (gross): Spending authority from offsetting collections	-15		
Relation of obligations to outlays:			
71.00 Total obligations			
72.10 Obligated balance, start of year: Receivables from other government accounts, start of year	-19		
87.00 Outlays (gross)	-19		
Adjustments to gross budget authority and outlays:			
88.40 Offsetting collections from: Non-Federal sources	15		
89.00 Budget authority (net)			
90.00 Outlays (net)	-4		

Status of Direct Loans (in thousands of dollars)

Identification code 86-4040-0-3-451	1994 actual	1995 est.	1996 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	5		
1251 Repayments: Repayments and prepayments	-5		
1290 Outstanding, end of year			

The community disposition program was established by the Atomic Energy Community Act of 1955 to dispose of federally owned properties.

Budget program.—All sales under the program have been completed. All loans have been repaid to the Department.

Operating results.—Total funds recovered and transferred to the Treasury over the life of the program reached \$88 million by the end of 1994. The mortgages were liquidated at the end of 1994 and there will be no additional activity thereafter.

Statement of Operations (in thousands of dollars)

Identification code 86-4040-0-3-451	1993 actual	1994 actual	1995 est.	1996 est.
0101 Revenue	1			
0102 Expense				
0109 Net income or loss (-)	1			

Balance Sheet (in thousands of dollars)

Identification code 86-4040-0-3-451	1993 actual	1994 actual	1995 est.	1996 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	22			
Investments in US securities:				
1106 Receivables, net	18			
1601 Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Direct loans, gross	8			
1999 Total assets	48			
LIABILITIES:				
2104 Federal liabilities: Resources payable to Treasury	1			
2999 Total liabilities	1			
NET POSITION:				
3300 Cumulative results of operations	47			
3999 Total net position	47			

4999 Total liabilities and net position	48		
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HOMEOWNERSHIP ASSISTANCE FUND

Unavailable Collections (in thousands of dollars)

Identification code 86-4043-0-3-376	1994 actual	1995 est.	1996 est.
Balance, start of year:			
01.99 Balance, start of year	57,255	61,354	65,092
03.00 Offsetting Collections	4,099	3,738	3,824
04.00 Total: Balances and collections	61,354	65,092	68,916
07.99 Total balance, end of year	61,354	65,092	68,916

Program and Financing (in thousands of dollars)

Identification code 86-4043-0-3-376	1994 actual	1995 est.	1996 est.
Financing:			
Unobligated balance available, start of year:			
21.49 Contract authority	-50,457	-55,501	-61,501
21.90 Treasury balance	-1,505	-4,357	-4,357
U.S. Securities:			
21.91 Par value	-40,830	-42,692	-46,430
21.92 Unrealized discounts	-615		
22.00 Unobligated balance transferred, net	-9,143	-9,738	-9,824
Unobligated balance available, end of year:			
24.49 Contract authority	55,501	61,501	67,501
24.90 Treasury balance	4,357	4,357	7,357
24.91 U.S. Securities: Par value	42,692	46,430	47,254
39.00 Budget authority (gross)			
Budget authority:			
68.00 Spending authority from offsetting collections	4,099	3,738	3,824
68.45 Portion not available for obligation (limitation on obligations)	-4,099	-3,738	-3,824
68.90 Spending authority from offsetting collections (total)			
Relation of obligations to outlays:			
71.00 Total obligations			
72.10 Obligated balance, start of year: Receivables from other government accounts, start of year	-1,753	-1,656	
74.10 Obligated balance, end of year: Receivables from other government accounts, end of year	1,656		
87.00 Outlays (gross)	-97	-1,655	
Adjustments to gross budget authority and outlays:			
Offsetting collections from:			
88.00 Federal sources: Interest on U.S. securities	-2,845	-2,738	-2,824
88.40 Non-Federal sources	-1,254	-1,000	-1,000
88.90 Total, offsetting collections	-4,099	-3,738	-3,824
89.00 Budget authority (net)	-4,099	-3,738	-3,824
90.00 Outlays (net)	-4,196	-5,393	-3,824

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

Statement of Operations (in thousands of dollars)

Identification code 86-4043-0-3-376	1993 actual	1994 actual	1995 est.	1996 est.
0101 Revenue	6,798	4,099	3,738	3,824
0102 Expense				
0109 Net income or loss (-)	6,798	4,099	3,738	3,824

Balance Sheet (in thousands of dollars)

Identification code 86-4043-0-3-376	1993 actual	1994 actual	1995 est.	1996 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	8,918	2,701	4,357	7,357
1102 Treasury securities, par ..	40,830	42,692	46,430	47,254
1103 Treasury securities, unamortized discount (-)		465		
1106 Receivables, net	1,753	1,190		
1999 Total assets	51,501	47,048	50,787	54,611
NET POSITION:				
3300 Cumulative results of operations	51,501	47,048	50,787	54,611
3999 Total net position	51,501	47,048	50,787	54,611

NEHEMIAH HOUSING OPPORTUNITY FUND

Program and Financing (in thousands of dollars)

Identification code 86-4071-0-3-604	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 33.0)		18,877	
Financing:			
17.00 Recovery of prior year obligations	-2,325		
21.40 Unobligated balance available, start of year: Treasury balance	-16,552	-18,877	
24.40 Unobligated balance available, end of year: Treasury balance	18,877		
41.00 Budget authority (transferred to other accounts)			
Relation of obligations to outlays:			
71.00 Total obligations		18,877	
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance	36,782	31,928	18,877
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance	-31,928	-18,877	
78.00 Adjustments in unexpired accounts	-2,325		
90.00 Outlays	2,528	31,928	18,877

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

Credit accounts:

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

During fiscal year [1995] 1996, 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 \$100,000,000,000 \$110,000,000,000.

During fiscal year [1995] 1996, obligations to make direct loans to carry out the purposes of Section 204(g) of the National Housing Act, as amended, shall not exceed \$180,000,000 \$200,000,000: Provided, That the foregoing amount shall be for loans to nonprofit and governmental entities in connection with sales of single family real properties owned by the Secretary and formerly insured under Section 203 of such Act.

For administrative expenses necessary to carry out the guaranteed and direct loan program, \$308,846,000 \$341,595,000, to be derived from the FHA-mutual mortgage insurance guaranteed loans receipt account, of which not to exceed \$302,056,000 \$334,483,000 shall be transferred to the appropriation for salaries and expenses; and of which not to exceed \$6,790,000 \$7,112,000 shall be transferred to the appropriation for the Office of Inspector General. (Departments

of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriation Act, 1995.)

Unavailable Collections (in thousands of dollars)

Identification code 86-0183-0-1-371	1994 actual	1995 est.	1996 est.
Receipts:			
02.01 FHA Mutual Mortgage Insurance Guaranteed Loan, negative subsidies	262,810	308,846	525,595
04.00 Total: Balances and collections	262,810	308,846	525,595
Appropriation:			
05.01 FHA mutual mortgage insurance program account	-262,810	-308,846	-341,595
07.99 Total balance, end of year			184,000

Program and Financing (in thousands of dollars)

Identification code 86-0183-0-1-371	1994 actual	1995 est.	1996 est.
Program by activities:			
00.09 Administrative expenses	262,810	308,846	341,595
10.00 Total obligations (object class 25.2)	262,810	308,846	341,595
Financing:			
40.25 Budget authority (appropriation) (special fund, indefinite)	262,810	308,846	341,595
Relation of obligations to outlays:			
71.00 Total obligations	262,810	308,846	341,595
90.00 Outlays	262,810	308,846	341,595

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

Identification code 86-0183-0-1-371	1994 actual	1995 est.	1996 est.
Direct loan levels supportable by subsidy budget authority:			
1159 Total direct loan levels		180,000	200,000
Direct loan subsidy (in percent):			
1329 Weighted average subsidy rate	0.00	0.00	0.00
Direct loan subsidy budget authority:			
1339 Total subsidy budget authority			
Guaranteed loan levels supportable by subsidy budget authority:			
2150 MMI Fund, Section 203(b)	89,143,140	81,815,961	83,861,360
2150 Other products			11,354,378
2150 Standby commitment authority		18,184,039	14,784,262
2150 Actual portion of loans guaranteed			(104,322,811)
2159 Guaranteed loan levels supportable by subsidy budget authority	89,143,140	100,000,000	110,000,000
Guaranteed loan subsidy (in percent):			
2320 MMI Fund, Section 203(b)	-2.79	-1.95	-2.77
2320 Other products	0.00	0.00	-2.77
2329 Weighted average subsidy rate	-2.79	-1.95	-2.77
Guaranteed loan subsidy budget authority:			
2330 MMI Section 203(b) negative subsidy	-2,518,066	-1,298,039	-1,468,391
2330 Other products, negative subsidy			-156,829
2339 Guaranteed loan subsidy budget authority	-2,518,066	-1,298,039	-1,625,220
Guaranteed loan subsidy outlays:			
2340 MMI Section 203(b) negative subsidy	-2,518,066	-1,298,039	-1,468,391
2340 Other products			-156,829
2349 Guaranteed loan subsidy outlays	-2,518,066	-1,298,039	-1,466,257

Reorganization of FHA.—HUD proposes to dramatically reinvent FHA as a wholly-owned government corporation that would use public-private partnerships and market mechanisms to achieve public purposes. The potential savings and efficiencies of a new FHA corporation are significant. Modernization of both the single family and multifamily operations and new origination partnerships will reduce the number of staff required while at the same time increasing the number of Americans assisted. The new corporation will also "mark-to-market" the multifamily insurance portfolio of Section 8 assisted properties, reflecting on its books the true

Credit accounts—Continued

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

(INCLUDING TRANSFERS OF FUNDS)—Continued

value of the portfolio. Reducing the debt permits significant rent reductions and generates Section 8 savings.

FHA Business Plan.—FHA is currently developing a business plan to identify its markets, relationships with participants in the housing market, partnership opportunities, and potential product mix. The business plan will also define the resource requirements necessary to support FHA's new entity, including the size of its work-force, systems needs, and contracting requirements. This document will be completed by April 1995. Therefore, budget numbers related to the MMI and GI funds are preliminary, computed prior to completing the business plan. HUD will review and revise these figures after completion of the planning process.

Single Family Product Mix.—Increasingly, the single family program will rely on third party partners to deliver a portion of its product. These partnerships could involve risk sharing, reinsurance, pool insurance, and other forms of credit enhancement. However, essential current products and delivery systems will be retained to ensure that all markets are served. FHA's mix of single family products within the MMI Fund will become increasingly diverse over the next five years. It is estimated that about 12 percent of FHA's business in 1996 will involve "non-traditional" products, while risk sharing and other non-traditional products will make up 50 percent of its volume by 2000.

Staffing Impact.—Streamlining and reliance on risk sharing and other credit enhancement vehicles will reduce FTE requirements. Initially, some freed-up staff will be redeployed to address critical needs. Given the changes in product mix and planned redeployments, significant staff reductions in 1996 are not anticipated.

Claims and Acquisitions.—Generally, the new corporation will seek to transfer responsibility for servicing and disposition of assets to partners. As a result, it is expected that future default claims, assignment of defaulted mortgages, and property acquisitions will decrease as the new corporation makes increasing use of partnerships. A higher proportion of claims are also estimated to be recovered under the new partnership arrangements.

Credit Subsidy and Administrative Expenses.—As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the loan guarantees committed in 1992 and thereafter, as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis. Total insurance commitments are estimated at \$95.2 billion in 1996. The total credit limitation proposed of \$110 billion includes \$14.8 billion in standby authority in case the demand for insurance exceeds the estimated level. Because the net present value of future income for the 1996 book of business is expected to exceed the net present value of expenses, no credit subsidy appropriation is required. Negative subsidies are recorded in the MMI guaranteed loan financing and receipt accounts. The appropriation requested, \$341.6 million, is to be transferred to the consolidated Salaries and Expenses and Office of Inspector General accounts.

**FHA—MUTUAL MORTGAGE INSURANCE DIRECT LOAN FINANCING
ACCOUNT**

Program and Financing (in thousands of dollars)

Identification code 86-4242-0-3-371	1994 actual	1995 est.	1996 est.
Program by activities:			
00.01 Direct loans		180,000	200,000
00.02 Interest paid to Treasury		4,644	13,932
10.00 Total obligations		184,644	213,932
Financing:			
39.00 Financing authority (gross)		184,644	213,932
Financing authority:			
67.15 Authority to borrow (indefinite)		177,995	191,882
68.00 Spending authority from offsetting collections		6,649	22,050
Relation of obligations to financing disbursements:			
71.00 Total obligations		184,644	213,932
87.00 Financing disbursements (gross)		184,644	213,932
Adjustments to financing authority and financing disbursements:			
Offsetting collections from:			
Non-Federal sources:			
88.40 Repayments of principal		-1,054	-3,750
88.40 Other collections from non-Federal sources		-5,595	-18,300
88.90 Total, offsetting collections		-6,649	-22,050
89.00 Financing authority (net)		177,995	191,882
90.00 Financing disbursements (net)		177,995	191,882

The \$200 million in FY 1996 direct loan limitation in the MMI Fund would permit the Department to use Purchase Money Mortgages (PMMs) to help finance the sale of acquired single family properties. HUD would extend credit for these single-family homes to community nonprofit organizations or local government entities who would be expected to sell the properties to low- and medium-income buyers. The use of PMMs provides a tool for State and local nonprofit organizations to use in revitalizing communities, and creates enhanced homeownership opportunities for low- and moderate-income families.

Status of Direct Loans (in thousands of dollars)

Identification code 86-4242-0-3-371	1994 actual	1995 est.	1996 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans		180,000	200,000
1150 Total direct loan obligations		180,000	200,000
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year			178,946
1231 Disbursements: Direct loan disbursements		180,000	200,000
1251 Repayments: Repayments and prepayments		-1,054	-3,752
1290 Outstanding, end of year		178,946	375,194

Balance Sheet (in thousands of dollars)

Identification code 86-4242-0-3-371	1993 actual	1994 actual	1995 est.	1996 est.
ASSETS:				
1401 Net value of assets related to post-1991 direct loans receivable: Direct loans receivable, gross			178,946	375,194
1999 Total assets			178,946	375,194
LIABILITIES:				

2999 Total liabilities

FHA—MUTUAL MORTGAGE INSURANCE GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in thousands of dollars)

Identification code 86-4587-0-3-371	1994 actual	1995 est.	1996 est.
Program by activities:			
00.01 Default claims and other	438,310	1,796,814	2,635,082
00.04 Working capital fund reimbursements			19,000
00.05 Payment of negative subsidy to receipt account	262,810	308,846	525,595
00.06 Payment of negative subsidy to liquidating account	2,255,256	989,193	1,099,625
00.07 Subsidy reestimate paid to liquidating account		1,352,577	
00.08 Interest payments to Treasury	17,763	39,712	78,345
00.09 Payment to liquidating account for asset sale			1,946,000
10.00 Total obligations	2,974,139	4,487,142	6,303,647
Financing:			
21.90 Unobligated balance available, start of year: Fund balance	-701,562	-1,128,003	-82,999
24.90 Unobligated balance available, end of year: Fund balance	1,128,003	82,999	52,756
39.00 Financing authority (gross)	3,400,580	3,442,138	6,273,404
Financing authority:			
67.15 Authority to borrow (indefinite)	286,038	510,000	381,000
68.00 Spending authority from offsetting collections	3,114,542	2,932,138	5,892,404
Relation of obligations to financing disbursements:			
71.00 Total obligations	2,974,139	4,487,142	6,303,647
72.10 Obligated balance, start of year: Receiveables, in excess of unpaid obligations, start of year	-5,440	-60,657	-60,657
74.10 Obligated balance, end of year: Receiveables in excess of unpaid obligations, end of year	60,657	60,657	60,657
87.00 Financing disbursements (gross)	3,029,356	4,487,142	6,303,647
Adjustments to financing authority and financing disbursements:			
Offsetting collections from:			
88.25 Interest on uninvested funds	-52,170		
Non-Federal sources:			
88.40 Fees and premiums	-1,917,695	-2,173,302	-2,394,420
88.40 Premium prior year adjustment	-1,028,990		
88.40 Recovery on defaulted notes	-115,687	-758,836	-1,367,984
88.40 Gross proceeds from asset sales			-2,130,000
88.90 Total, offsetting collections	-3,114,542	-2,932,138	-5,892,404
89.00 Financing authority (net)	286,038	510,000	381,000
90.00 Financing disbursements (net)	-85,186	1,555,004	411,243

Status of Guaranteed Loans (in thousands of dollars)

Identification code 86-4587-0-3-371	1994 actual	1995 est.	1996 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	119,564,645	100,000,000	110,000,000
2112 Uncommitted loan guarantee limitation	-30,421,505	-18,184,039	-14,784,263
2150 Total guaranteed loan commitments	89,143,140	81,815,961	95,215,737
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	94,330,868	184,189,690	234,091,660
2231 Disbursements of new guaranteed loans	91,813,074	59,194,972	62,824,827
2251 Repayments and prepayments	-1,565,616	-7,622,120	-5,265,287
Adjustments:			
2261 Terminations for default that result in loans receivable	-124,961	-417,143	-594,384
2262 Terminations for default that result in acquisition of property	-261,335	-1,214,013	-1,783,615
2263 Terminations for default that result in claim payments	-2,340	-39,726	-65,515
2264 Other adjustments, net			
2290 Outstanding, end of year	184,189,690	234,091,660	289,207,686

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

	184,189,690	234,091,660	284,996,059
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Addendum:
Cumulative balance of defaulted guaranteed loans that result in loans receivable:

2310 Outstanding, start of year	27,315	152,242	561,925
2331 Disbursements for guaranteed loan claims	124,961	417,143	594,384
2351 Repayments of loans receivable	-34	-7,460	-67,534
2390 Outstanding, end of year	152,242	561,925	1,088,775

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

Balance Sheet (in thousands of dollars)

Identification code 86-4587-0-3-371	1993 actual	1994 actual ¹	1995 est.	1996 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	696,122	1,067,346	22,342	11,099
Investments in US securities:				
1106 Receivables, net				
1107 Advances and prepayments	10,202	97,443	97,443	97,443
1206 Non-Federal assets: Receivables, net	35,303	32,792	32,792	32,792
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501 Defaulted guaranteed loans receivable, gross	27,315	152,242	561,925	1,088,775
1504 Foreclosed property		100,788	270,045	432,442
1599 Net value of assets related to defaulted guaranteed loan	27,315	253,030	831,970	1,521,217
1901 Other Federal assets: Other assets	30,019			
1999 Total assets	798,961	1,450,611	984,547	1,662,551
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	10			
2102 Interest payable		17,763	17,763	17,763
2103 Debt		286,038	796,038	1,361,038
Non-Federal liabilities:				
2201 Accounts payable	10	19	19	19
2207 Unearned revenue and advances	2,574,288	4,404,966	5,000,563	5,538,395
2999 Total liabilities	2,574,308	4,708,786	5,814,383	6,917,215
NET POSITION:				
3300 Cumulative results of operations	-1,775,338	-3,258,175	-4,829,837	-5,254,664
3999 Total net position	-1,775,338	-3,258,175	-4,829,837	-5,254,664
4999 Total liabilities and net position	798,970	1,450,611	984,546	1,662,551

¹ Preliminary results pending final audit.

Object Classification (in thousands of dollars)

Identification code 86-4587-0-3-371	1994 actual	1995 est.	1996 est.
Other services:			
25.2 Payment of negative subsidy to receipt account	262,810	308,846	525,595
25.2 Payment of negative subsidy to liquidating account	2,255,256	2,341,770	3,045,625
25.2 Other services	33,195	30,630	49,630
32.0 Land and structures	277,814	1,309,315	1,944,553
33.0 Investments and loans	124,961	417,143	594,384
42.0 Insurance claims and indemnities	2,340	39,726	65,515
43.0 Interest and dividends	17,763	39,712	78,345
99.9 Total obligations	2,974,139	4,487,142	6,303,647

Credit accounts—Continued

FHA—MUTUAL MORTGAGE AND COOPERATIVE HOUSING INSURANCE FUNDS

Program and Financing (in thousands of dollars)

Identification code 86-4070-0-3-371	1994 actual	1995 est.	1996 est.
Program by activities:			
Operating expenses:			
00.03 Other operating costs	66,256	69,070	69,070
00.04 Working Capital Fund reimbursements			24,000
00.05 Participation payments	1,828	1,900	1,900
00.91 Total operating expenses	68,084	70,970	94,970
Capital investment:			
01.02 Assignment of defaulted mortgages	832,704	666,118	477,112
01.03 Acquisition of real properties	3,073,089	2,148,084	1,515,615
01.05 Acquisition of other assets	33,532	33,532	33,532
01.07 Capitalized property expenses	434,122	348,181	250,417
01.08 Loss on defaulted guaranteed loans	3,162	2,469	1,786
01.09 Preforeclosure claims	21,045	60,141	48,612
01.91 Total capital investment	4,397,654	3,258,525	2,327,074
10.00 Total obligations	4,465,738	3,329,495	2,422,044
Financing:			
17.00 Recovery of prior year obligations	-5,587		
Unobligated balance available, start of year:			
21.90 Treasury balance	100,201	415,957	630,904
U.S. Securities:			
21.91 Par value	-5,194,580	-5,726,317	-8,516,317
21.92 Unrealized discounts	39,279	35,758	45,965
Unobligated balance available, end of year:			
24.90 Treasury balance	-415,957	-630,904	314,571
U.S. Securities:			
24.91 Par value	5,726,317	8,516,317	10,916,317
24.92 Unrealized discounts	-35,758	-45,965	-45,965
31.00 Redemption of debt	650		
39.00 Budget authority (gross)	4,680,303	5,894,341	5,767,519
Budget authority:			
Current:			
40.75 Procurement reduction pursuant to P.L. 103-327		-669	
Permanent:			
68.00 Spending authority from offsetting collections	4,680,303	5,895,010	5,767,519
Relation of obligations to outlays:			
71.00 Total obligations	4,465,738	3,329,495	2,422,044
Obligated balance, start of year: Unpaid obligations:			
72.90 Fund balance	632,959	660,538	660,538
Obligated balance, end of year: Unpaid obligations:			
74.90 Fund balance	-660,538	-660,538	-660,538
78.00 Adjustments in unexpired accounts	-5,587		
87.00 Outlays (gross)	4,432,572	3,329,495	2,422,044
Adjustments to gross budget authority and outlays:			
Offsetting collections from:			
88.20 Interest on U.S. securities	-411,589	-554,785	-704,737
Non-Federal sources:			
88.40 Fees and premiums	-164,884	-156,469	-151,918
88.40 Rebate of unearned prepaid premiums collected	1,236,834	137,362	70,836
88.40 Proceeds from sale of real property	-2,636,344	-2,144,447	-1,555,434
88.40 Proceeds from sale of mortgage notes	-13,352	-355,000	-1,946,000
88.40 Cost of mortgage note sales		13,500	13,500
88.40 Repayment of mortgage notes and sales contracts	-179,582	-196,515	-186,103
88.40 Interest and operating income	-21,231	-21,797	-21,769
88.40 Recoveries on defaulted mortgages	-173,294	-175,721	-86,901
88.40 Other interest, dividends and revenues	-595	-595	-595
88.40 Prior year adjustment	32,763		
88.40 Payment from financing account	-2,255,256	-2,341,770	-1,099,625
88.40 Miscellaneous collections		-5,000	-5,000
88.40 Other income	-93,773	-93,773	-93,773
88.90 Total, offsetting collections	-4,680,303	-5,895,010	-5,767,519
89.00 Budget authority (net)		-669	
90.00 Outlays (net)	-247,731	-2,565,515	-3,345,475

Status of Direct Loans (in thousands of dollars)

Identification code 86-4070-0-3-371	1994 actual	1995 est.	1996 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	20,731	17,224	12,840
1251 Repayments: Repayments and prepayments	-2,269	-2,850	-838
1264 Write-offs for default: Other adjustments, net	-1,238	-1,534	-451
1290 Outstanding, end of year	17,224	12,840	11,551

Status of Guaranteed Loans (in thousands of dollars)

Identification code 86-4070-0-3-371	1994 actual ¹	1995 est.	1996 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	191,155,783	118,688,458	113,712,156
2251 Repayments and prepayments	-68,537,325	-2,099,490	-1,300,012
Adjustments:			
2261 Terminations for default that result in loans receivable	-832,704	-666,118	-477,112
2262 Terminations for default that result in acquisition of property	-3,073,089	-2,148,084	-1,515,615
2263 Terminations for default that result in claim payments	-24,207	-62,610	-50,398
2290 Outstanding, end of year	118,688,458	113,712,156	110,369,019
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	118,688,458	113,712,156	110,369,019
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	3,269,961	3,642,385	3,365,933
2331 Disbursements for guaranteed loan claims	832,704	666,118	477,112
2351 Repayments of loans receivable	-307,769	-791,829	-2,329,814
2361 Write-offs of loans receivable	-152,511	-150,741	-1,146,923
2390 Outstanding, end of year	3,642,385	3,365,933	366,308

¹ Unaudited preliminary results.

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

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

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

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

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS—Continued
Federal Funds—Continued

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is recorded in corresponding program (86-0183) and financing (86-4587 and 86-4242) accounts.

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

PROGRAM HIGHLIGHTS

[In millions of dollars]

	1994 actual ¹	1995 est.	1996 est.
Insurance initiation:			
Mortgage insurance applications (units)	1,228,108	1,083,128	1,229,777
Mortgage insurance written:			
Units	1,259,875	784,698	826,661
Amount	91,813	59,195	62,824
Insurance maintenance: Outstanding balance of insurance in force, end of year:			
Mortgage insurance	302,878	347,804	399,576
Properties acquired (units): ²			
Homes	49,606	52,981	50,247
Property sales during year (units):			
Homes	57,427	54,993	50,406
Property on hand, end of year (units):			
Homes	25,120	23,108	22,949
Defaulted mortgage assignments during year (units):			
Homes	15,392	16,804	16,340
Purchase money mortgages during year:			
Units		4,500	5,000
Amount		180,000	200,000
Assigned mortgages on hand, end of year (units):			
Homes	74,907	71,712	53,052
Inventory of property and assigned mortgages on hand, end of year (units):			
Homes	100,027	94,820	76,001
Claims with no acquisition (units): ³			
Homes	1,815	6,599	6,889
Multifamily	0	0	0
Total claims with no acquisition	1,815	6,599	6,889

¹ Unaudited preliminary results.² Includes direct acquisition from mortgagee and foreclosure of HUD-held mortgage notes.³ Includes coinsurance claims and preforeclosure claims.

Insurance reserves from operations at the end of 1994 are estimated to be in a surplus position for the Mutual mortgage insurance and Cooperative management housing insurance funds. The status of estimated insurance reserves from operations (retained income or deficit) through 1996 for the MMI/CMHI account follows:

STATUS OF INSURANCE RESERVES FROM OPERATIONS

[In millions of dollars]

	1994 est. ¹	1995 est.	1996 est.
Insurance fund:			
Mutual mortgage/CMHI:			
Liquidating account ²	6,083	8,737	9,877
Financing account ²	-3,258	-4,830	-5,255
Total MMI/CMHI	2,825	3,907	4,622

¹ Preliminary results pending final audit.² Reflects impact from transfer of negative subsidy from the Financing account to the Liquidating account.

Financial condition.—The following tables reflect the revenues and financial condition of the MMI/CMHI funds based on Generally Accepted Accounting Principles (GAAP).

Statement of Operations (in thousands of dollars)

Identification code	1993 actual	1994 actual ¹	1995 est.	1996 est.
0101 Revenue	5,572,765	4,530,691	3,680,185	2,404,618

0102 Expense	-4,509,898	-1,392,130	-1,024,615	-1,261,967
0109 Net income or loss (-)	1,062,867	3,138,561	2,655,570	1,142,651

¹ Estimated result on GAAP basis pending final audit.

Balance Sheet (in thousands of dollars)

Identification code	1993 actual	1994 actual ¹	1995 est.	1996 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	497,379	244,582	32,401	39,438
Investments in US securities:				
1102 Treasury securities, par ..	5,194,580	5,726,317	8,516,317	10,916,317
1103 Treasury securities, unamortized net discount/premium	-39,279	-45,965	-45,965	-45,965
1106 Receivables, net	109,106	97,406	97,406	97,406
1107 Advances and prepayments	45,289			
Non-Federal assets:				
1206 Receivables, net	156,613	171,779	171,779	171,779
1207 Advances and prepayments	5,992	6,985	6,985	6,985
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	20,371	17,224	12,840	11,551
1603 Allowance for estimated uncollectible loans and interest (-)	-3,886	-3,286	-2,450	-2,204
1604 Direct loans and interest receivable, net	16,485	13,938	10,390	9,347
1699 Value of assets related to direct loans	16,485	13,938	10,390	9,347
1701 Defaulted guaranteed loans, gross	3,270,321	3,642,386	3,365,933	1,895,200
1703 Allowance for estimated uncollectible loans and interest (-)	-815,276	-685,595	-633,559	-356,728
1704 Defaulted guaranteed loans and interest receivable, net	2,455,045	2,956,791	2,732,374	1,538,472
1706 Foreclosed property	1,250,288	1,102,343	1,159,113	840,740
1799 Value of assets related to loan guarantees	3,705,333	4,059,134	3,891,487	2,379,212
1901 Other Federal assets: Other assets	17	60	13,192	26,324
1999 Total assets	9,691,515	10,274,236	12,693,992	13,600,843
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	79	13,868	13,868	13,868
2102 Interest payable	4			
2104 Resources payable to Treasury	16			
Non-Federal liabilities:				
2201 Accounts payable	716,205	578,084	578,084	578,084
2202 Interest payable				
2203 Debt	1,008	359	359	359
2206 Pension and other actuarial liabilities	2,170,600	2,176,600	2,176,600	2,176,600
2207 Unearned revenue and advances	3,940,648	1,403,440	1,169,533	935,627
2999 Total liabilities	6,828,560	4,172,351	3,938,444	3,704,538
NET POSITION:				
3100 Appropriated capital	18,809	18,809	18,809	18,809
3300 Cumulative results of operations ²	2,844,147	6,083,076	8,736,747	9,877,497
3999 Total net position	2,862,956	6,101,885	8,755,556	9,896,306
4999 Total liabilities and net position	9,691,516	10,274,236	12,694,000	13,600,844

¹ Preliminary results pending final audit.² Includes negative subsidy disbursements from the Financing account.

Credit accounts—Continued

FHA—MUTUAL MORTGAGE AND COOPERATIVE HOUSING INSURANCE FUNDS—Continued

Object Classification (in thousands of dollars)			
Identification code 86-4070-0-3-371	1994 actual	1995 est.	1996 est.
25.2 Other services	66,256	69,070	93,070
32.0 Land and structures	3,507,211	2,496,265	1,766,032
33.0 Investments and loans	866,236	699,650	510,644
42.0 Insurance claims and indemnities	24,207	62,610	50,398
44.0 Refunds	1,828	1,900	1,900
99.9 Total obligations	4,465,738	3,329,495	2,422,044

FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the cost of guaranteed loans, as authorized by sections 238 and 519 of the National Housing Act, as amended (12 U.S.C. 1715z-3(b) and 1735c(f)), \$188,395,000, to remain available until September 30, [1996] 1997, of which up to [\$132,903,000] \$188,395,000 is to be derived from the FHA—general and special risk, negative subsidies receipt account: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize total loan principal any part of which is to be guaranteed of not to exceed [\$20,885,072,000] \$17,400,000,000 *Provided further*, That of the foregoing amount provided to subsidize program costs, not more than \$47,098,750 may be obligated by January 1, 1995, not more than \$94,197,500 may be obligated by April 1, 1995, not more than \$160,135,750 may be obligated by July 1, 1995 *Provided further*, That during fiscal year 1996, the Secretary shall sell assigned mortgage notes having an unpaid principal balance of up to \$2,600,000,000, which notes were originally insured under said sections 238 and 519: *Provided further*, That of the amount appropriated herein, an amount equal to the lesser of \$52,000,000 or the excess of net proceeds above the value of holding the loans to maturity, such value established using assumptions specified in the President's fiscal year 1996 Budget adjusted for interest rates at the time of the sale, shall become available only after such sale has been completed.

Gross obligations for the principal amount of direct loans, as authorized by sections 204(g), 207(l), 238(a), and 519(d) of the National Housing Act, shall not exceed [\$220,000,000] \$120,000,000, of which not to exceed [\$200,000,000] \$100,000,000 shall be for bridge financing in connection with the sale of multifamily real properties owned by the Secretary and formerly insured under such Act; and of which not to exceed \$20,000,000 shall be for loans to nonprofit and governmental entities in connection with the sale of single-family real properties owned by the Secretary and formerly insured under such Act.

In addition, for administrative expenses necessary to carry out the guaranteed and direct loan programs, \$197,470,000, of which \$193,299,000 shall be transferred to the appropriation for salaries and expenses; and of which \$4,171,000 shall be transferred to the appropriation for the Office of Inspector General. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriation Act, 1995.*)

Unavailable Collections (in thousands of dollars)

Identification code 86-0200-0-1-371	1994 actual	1995 est.	1996 est.
Balance, start of year:			
01.99 Balance, subsidy downward reestimate, start of year	242,070	1,011,720	1,092,289
Receipts:			
02.01 Negative Subsidies	595,048	198,988	244,272
02.02 Downward reestimates of subsidies	174,602		
02.99 Total receipts	769,650	198,988	244,272
04.00 Total: Balances and collections	1,011,720	1,210,708	1,336,561
Appropriation:			
05.01 General and special risk program account		-118,419	-193,688
07.99 Total balance, end of year	1,011,720	1,092,289	1,142,873

Program and Financing (in thousands of dollars)

Identification code 86-0200-0-1-371	1994 actual	1995 est.	1996 est.
Program by activities:			
00.02 Guaranteed loan subsidy	155,451	188,395	188,395
00.09 Administrative expenses	192,252	197,470	197,470
10.00 Total obligations	347,703	385,865	385,865
Financing:			
39.00 Budget authority	347,703	385,865	385,865
Budget authority:			
40.00 Appropriation	347,703	267,446	192,177
40.25 Appropriation (special fund, indefinite)		118,419	193,688
43.00 Appropriation (total)	347,703	385,865	385,865
Relation of obligations to outlays:			
71.00 Total obligations	347,703	385,865	385,865
72.40 Obligated balance, start of year: Unpaid obligations:			
Treasury balance	8,413	58,714	42,911
74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance	-58,714	-42,911	-35,616
90.00 Outlays	297,402	401,668	393,160

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

Identification code 86-0200-0-1-371	1994 actual	1995 est.	1996 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Single-family PMMs		20,000	20,000
1150 Multifamily bridge loans		200,000	100,000
1159 Total direct loan levels		220,000	120,000
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Multifamily development			431,165
2150 Refinance of FHA-insured mortgages			300,000
2150 Risk sharing programs	252,906	461,305	811,875
2150 Nursing homes and Hospitals	1,166,600	1,900,000	1,745,000
2150 Other multifamily, positive	2,298,448	1,838,668	922,700
2150 Other multifamily, negative	254,738	1,100,000	300,000
2150 Single family, negative	7,145,089	9,104,734	8,031,676
2150 Single family, prior year adjustment	2,114,270		
2150 Title I guarantees	806,494	1,289,200	1,397,000
2150 Standby commitment authority		5,191,165	3,460,584
2150 Actual portion of loans guaranteed	(13,981,800)	(20,715,535)	(17,069,313)
2159 Total loan guarantee levels	14,038,545	20,885,072	17,400,000
Guaranteed loan subsidy (in percent):			
2320 Multifamily development	0.00	0.00	11.76
2320 Refinance of FHA-insured mortgages	0.00	0.00	7.04
2320 Risk sharing programs	5.78	5.45	3.97
2320 Nursing homes and hospitals	-2.88	-2.23	-2.56
2320 Other multifamily, positive	6.13	8.88	5.73
2320 Other multifamily, negative	-1.64	-1.71	-1.96
2320 Single family, negative	-1.27	-1.28	-1.34
2320 Title I	-1.40	-2.10	-2.02
Guaranteed loan subsidy budget authority:			
2330 Multifamily development			50,704
2330 Refinance of FHA-insured projects			21,105
2330 Risk sharing programs	14,621	25,163	32,256
2330 Other multifamily, positive	140,830	163,232	84,330
2330 Single family			
2330 Title I			
2339 Total subsidy budget authority	155,451	188,395	188,395
Guaranteed loan subsidy outlays:			
2340 Multifamily development			38,029
2340 Refinance of FHA-insured projects			15,829
2340 Risk sharing		33,493	30,482
2340 Other, multifamily, positive	114,394	170,705	111,349
2340 Single family, positive	9,276		
2340 Title I			
2340 Outlay adjustment	-18,520		
2349 Total subsidy outlays	105,150	204,198	195,689

Multifamily Product Mix.—Significant changes related to delivery of multifamily insurance and the use of credit sub-

sidy are envisioned. FHA will increasingly rely on third party partners to deliver products and will explore a range of partnership types. The business plan for the new FHA corporation will set forth the product mix and partnership types over the next five years, as well as credit subsidy needs. The plan will be completed in April 1995.

In general, it is expected that most of FHA's traditional multifamily business will be completed by the end of 1996. From 1997 forward, FHA's retail component will be limited to new product design, nursing homes and hospitals, and refinancing of projects with FHA-insured loans. Preliminary projections of product mix are shown below:

FHA Multifamily Product Mix

	(Units)				
	1996 est.	1997 est.	1998 est.	1999 est.	2000 est.
Traditional products	12,700				
Partnerships/Risk Sharing	25,675	43,960	52,901	60,975	68,100
New Product Design	10,000	16,490	14,591	11,575	8,822
FHA-Insured Refinancing	33,500	24,032	16,716	12,716	10,886
Nursing Homes and Hospitals	18,000	18,000	18,000	18,000	18,000
Total MF Units	99,275	102,482	102,208	103,266	105,808

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

Object Classification (in thousands of dollars)

Identification code 86-0200-0-1-371		1994 actual	1995 est.	1996 est.
25.2	Other services	192,252	197,470	197,470
41.0	Grants, subsidies, and contributions	155,451	188,395	188,395
99.9	Total obligations	347,703	385,865	385,865

FHA—GENERAL AND SPECIAL RISK GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in thousands of dollars)

Identification code 86-4077-0-3-371		1994 actual	1995 est.	1996 est.
Program by activities:				
Capital investment, claims and other:				
00.01	Default claims and other	79,859	379,474	634,757
00.02	Default claims, new programs			7,773
00.03	Working Capital Fund reimbursements			4,000
00.04	Payment of negative subsidy to receipt account	119,048	193,688	192,272
00.05	Interest paid to Treasury	1,296	37,746	34,780
00.06	Downward subsidy reestimate paid to receipt account	174,602		
00.08	Asset sale negative subsidy payment to receipt account		5,300	52,000
00.09	Asset sale payment to liquidating account		1,658,200	2,279,600
00.10	Cost of mortgage note sales		71,700	36,300
00.11	Indirect modification payment to receipt account	476,000		
10.00	Total obligations	850,805	2,346,108	3,241,482
Financing:				
21.90	Unobligated balance available, start of year: Fund balance	-260,693	-271,734	-505,125
24.90	Unobligated balance available, end of year: Fund balance	271,734	505,125	700,330
39.00	Financing authority (gross)	861,846	2,579,499	3,436,687
Financing authority:				
67.15	Authority to borrow (indefinite)	496,867		

68.00	Spending authority from offsetting collections	364,979	2,612,620	3,451,906
68.47	Portion applied to debt reduction		-33,121	-15,219
68.90	Spending authority from offsetting collections (total)	364,979	2,579,499	3,436,687
Relation of obligations to financing disbursements:				
71.00	Total obligations	850,805	2,346,108	3,241,482
Obligated balance, start of year:				
72.10	Receivables from program account, start of year	-45,765	-58,714	-42,911
72.40	Unpaid obligations: Treasury balance	30,150	7,705	
Obligated balance, end of year:				
74.10	Receivables from program account, end of year	58,714	42,911	35,617
74.40	Unpaid obligations: Treasury balance	-7,705		-8,409
87.00	Financing disbursements (gross)	886,199	2,338,010	3,225,779
Adjustments to financing authority and financing disbursements:				
Offsetting collections from:				
88.00	Payments from program account	-155,451	-188,395	-188,395
88.25	Interest on uninvested funds	-13,343	-41,065	-51,738
Non-Federal sources:				
88.40	Fees and premiums	-182,781	-383,387	-453,168
88.40	Recoveries on defaulted mortgages	-13,404	-250,173	-367,031
88.40	New program premiums and recoveries			-10,374
88.40	Proceeds from sale of mortgage notes		-1,699,600	-2,331,200
88.40	Repayment of principal and interest from liquidating account		-50,000	-50,000
88.90	Total, offsetting collections	-364,979	-2,612,620	-3,451,906
89.00	Financing authority (net)	496,867	-33,121	-15,219
90.00	Financing disbursements (net)	521,220	-274,610	-226,127

Status of Guaranteed Loans (in thousands of dollars)

Identification code 86-4077-0-3-371		1994 actual ¹	1995 est.	1996 est.
Position with respect to appropriations act limitation on commitments:				
Limitation on guaranteed loans made by private lenders:				
2111	Limitation on guaranteed loans made by private lenders	18,436,205	20,885,072	17,400,000
2111	Prior-year adjustment	2,114,270		
2112	Uncommitted loan guarantee limitation	-6,511,929	-5,191,165	-3,057,300
2150	Total guaranteed loan commitments	14,038,546	15,693,907	14,342,700
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	14,754,605	26,227,561	38,459,773
2231	Disbursements of new guaranteed loans	11,857,317	14,172,984	12,307,416
2251	Repayments and prepayments	-310,503	-1,609,629	-521,789
Adjustments:				
2261	Terminations for default that result in loans receivable	-34,927	-227,070	-399,283
2262	Terminations for default that result in acquisition of property	-38,799	-103,207	-191,534
2263	Terminations for default that result in claim payments	-132	-866	-3,383
2264	Other adjustments, net			-5,077
2290	Outstanding, end of year	26,227,561	38,459,773	49,646,123
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	26,227,561	38,459,773	49,143,723
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	6,608	38,194	132,335
2331	Disbursements for guaranteed loan claims	34,927	227,070	399,283
2351	Repayments of loans receivable	-522	-132,929	-121,326
2361	Write-offs of loans receivable	-2,819		
2390	Outstanding, end of year	38,194	132,335	410,292

¹ Preliminary results pending final audit.

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in FY 1992 and thereafter (including modifications of loan guarantees that resulted from commitments in any year) for

Credit accounts—Continued

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

FHA's General and Special Risk Insurance Fund programs. The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in thousands of dollars)

Identification code 86-4077-0-3-371	1993 actual	1994 actual ¹	1995 est.	1996 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	260,693	220,726	420,553	725,362
Investments in US securities:				
Receivables, net:				
1106 Receivables, net	45,765	61,125	61,125	61,125
1106 Receivables, net	476,000	463,746	463,746	448,527
1206 Non-Federal assets: Receivables, net	5,678	2,446	2,446	2,446
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501 Defaulted guaranteed loans receivable, gross	6,608	38,194	132,335	410,292
1504 Foreclosed property	4,059	16,168	51,770	110,917
1505 Allowance for uncollectible loans	-5,097	-21,265	-73,679	-224,107
1599 Net value of assets related to defaulted guaranteed loan	5,570	33,097	110,426	297,102
1901 Other Federal assets: Other assets				
1999 Total assets	317,706	793,394	1,058,296	1,534,562
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	30,149	4,468	4,468	4,468
2102 Interest payable		1,296	1,296	1,296
2103 Debt		496,867	463,746	448,527
Non-Federal liabilities:				
Accounts payable:				
2201 Accounts payable	1	1,641	1,641	1,641
2201 Other		74	74	74
2207 Unearned revenue and advances	14,856	18,705	18,705	
2999 Total liabilities	45,006	523,051	489,930	456,006
NET POSITION:				
3100 Appropriated subsidy capital	158,743	20,544	15,251	16,667
3300 Cumulative results of operations	113,957	249,799	553,115	1,061,889
3999 Total net position	272,700	270,343	568,366	1,078,556
4999 Total liabilities and net position	317,706	793,394	1,058,296	1,534,562

¹ Preliminary results pending final audit.

Object Classification (in thousands of dollars)

Identification code 86-4077-0-3-371	1994 actual	1995 est.	1996 est.
25.2 Other services	4,041	48,330	52,330
Land and structures:			
32.0 Downward subsidy reestimate	174,602		
32.0 Payment of negative subsidy	119,048	248,988	244,272
32.0 Indirect modification payment	476,000		
Investments and loans:			
33.0 Investments and loans	75,818	352,844	630,500
33.0 Reimbursement to liquidating account for mortgage note sales		1,658,200	2,279,600
43.0 Interest and dividends	1,296	37,746	34,780
99.9 Total obligations	850,805	2,346,108	3,241,482

GENERAL AND SPECIAL RISK DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in thousands of dollars)

Identification code 86-4105-0-3-371	1994 actual	1995 est.	1996 est.
Program by activities:			
00.01 Direct Loans		220,000	120,000
00.02 Interest paid to Treasury		5,676	13,000
10.00 Total obligations		225,676	133,000
Financing:			
39.00 Financing authority (gross)		225,676	133,000
Financing authority:			
67.15 Authority to borrow (indefinite)		217,550	112,000
68.00 Spending authority from offsetting collections		8,126	21,000
Relation of obligations to financing disbursements:			
71.00 Total obligations		225,676	133,000
87.00 Financing disbursements (gross)		225,676	133,000
Adjustments to financing authority and financing disbursements:			
Offsetting collections from:			
Non-Federal sources:			
88.40 Repayment of principal		-1,288	-3,000
88.40 Interest received on loans		-6,838	-18,000
88.90 Total, offsetting collections		-8,126	-21,000
89.00 Financing authority (net)		217,550	112,000
90.00 Financing disbursements (net)		217,550	112,000

Status of Direct Loans (in thousands of dollars)

Identification code 86-4105-0-3-371	1994 actual	1995 est.	1996 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans		220,000	120,000
1150 Total direct loan obligations		220,000	120,000
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year			218,712
1231 Disbursements: Direct loan disbursements		220,000	120,000
1251 Repayments: Repayments and prepayments		-1,288	-3,000
1290 Outstanding, end of year		218,712	335,712

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 FY 1992 and thereafter (including loan modifications) for FHA's General and Special Risk Insurance Fund programs. The amounts in this account are a means of financing and are not included in the budget totals.

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

Balance Sheet (in thousands of dollars)

Identification code 86-4105-0-3-371	1993 actual	1994 actual	1995 est.	1996 est.
ASSETS:				
1401 Net value of assets related to post-1991 direct loans receivable: Direct loans receivable, gross			218,712	335,712
1999 Total assets			218,712	335,712
LIABILITIES:				
2999 Total liabilities				

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS—Continued
Federal Funds—Continued

NET POSITION:

3300	Cumulative results of operations	1,162	6,162
3999	Total net position	1,162	6,162

Object Classification (in thousands of dollars)

Identification code 86-4105-0-3-371	1994 actual	1995 est.	1996 est.
33.0	Investments and loans	220,000	120,000
43.0	Interest and dividends	5,676	13,000
99.9	Total obligations	225,676	133,000

88.40	Proceeds from sale of mortgage notes	-141,145	-1,558,500	-1,760,000
88.40	Repayment of mortgage notes and sales contracts	-6,243	-5,131	-5,096
88.40	Interest and operating income	-240,517	-215,430	-174,358
88.40	Recoveries on defaulted mortgages	-459,565	-255,052	-153,792
88.40	Recoveries on defaulted Title I mortgages	-23,161	-23,161	-21,059
88.40	Other interest, dividends and revenue	-71,419	-52,250	-33,318
88.40	Prior year adjustment			
88.40	Miscellaneous collections	-64,095	-64,095	-64,095
88.90	Total, offsetting collections	-1,620,267	-2,792,180	-2,870,193
89.00	Budget authority (net)	149,761	192,262	605,700
90.00	Outlays (net)	-342,065	-1,247,439	-1,610,280

FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS

Program and Financing (in thousands of dollars)

Identification code 86-4072-0-3-371	1994 actual	1995 est.	1996 est.	
Program by activities:				
Operating expenses:				
00.03	Interest on debentures	28,772	28,772	28,772
00.04	Other operating costs	61,014	44,357	165,357
00.04	Working capital fund reimbursements			8,000
00.05	Repayment to financing account		50,000	50,000
00.91	Total operating expenses	89,786	123,129	252,129
Capital investment: Claims and other:				
01.01	Acquisition of defaulted Title I notes	41,108	57,210	62,955
01.02	Assignment of defaulted mortgages	274,488	668,843	457,755
01.03	Acquisition of real properties	409,249	321,173	221,426
01.06	Assignment of current mortgages	1,801	35,000	32,900
01.07	Capitalized property expenses	270,545	222,808	124,094
01.08	Loss on defaulted guaranteed loans	19,116	25,728	17,237
01.09	Interest subsidy on auctioned mortgages	472	871	1,438
01.10	Tax advances on held mortgages	89,979	89,979	89,979
01.91	Total capital investment	1,106,758	1,421,612	1,007,784
10.00	Total obligations	1,196,544	1,544,741	1,259,913
Financing:				
17.00	Recovery of prior year obligations	-124,167		
Unobligated balance available, start of year:				
21.40	Treasury balance	-588,302	-1,039,993	-2,386,780
21.91	U.S. Securities: Par value	-19,426	-15,236	-14,950
Unobligated balance available, end of year:				
24.40	Treasury balance	1,039,993	2,386,780	4,534,846
24.91	U.S. Securities: Par value	15,236	14,950	14,664
31.00	Redemption of debt	250,150	93,200	68,200
39.00	Budget authority (gross)	1,770,028	2,984,442	3,475,893
Budget authority:				
Current:				
40.75	Procurement reduction pursuant to P.L. 103-327		-638	
Permanent:				
60.05	Appropriation (indefinite)			
64.00	Proceeds of loan asset sales with recourse		99,700	537,600
67.15	Authority to borrow (indefinite)	149,761	93,200	68,100
68.00	Spending authority from offsetting collections	1,620,267	2,792,180	2,870,193
Relation of obligations to outlays:				
71.00	Total obligations	1,196,544	1,544,741	1,259,913
72.90	Obligated balance, start of year: Unpaid obligations: Fund balance	613,916	408,091	408,091
74.90	Obligated balance, end of year: Unpaid obligations: Fund balance	-408,091	-408,091	-408,091
78.00	Adjustments in unexpired accounts	-124,167		
87.00	Outlays (gross)	1,278,202	1,544,741	1,259,913

Adjustments to gross budget authority and outlays:

Offsetting collections from:

Non-Federal sources:

88.40	Fees and premiums	-262,061	-287,280	-299,523
88.40	Rebates of insurance premiums	4,997	8,000	8,000
88.40	Multifamily foreclosure sales		-72,915	-128,340
88.40	Proceeds from sale of real property	-357,058	-266,366	-238,612

Status of Direct Loans (in thousands of dollars)

Identification code 86-4072-0-3-371	1994 actual	1995 est.	1996 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	121,050	111,886	106,755
1251	Repayments: Repayments and prepayments	-6,244	-3,078	-3,058
1264	Write-offs for default: Other adjustments, net	-2,920	-2,053	-2,038
1290	Outstanding, end of year	111,886	106,755	101,659

Status of Guaranteed Loans (in thousands of dollars)

Identification code 86-4072-0-3-371	1994 actual	1995 est.	1996 est.	
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	63,130,562	52,754,369	50,871,010
2251	Repayments and prepayments	-9,631,747	-775,405	-1,547,305
Adjustments:				
2261	Terminations for default that result in loans receivable	-317,397	-761,053	-553,609
2262	Terminations for default that result in acquisition of property	-409,249	-321,173	-221,426
2263	Terminations for default that result in claim payments	-17,800	-25,728	-17,237
2290	Outstanding, end of year	52,754,369	50,871,010	48,531,433
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	52,754,369	50,871,010	48,531,432
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	7,791,961	6,821,744	4,757,596
2331	Disbursements for guaranteed loan claims	317,397	951,324	884,113
2351	Repayments of loans receivable	-1,112,680	-2,893,470	-3,865,867
2361	Write-offs of loans receivable ¹	-174,934	-122,002	-44,400
2390	Outstanding, end of year	6,821,744	4,757,596	1,731,442

¹ Includes foreclosures of HUD-held mortgage notes.

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

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

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

Credit accounts—Continued**FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS—Continued**

corded in corresponding program (86–0200) and financing (86–4077 and 86–4105) accounts.

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

PROGRAM HIGHLIGHTS

[In millions of dollars]

	1994 actual ¹	1995 est.	1996 est.
Insurance initiation:			
Mortgage insurance applications (units)	223,048	327,987	289,707
Mortgage insurance written:			
Units	201,823	263,139	246,042
Amount	\$11,051	\$12,996	\$10,190
Title I property improvement loans insured:			
Notes	72,148	86,500	97,000
Amount	\$806	\$1,177	\$1,397
Insurance maintenance: Outstanding balance of insurance in force, end of year:			
Mortgage insurance	73,911	83,620	92,182
Title I property improvement loan insurance	5,070	5,710	5,995
Total outstanding balance of insurance in force, end of year	78,981	89,330	98,177
Property acquired during year (units): ²			
Homes	7,987	7,214	6,867
Multifamily	4,747	2,564	4,569
Total property acquired during year (units)	12,734	9,778	11,436
Property sales during year (units):			
Homes	8,213	6,433	5,799
Multifamily	13,767	8,860	10,336
Total property sales during year (units)	21,980	15,293	16,135
Property on hand, end of year (units):			
Homes	3,902	4,683	5,751
Multifamily	23,104	16,808	11,041
Total property on hand (units)	27,006	21,491	16,792
Defaulted mortgage assignments during year (units):			
Homes	1,466	1,381	1,253
Multifamily	9,799	26,800	25,050
Total mortgage assignments during year (units)	11,265	28,181	26,303
Claims on current mortgages during year (units):			
Homes	241	4,516	4,245
Multifamily			
Total claims on current mortgages during year (units)	241	4,516	4,245
Purchase Money Mortgages during year:			
Units		1,333	1,333
Amount		120,000	120,000
Assigned mortgages on hand, end of year (units):			
Homes	29,633	34,365	39,197
Multifamily	300,040	195,019	67,074
Total assigned mortgages on hand, end of year (units)	329,673	229,384	106,271
Inventory of property and assigned mortgages on hand, end of year (units):			
Homes	33,535	39,048	44,948
Multifamily	323,144	211,827	78,115
Total inventory of property and assigned mortgages on hand, end of year (units)	356,679	250,875	123,063
Claims with no acquisition (units): ³			
Homes	120	330	559
Multifamily	1,410	697	465
Total claims with no acquisition	1,530	1,027	1,024

Defaulted title I property acquisition:

	7,602	7,700	8,000
Number			
Amount	\$61	\$72	\$79

¹ Unaudited preliminary results.² Includes direct acquisition from mortgage and foreclosure of HUD-held mortgage notes.³ Includes coinsurance claims.

Insurance reserves from operations at the end of 1994 are estimated to be in a deficit status of about \$22 billion for the GI and SRI funds. The status of estimated insurance reserves from operations (retained income or deficit) through 1996 is as follows:

STATUS OF INSURANCE RESERVES FROM OPERATIONS

[In millions of dollars]

	1994 actual ¹	1995 est.	1996 est.
Insurance fund:			
General and special risk insurance:			
Liquidating account	-22,291	-21,975	-21,113
Financing account	250	553	1,062
Total GI/SRI ²	-22,041	-21,422	-20,051

¹ Preliminary results pending final audit.² Excludes GI/SRI Program account resources payable to the Financing account.**Statement of Operations (in thousands of dollars)**

Identification code 86–4072–0–3–371	1993 actual ¹	1994 actual ¹	1995 est.	1996 est.
0101 Revenue	886,440	452,948	377,641	348,508
0102 Expense	-857,774	-230,865	-62,197	513,793
0109 Net income or loss (-)	28,666	222,083	315,444	862,301

¹ Preliminary results pending final audit.**Balance Sheet (in thousands of dollars)**

Identification code 86–4072–0–3–371	1993 actual ¹	1994 actual ¹	1995 est.	1996 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	333,098	578,964	1,895,772	4,065,956
Investments in US securities:				
1102 Treasury securities, par ..	19,426	15,236	14,950	14,664
1103 Treasury securities, unamortized premium	142	-203	-203	-203
1106 Receivables, net	6,309	3,528	3,528	3,528
1107 Advances and prepayments	20,000	20,000	20,000	20,000
Non-Federal assets:				
1206 Receivables, net	115,542	140,348	140,348	140,348
1207 Advances and prepayments	78,133	547,332	547,332	547,332
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross		111,886	106,755	101,659
1603 Allowance for estimated uncollectible loans and interest (-)		-24,208	-24,208	-24,208
1604 Direct loans and interest receivable, net		87,678	82,547	77,451
1699 Value of assets related to direct loans		87,678	82,547	77,451
1701 Defaulted guaranteed loans, gross	7,791,961	6,821,744	4,527,106	1,514,883
1703 Allowance for estimated uncollectible loans and interest (-)	-4,618,410	-4,025,599	-2,671,504	-893,952
1704 Defaulted guaranteed loans and interest receivable, net	12,694,204	11,184,580	7,422,408	2,483,724
1706 Foreclosed property	307,357	287,607	258,156	190,227
1799 Value of assets related to loan guarantees	3,480,908	3,083,752	2,113,758	811,158
1901 Other Federal assets: Other assets	4	4	-15,412	-15,412
1999 Total assets	4,053,562	4,476,639	4,802,620	5,664,822

LIABILITIES:					
Federal liabilities:					
2101	Accounts payable	141,929	560,615	560,615	560,615
2102	Interest payable	25,048	7,115	7,115	7,115
2104	Resources payable to Treasury	67,639	62,238	62,238	62,238
Non-Federal liabilities:					
2201	Accounts payable	263,620	129,547	129,547	129,547
2202	Interest payable	44,338	18,235	28,772	28,772
2203	Debt	212,163	111,774	111,774	111,674
2206	Pension and other actuarial liabilities	12,351,200	10,701,700	10,701,700	10,701,700
2207	Unearned revenue and advances	398,348	418,322	418,322	418,322
2999	Total liabilities	13,504,285	12,009,546	12,020,083	12,019,983
NET POSITION:					
3100	Appropriated capital	7,286,557	7,286,557	7,286,557	7,286,557
3300	Cumulative results of operations	-24,208,736	-22,290,919	-21,975,476	-21,113,173
3600	Other	7,471,455	7,471,455	7,471,455	7,471,455
3999	Total net position	-9,450,724	-7,532,907	-7,217,464	-6,355,161
4999	Total liabilities and net position	4,053,561	4,476,639	4,802,619	5,664,822

¹ Preliminary results pending final audit.

Object Classification (in thousands of dollars)

Identification code 86-4072-0-3-371	1994 actual	1995 est.	1996 est.
25.2 Other services	61,014	44,357	173,357
32.0 Land and structures	409,249	321,173	221,426
33.0 Investments and loans	407,376	851,032	643,589
41.0 Grants, subsidies, and contributions	472	871	1,438
42.0 Insurance claims and indemnities	289,661	248,536	141,331
43.0 Interest and dividends	28,772	28,772	28,772
44.0 Indirect modification repayment to financing account		50,000	50,000
99.9 Total obligations	1,196,544	1,544,741	1,259,913

FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS LIQUIDATING ACCOUNT

(HOUSING RESOLUTION FUND)

(Legislative proposal, subject to PAYGO)

Program and Financing (in thousands of dollars)

Identification code 86-4072-4-3-371	1994 actual	1995 est.	1996 est.
Program by activities:			
00.01	Partial claim payments: restructuring		643,000
00.02	Rehabilitation, security, and other expenses		250,000
Operating expenses:			
00.03	Section 8 multifamily property disposition activities		763,200
00.04	Program reforms		-1,656,200
10.00	Total obligations		
Financing:			
39.00	Budget authority		
Relation of obligations to outlays:			
71.00	Total obligations		
90.00	Outlays		

This account summarizes the impact on the General and Special Risk Insurance Funds Liquidating Account of transactions associated with the proposed Housing Resolution Fund. This account includes partial claim payments associated with the multifamily debt restructuring proposal. These payments will allow Section 8 rents to be lowered to comparable market rents "marked-to-market" without jeopardizing the financial viability of affected projects. The account also includes expenditures for necessary repair, rehabilitation, crime and anti-drug costs. Also included are Sec. 8 Property Disposition costs associated with the rehabilitation and sale of acquired properties. Finally, the account reflects reductions

in costs which otherwise would be incurred by the GI/SRI Liquidating Account without the investment of these resources.

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND

Program and Financing (in thousands of dollars)

Identification code 86-4115-0-3-371	1994 actual	1995 est.	1996 est.	
Program by activities:				
Capital investment:				
00.01	Housing for the elderly or handicapped loans	646	20,101	
00.02	Maintenance security and collateral	1,179	3,500	3,500
00.91	Total capital investment	1,825	23,601	3,500
Operating expenses:				
01.01	Interest on borrowings	689,174	633,704	571,653
01.02	Other expenses	9	200	200
01.91	Total operating expenses	689,183	633,904	571,853
10.00	Total obligations	691,008	657,505	575,353
Financing:				
17.00	Recovery of prior year obligations	-3,355		
Unobligated balance available, start of year:				
21.47	Authority to borrow	-25,197	-20,104	
21.90	Fund balance	-8,154	-27,594	-140,794
Unobligated balance available, end of year:				
24.47	Authority to borrow	20,104		
24.90	Fund balance	27,594	140,794	315,725
32.47	Balance of authority to borrow withdrawn	513,042		
39.00	Budget authority (gross)	1,215,042	750,601	750,282
Budget authority:				
60.05	Appropriation (indefinite)	989,934	770,000	804,830
60.47	Portion applied to debt reduction	-475,000	-770,000	-804,830
63.00	Appropriation (total)	514,934		
68.00	Spending authority from offsetting collections	700,108	750,601	750,282
Relation of obligations to outlays:				
71.00	Total obligations	691,008	657,505	575,353
Obligated balance, start of year:				
72.47	Authority to borrow	12,845		
72.90	Unpaid obligations: Fund balance	423,283	448,768	319,714
Obligated balance, end of year:				
74.47	Authority to borrow			
74.90	Unpaid obligations: Fund balance	-448,768	-319,714	-258,674
78.00	Adjustments in unexpired accounts	-3,355		
87.00	Outlays (gross)	675,013	786,559	636,393
Adjustments to gross budget authority and outlays:				
88.40	Offsetting collections from: Non-Federal sources	-700,108	-750,601	-750,282
89.00	Budget authority (net)	514,934		
90.00	Outlays (net)	-25,095	35,958	-113,891

Status of Direct Loans (in thousands of dollars)

Identification code 86-4115-0-3-371	1994 actual	1995 est.	1996 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	8,497,196	8,461,582	8,604,876
1231	Disbursements: Direct loan disbursements	15,372	204,217	
1251	Repayments: Repayments and prepayments	-50,756	-60,923	-62,816
1264	Write-offs for default: Other adjustments, net	-230		
1290	Outstanding, end of year	8,461,582	8,604,876	8,542,060

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 provides direct loans to nonprofit organizations building and managing housing projects for lower income persons who are elderly or disabled.

Projects must include an assured range of necessary services for the occupants of such projects. In addition, the section 8 lower income housing assistance payments program has

Credit accounts—Continued

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND—Continued

been used in conjunction with the section 202 program. Applications under the two programs have been processed simultaneously.

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

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

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

SUMMARY OF ADMINISTRATIVE COMMITMENTS

(In thousands of dollars)

Program by activities:	1994 actual	1995 est.	1996 est.
Capital investment:			
Administrative commitments, start of year	25,157	20,101	
Recovery of prior year obligations	-4,410		
Administrative commitments, end of year	-20,101		
Subtotal, capital investment-loan obligations	646	20,101	
Other expenses (Fee inspection)	9		
Capital investment:			
Loan obligations	646	20,101	
Maintenance security and collateral	1,179	3,500	3,500
Total capital investment	1,825	23,601	3,500

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

Statement of Operations (in thousands of dollars)

Identification code 86-4115-0-3-371	1993 actual	1994 actual	1995 est.	1996 est.
0101 Revenue	712,680	708,962	704,798	687,467
0102 Expense	-729,285	-690,219	-745,716	-575,353
0109 Net income or loss (-)	-16,605	18,743	-40,918	112,114

Balance Sheet (in thousands of dollars)

Identification code 86-4115-0-3-371	1993 actual	1994 actual	1995 est.	1996 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	431,436	496,566	460,508	574,399
Investments in US securities:				
1106 Receivables, net	5	-817		
1206 Non-Federal assets: Receivables, net	88,867	242,123		
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	8,497,196	8,461,582	8,604,876	8,542,060
1603 Allowance for estimated uncollectible loans and interest (-)	-21,248	-21,151	-21,512	-21,355
1699 Value of assets related to direct loans	8,475,948	8,440,431	8,583,364	8,520,705
1999 Total assets	8,996,256	9,178,303	9,043,872	9,095,104

LIABILITIES:

Federal liabilities:					
2102	Interest payable	326,524	334,711	307,771	277,635
2104	Resources payable to Treasury	896	174,711	174,711	174,711
Non-Federal liabilities:					
2201	Accounts payable	31			
2207	Other	8,958,974	8,484,149	7,713,830	6,909,000
2999	Total liabilities	9,286,425	8,993,571	8,196,312	7,361,346
NET POSITION:					
3100	Appropriated capital	-76,652	455,693	455,693	455,693
3300	Cumulative results of operations	-212,976	-270,936	391,865	1,278,064
3999	Total net position	-289,628	184,757	847,558	1,733,757
4999	Total liabilities and net position	8,996,797	9,178,328	9,043,870	9,095,103

Object Classification (in thousands of dollars)

Identification code 86-4115-0-3-371	1994 actual	1995 est.	1996 est.
22.0 Transportation of things	9	200	200
32.0 Land and structures	1,179	3,500	3,500
33.0 Investments and loans	646	20,101	
43.0 Interest and dividends	689,174	633,704	571,653
99.9 Total obligations	691,008	657,505	575,353

NONPROFIT SPONSOR ASSISTANCE

Program and Financing (in thousands of dollars)

Identification code 86-4042-0-3-604	1994 actual	1995 est.	1996 est.
Financing:			
17.00 Recovery of prior year obligations	19		
21.90 Unobligated balance available, start of year: Fund balance	-3,588	-3,691	-4,091
24.90 Unobligated balance available, end of year: Fund balance	3,691	4,091	4,491
68.00 Budget authority (gross): Spending authority from offsetting collections	122	400	400
Relation of obligations to outlays:			
71.00 Total obligations			
72.90 Obligated balance, start of year: Unpaid obligations: Fund balance	2,768	2,787	2,787
74.90 Obligated balance, end of year: Unpaid obligations: Fund balance	-2,787	-2,787	-2,787
78.00 Adjustments in unexpired accounts	19		
87.00 Outlays (gross)			
Adjustments to gross budget authority and outlays:			
88.40 Offsetting collections from: Non-Federal sources	-122	-400	-400
89.00 Budget authority (net)			
90.00 Outlays (net)	-122	-400	-400

Status of Direct Loans (in thousands of dollars)

Identification code 86-4042-0-3-604	1994 actual	1995 est.	1996 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1,538	1,416	1,016
1231 Disbursements: Direct loan disbursements			
1251 Repayments: Repayments and prepayments	-122	-400	-400
1290 Outstanding, end of year	1,416	1,016	616

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

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

or disabled program. The Department will add a statement of operations schedule in the Fiscal Year 1997 budget.

Balance Sheet (in thousands of dollars)

Identification code 86-4042-0-3-604	1993 actual	1994 actual	1995 est.	1996 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	6,356	6,859	7,259	7,659
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	1,538	1,416	1,016	616
1603 Allowance for estimated uncollectible loans and interest (-)	-607	-1,416	-1,016	-616
1699 Value of assets related to direct loans	931			
1999 Total assets	7,287	6,859	7,259	7,659
NET POSITION:				
3100 Appropriated capital				
3300 Cumulative results of operations	7,112	6,859	7,259	7,659
3999 Total net position	7,112	6,859	7,259	7,659
4999 Total liabilities and net position	7,112	6,859	7,259	7,659

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

Federal Funds

Public enterprise funds:

LOANS TO FEDERAL NATIONAL MORTGAGE ASSOCIATION

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

MANAGEMENT AND LIQUIDATING FUNCTIONS FUND

Program and Financing (in thousands of dollars)

Identification code 86-4016-0-3-371	1994 actual	1995 est.	1996 est.
Program by activities:			
00.03 Administrative expense	5	5	3
10.00 Total obligations (object class 25.2)	5	5	3
Financing:			
Unobligated balance available, start of year:			
21.90 Treasury balance	-409	-245	-116
21.91 U.S. Securities: Par value	-28,436	-16,036	-15,042
Unobligated balance available, end of year:			
24.90 Treasury balance	245	116	101
24.91 U.S. Securities: Par value	16,036	15,042	12,709
27.00 Capital transfer to general fund	13,600	1,973	2,969
68.00 Budget authority (gross): Spending authority from offsetting collections	1,041	855	624
Relation of obligations to outlays:			
71.00 Total obligations	5	5	3
72.10 Obligated balance, start of year: Receivables from other government accounts, start of year	-309	-199	-113
74.10 Obligated balance, end of year: Receivables from other government accounts, end of year	199	113	98
87.00 Outlays (gross)	-105	-81	-12

Adjustments to gross budget authority and outlays:			
88.00 Offsetting collections from: Federal sources	-1,041	-855	-624
89.00 Budget authority (net)			
90.00 Outlays (net)	-1,146	-936	-636

Budget program.—The remaining \$15 million portfolio in the Management and Liquidating Functions Fund consists primarily of FHA debentures acquired when GNMA-held FHA insured mortgages defaulted. Debenture interest income is transferred to the Treasury.

Operating results.—Net income of \$850 thousand and \$621 thousand is expected in 1995 and 1996 respectively.

Statement of Operations (in thousands of dollars)

Identification code 86-4016-0-3-371	1993 actual	1994 actual	1995 est.	1996 est.
0101 Revenue	3,564	1,041	855	624
0102 Expense	-116	-5	-5	-3
0109 Net income or loss (-)	3,448	1,036	850	621

Balance Sheet (in thousands of dollars)

Identification code 86-4016-0-3-371	1993 actual	1994 actual	1995 est.	1996 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	116	46	3	3
Investments in US securities:				
1102 Treasury securities, par ..	8,500		50	50
1104 Agency securities, par	19,936	16,036	14,992	12,659
1106 Receivables, net	337	227	140	125
1999 Total assets	28,889	16,309	15,185	12,837
LIABILITIES:				
2201 Non-Federal liabilities: Accounts payable	28	28	27	27
2999 Total liabilities	28	28	27	27
NET POSITION:				
3300 Cumulative results of operations	28,845	16,281	15,158	12,810
3999 Total net position	28,845	16,281	15,158	12,810
4999 Total liabilities and net position	28,873	16,309	15,185	12,837

Credit accounts:

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

(INCLUDES TRANSFER OF FUNDS)

During fiscal year [1995] 1996, 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 [\$142,000,000,000] \$110,000,000,000.

For administrative expenses necessary to carry out the guaranteed mortgage-backed securities program, [\$8,824,000] \$9,101,000, to be derived from the GNMA—guarantees of mortgage-backed securities guaranteed loan receipt account, of which not to exceed [\$8,824,000] \$9,101,000 shall be transferred to the appropriation for salaries and expenses. (Departments of Veterans Affairs, and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

Identification code 86-0186-0-1-371	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 25.2)	8,038	8,824	9,101
Financing:			
40.25 Budget authority (appropriation) (special fund, indefinite)	8,038	8,824	9,101

Credit accounts—Continued

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

(INCLUDES TRANSFER OF FUNDS)—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code 86-0186-0-1-371	1994 actual	1995 est.	1996 est.
Relation of obligations to outlays:			
71.00 Total obligations	8,038	8,824	9,101
90.00 Outlays	8,038	8,824	9,101

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

Identification code 86-0186-0-1-371	1994 actual	1995 est.	1996 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Loan guarantee levels	185,000,000	142,000,000	110,000,000
2159 Total guarantee loan levels	185,000,000	142,000,000	110,000,000
Guaranteed loan subsidy budget authority:			
2339 Total subsidy budget authority	-8,038	-8,824	-9,101
Guaranteed loan subsidy outlays:			
2349 Total subsidy outlays	-8,038	-8,824	-9,101

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

GUARANTEES OF MORTGAGE-BACKED SECURITIES FINANCING ACCOUNT

Program and Financing (in thousands of dollars)

Identification code 86-4240-0-3-371	1994 actual	1995 est.	1996 est.
Program by activities:			
00.01 Payment to receipt account for administration	8,038	8,824	9,101
10.00 Total obligations (object class 25.2)	8,038	8,824	9,101
Financing:			
21.90 Unobligated balance available, start of year: Fund balance	-44,688	-77,979	-110,427
24.90 Unobligated balance available, end of year: Fund balance	77,979	110,427	136,311
68.00 Financing authority (gross): Spending authority from offsetting collections	41,329	41,272	34,985
Relation of obligations to financing disbursements:			
71.00 Total obligations	8,038	8,824	9,101
72.10 Obligated balance, start of year: Receivables from other government accounts, start of year	-2,214	-4,335	-4,432
74.10 Obligated balance, end of year: Receivables from other government accounts, end of year	4,335	4,432	3,898
87.00 Financing disbursements (gross)	10,159	8,921	8,567
Adjustments to financing authority and financing disbursements:			
Offsetting collections from:			
88.25 Interest on uninvested funds	-4,327	-2,624	-2,225
88.40 Non-Federal sources: Commitment and other fees	-37,002	-38,648	-32,760
88.90 Total, offsetting collections	-41,329	-41,272	-34,985
89.00 Financing authority (net)			
90.00 Financing disbursements (net)	-31,170	-32,351	-26,417

Status of Guaranteed Loans (in thousands of dollars)

Identification code 86-4240-0-3-371	1994 actual	1995 est.	1996 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	185,000,000	142,000,000	110,000,000
2150 Total guaranteed loan commitments	185,000,000	142,000,000	110,000,000

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

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

Operating results.—Fee collections, interest, and other income are expected to exceed expenses by \$32 million and \$26 million in 1995 and 1996 respectively. These amounts will be retained to cover future year expenses and as a reserve against losses that may be incurred on guarantees.

Balance Sheet (in thousands of dollars)

Identification code 86-4240-0-3-371	1993 actual	1994 actual	1995 est.	1996 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	42,474	73,644	79,536	85,898
1206 Non-Federal assets: Receivables, net	2,214	4,335	4,432	3,898
1999 Total assets	44,688	77,979	83,968	89,796
NET POSITION:				
3300 Cumulative results of operations	44,688	77,979	83,968	89,796
3999 Total net position	44,688	77,979	83,968	89,796

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

GUARANTEES OF MORTGAGE-BACKED SECURITIES LIQUIDATING ACCOUNT

Program and Financing (in thousands of dollars)

Identification code 86-4238-0-3-371	1994 actual	1995 est.	1996 est.
Program by activities:			
Operating expenses:			
00.02 Functional services	16,455	17,278	18,142
00.03 Default expenses	-2,055	7,917	7,838
00.04 Servicing expenses	13,396	15,864	15,718
00.05 Other expenses	16,500	20,997	22,047
00.06 REMIC expenses	1,678	1,600	1,500
00.91 Total operating expenses	45,974	63,656	65,245
Capital investment:			
01.01 Advances of guaranty payments	595,621	646,643	687,437
01.02 Real estate owned properties	32,276	31,953	31,634
01.03 Mortgages	476	76	75
01.91 Total capital investment	628,373	678,672	719,146
10.00 Total obligations	674,347	742,328	784,391
Financing:			
Unobligated balance available, start of year:			
21.90 Treasury balance	-52,164	-91,298	-94,200
U.S. Securities:			
Par value:			
21.91 Par value	-3,222,128	-3,714,425	-4,144,935
21.91 Par value (REMICs)			-47,400

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

21.92	Unrealized discounts	7,864	9,892	.....
24.90	Unobligated balance available, end of year:			
	Treasury balance	91,298	94,200	101,944
	U.S. Securities:			
	Par value:			
24.91	Par value	3,714,425	4,144,935	4,611,854
24.91	Par value (REMICs) .....	.....	47,400	47,400
24.92	Unrealized discounts	-9,892	.....	.....
39.00	Budget authority (gross)	1,203,750	1,233,032	1,259,054
	Budget authority:			
	Spending authority from offsetting collections:			
68.00	Spending authority from offsetting collections	1,198,698	1,184,032	1,170,954
68.00	Spending authority from offsetting collections (REMICs)	5,052	49,000	88,100
68.90	Spending authority from offsetting collections (total)	1,203,750	1,233,032	1,259,054
	Relation of obligations to outlays:			
71.00	Total obligations	674,347	742,328	784,391
72.10	Obligated balance, start of year: Receivables from other government accounts, start of year	-47,690	-65,227	-64,177
74.10	Obligated balance, end of year: Receivables from other government accounts, end of year	65,227	64,177	70,024
87.00	Outlays (gross)	691,884	741,278	790,238
	Adjustments to gross budget authority and outlays:			
	Offsetting collections from:			
88.20	Interest on U.S. securities	-164,510	-229,846	-287,432
	Non-Federal sources:			
88.40	Guarantee fees	-275,138	-294,794	-304,756
88.40	Repayments of guaranteed payments	-682,915	-568,332	-508,300
88.40	Commitment and other fees	-15,928	-78,986	-99,195
88.40	Servicing income	-8,418	-8,450	-8,366
88.40	Receipts from sale of REO properties and mobile home units	-18,975	-15,139	-13,894
88.40	Interest income mortgages	-1,595	-1,579	-1,563
88.40	Repayments on mortgages	-28,382	-28,098	-27,817
88.40	Sale of servicing rights	-7,889	-7,808	-7,731
88.90	Total, offsetting collections	-1,203,750	-1,233,032	-1,259,054
89.00	Budget authority (net) .....	.....	.....	.....
90.00	Outlays (net)	-511,866	-491,754	-468,816

Status of Direct Loans (in thousands of dollars)

Identification code 86-4238-0-3-371	1994 actual	1995 est.	1996 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	477,468	348,985	356,824
1232 Disbursements: Purchase of loans assets from the public	596,097	646,719	687,513
1252 Repayments: Proceeds from loan asset sales to the public or discounted	-724,580	-638,880	-559,333
1290 Outstanding, end of year	348,985	356,824	485,004

Status of Guaranteed Loans (in thousands of dollars)

Identification code 86-4238-0-3-371	1994 actual	1995 est.	1996 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	415,290,516	444,990,195	473,497,686
2231 Disbursements of new guaranteed loans	140,411,220	94,439,889	81,575,322
2251 Repayments and prepayments	-110,711,541	-65,932,398	-69,871,478
2290 Outstanding, end of year	444,990,195	473,497,686	485,201,530
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year ¹	444,990,195	473,497,686	485,201,530

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

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

new loans. New FHA and VA loans are currently pooled into GNMA securities.

Budget Program.—Program activity is summarized below:

Mortgage-backed Securities

(In thousands of dollars)

	1994 actual	1995 est.	1996 est.
Commitment Limitation	185,000,000	142,000,000	110,000,000
Commitments Issued	151,585,286	142,000,000	110,000,000
Guarantees Issued	140,411,220	94,439,889	81,575,322
Securities Outstanding	444,990,195	473,497,686	485,201,530

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

Operating results.—Fee collections, interest, and other income are expected to exceed expenses by \$539 million and \$644 million in 1995 and 1996, respectively. These amounts will be retained to cover future year expenses and as a reserve against losses that may be incurred on guarantees.

Statement of Operations (in thousands of dollars)

Identification code 86-4238-0-3-371	1993 actual	1994 actual	1995 est.	1996 est.
Revenue:				
0101 Revenue	399,024	437,470	553,464	620,944
0101 Revenue (REMICs) .....	.....	5,052	49,000	88,100
Expense:				
0102 Expense	70,071	17,682	-62,058	-63,746
0102 Expense (REMICs) .....	.....	-1,678	-1,600	-1,500
Net income or loss (-):				
0109 Net income or loss (-)	469,095	455,152	491,406	557,198
0109 Net income or loss (-) (REMICs) .....	.....	3,374	47,400	86,600
0199 Total income or loss	469,095	458,526	538,806	643,798

Balance Sheet (in thousands of dollars)

Identification code 86-4238-0-3-371	1993 actual	1994 actual	1995 est.	1996 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	4,474	26,071	28,157	30,409
Investments in US securities:				
1102 Treasury securities, par: Treasury securities, par	3,221,228	3,713,323	4,143,833	4,533,719
1102 Treasury securities, par (REMICs) .....	.....	.....	47,400	134,000
1103 Treasury securities, unamortized discount (-)	43,076	33,259	.....	.....
1104 Agency securities, par	900	1,102	1,102	1,102
1106 Receivables, net	37,601	44,551	54,958	66,469
1206 Non-Federal assets: Receivables, net	15,430	25,843	27,557	28,386
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	477,468	348,985	356,824	485,004
1603 Allowance for estimated uncollectible loans and interest (-)	-193,084	-172,062	-267,034	-507,438
1699 Value of assets related to direct loans	284,384	176,923	89,790	-22,434
1801 Other Federal assets: Cash and other monetary assets	6,913	7,145	12,693	19,743
Total assets:				
1999 Total assets	3,614,006	4,028,217	4,358,090	4,657,394
1999 Total assets (REMICs) .....	.....	.....	47,400	134,000
LIABILITIES:				
Non-Federal liabilities:				
2201 Accounts payable	66,455	44,833	20,467	25,402
2207 Other	588,000	540,801	563,700	563,700

Credit accounts—Continued

GUARANTEES OF MORTGAGE-BACKED SECURITIES LIQUIDATING ACCOUNT—Continued

Balance Sheet (in thousands of dollars)—Continued

Identification code	86-4238-0-3-371	1993 actual	1994 actual	1995 est.	1996 est.
2999	Total liabilities	654,455	585,634	584,167	589,102
NET POSITION:					
3300	Cumulative results of operations	2,541,331	3,442,583	4,129,922	4,510,892
3999	Total net position	2,541,331	3,442,583	4,129,922	4,510,892
4999	Total liabilities and net position	3,195,786	4,028,217	4,714,089	5,099,994

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

Object Classification (in thousands of dollars)

Identification code	86-4238-0-3-371	1994 actual	1995 est.	1996 est.
25.2	Other services	45,974	70,056	65,245
33.0	Investments and loans	628,373	672,272	719,146
99.9	Total obligations	674,347	742,328	784,391

POLICY DEVELOPMENT AND RESEARCH

Federal Funds

General and special funds:

RESEARCH AND TECHNOLOGY

For contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970, as amended (12 U.S.C. 1701z-1 et seq.), including carrying out the functions of the Secretary under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, \$42,000,000, to remain available until September 30, [1996] 1997. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

Identification code	86-0108-0-1-451	1994 actual	1995 est.	1996 est.
Program by activities:				
00.01	Direct program	39,234	42,127	42,100
01.01	Reimbursable program			
10.00	Total obligations	39,234	42,127	42,100
Financing:				
17.00	Recovery of prior year obligations		-100	-100
21.40	Unobligated balance available, start of year: Treasury balance	-3,105	-308	
24.40	Unobligated balance available, end of year: Treasury balance	308		
25.00	Unobligated balance expiring	63		
39.00	Budget authority	36,500	41,719	42,000
Budget authority:				
40.00	Appropriation	35,000	42,000	42,000
40.75	Procurement reduction pursuant to P.L. 103-327		-281	
42.00	Transferred from other accounts	1,500		
43.00	Appropriation (total)	36,500	41,719	42,000
Relation of obligations to outlays:				
71.00	Total obligations	39,234	42,127	42,100
72.40	Obligated balance, start of year: Unpaid obligations: Treasury balance	13,821	24,609	30,236
74.40	Obligated balance, end of year: Unpaid obligations: Treasury balance	-24,609	-30,236	-31,936
77.00	Adjustments in expired accounts	-307		
78.00	Adjustments in unexpired accounts		-100	-100
90.00	Outlays	28,139	36,400	40,300

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 1996, the research program will focus on activities to support the reinvention of HUD, including examination of issues such as transformation of public housing and design of standards for performance-based funds. National housing surveys and research to reduce the cost of housing will continue in 1996.

Object Classification (in thousands of dollars)

Identification code	86-0108-0-1-451	1994 actual	1995 est.	1996 est.
25.2	Other services	33,281	36,127	34,100
41.0	Grants, subsidies, and contributions	5,953	6,000	8,000
99.0	Subtotal, direct obligations	39,234	42,127	42,100
99.9	Total obligations	39,234	42,127	42,100

FAIR HOUSING AND EQUAL OPPORTUNITY

Federal Funds

General and special funds:

FAIR HOUSING ACTIVITIES

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and section 561 of the Housing and Community Development Act of 1987, as amended, [\$33,375,000] \$45,000,000, to remain available until September 30, [1996] 1997: Provided, That [\$26,000,000] \$30,000,000 shall be available to carry out activities pursuant to section 561 of the Housing and Community Development Act of 1987. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

Identification code	86-0144-0-1-751	1994 actual	1995 est.	1996 est.
Program by activities:				
00.01	Fair housing assistance	6,979	8,522	15,000
00.02	Fair housing initiatives	27,886	29,204	30,000
10.00	Total obligations (object class 41.0)	34,865	37,726	45,000
Financing:				
17.00	Recovery of prior year obligations	-1		
21.40	Unobligated balance available, start of year: Treasury balance	-14,216	-4,351	
24.40	Unobligated balance available, end of year: Treasury balance	4,351		
25.00	Unobligated balance expiring	1		
40.00	Budget authority (appropriation)	25,000	33,375	45,000
Relation of obligations to outlays:				
71.00	Total obligations	34,865	37,726	45,000
72.40	Obligated balance, start of year: Unpaid obligations: Treasury balance	12,453	37,265	46,444
74.40	Obligated balance, end of year: Unpaid obligations: Treasury balance	-37,265	-46,444	-69,958
77.00	Adjustments in expired accounts	489		
78.00	Adjustments in unexpired accounts	-1		
90.00	Outlays	10,541	28,547	21,486

The Budget proposes an appropriation of \$45 million in 1996 for Fair Housing Activities to aid in eliminating housing discrimination. Of the amount requested, \$15 million is for the Fair Housing Assistance program and \$30 million is for the Fair Housing Initiatives program.

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

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

MANAGEMENT AND ADMINISTRATION

Federal Funds

General and special funds:

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary administrative and nonadministrative expenses of the Department of Housing and Urban Development, not otherwise provided for, including not to exceed \$7,000 for official reception and representation expenses, **[\$955,398,000]**, *\$1,017,262,000*, of which **[\$495,355,000]** *\$527,782,000* shall be provided from the various funds of the Federal Housing Administration, **[and \$8,824,000]** *\$9,101,000* shall be provided from funds of the Government National Mortgage Association, and *\$900,000* shall be provided from the Community Opportunity Performance Funds Program account. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

Identification code 86-0143-0-1-999	1994 actual	1995 est.	1996 est.
Program by activities:			
Direct program:			
00.01 Housing, mortgage credit, regulatory and energy conservation	139,601	141,201	150,562
00.02 Community planning and development programs	70,887	68,377	71,990
00.03 Equal opportunity and research programs	65,487	69,404	73,985
00.04 Departmental management, legal and audit services	141,476	106,976	114,036
00.05 Field direction and administration	44,381	64,640	68,906
00.91 Total direct program	461,832	450,598	479,479
01.01 Reimbursable program	444,872	504,179	537,783
10.00 Total obligations	906,704	954,777	1,017,262
Financing:			
25.00 Unobligated balance expiring	2,221		
39.00 Budget authority (gross)	908,925	954,777	1,017,262
Budget authority:			
Current:			
40.00 Appropriation	464,053	451,219	479,479
40.75 Procurement reduction pursuant to P.L. 103-327		-621	
43.00 Appropriation (total)	464,053	450,598	479,479
Permanent:			
68.00 Spending authority from offsetting collections	444,872	504,179	537,783
Relation of obligations to outlays:			
71.00 Total obligations	906,704	954,777	1,017,262
Obligated balance, start of year:			
72.10 Receivables from other government accounts			
72.40 Unpaid obligations: Treasury balance	84,771	84,071	103,638
73.00 Obligated balance transferred, net	11		
Obligated balance, end of year:			
74.10 Receivables from other government accounts			
74.40 Unpaid obligations: Treasury balance	-84,071	-103,638	-110,992
77.00 Adjustments in expired accounts	7,298		
87.00 Outlays (gross)	914,713	935,210	1,009,908
Adjustments to gross budget authority and outlays:			
88.00 Offsetting collections from: Federal sources	-444,872	-504,179	-537,783

89.00 Budget authority (net)	464,053	450,598	479,479
90.00 Outlays (net)	469,842	431,031	472,125

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

Object Classification (in thousands of dollars)

Identification code 86-0143-0-1-999	1994 actual	1995 est.	1996 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	271,076	259,554	274,901
11.3 Other than full-time permanent	4,877	4,670	4,946
11.5 Other personnel compensation	3,804	3,642	3,858
11.9 Total personnel compensation	279,757	267,866	283,705
12.1 Civilian personnel benefits	55,261	52,912	56,041
13.0 Benefits for former personnel	731	699	741
21.0 Travel and transportation of persons	6,062	7,843	7,493
22.0 Transportation of things	197	761	836
23.1 Rental payments to GSA	38,411	33,001	39,186
23.3 Communications, utilities, and miscellaneous charges	12,398	11,605	12,648
24.0 Printing and reproduction	2,749	2,881	3,165
25.1 Advisory and assistance services	3,117	3,506	3,759
25.2 Other services	58,291	64,934	66,864
26.0 Supplies and materials	2,710	2,549	2,799
31.0 Equipment	1,558	1,834	2,014
42.0 Insurance claims and indemnities	590	207	228
99.0 Subtotal, direct obligations	461,832	450,598	479,479
99.0 Reimbursable obligations	444,872	504,179	537,783
99.9 Total obligations	906,704	954,777	1,017,262

Personnel Summary

Identification code 86-0143-0-1-999	1994 actual	1995 est.	1996 est.
Direct:			
Total compensable workyears:			
1001 Full-time equivalent employment	6,122	5,626	5,620
1005 Full-time equivalent of overtime and holiday hours	58	30	30
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	6,051	6,292	6,089

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, **[\$47,388,000]** *\$48,251,000*, of which **[\$10,961,000]** *\$11,283,000* shall be transferred from the various funds of the Federal Housing Administration. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

Identification code 86-0189-0-1-451	1994 actual	1995 est.	1996 est.
Program by activities:			
00.01 Direct program	35,728	36,395	36,968
01.01 Reimbursable program	10,946	10,961	11,283
10.00 Total obligations	46,674	47,356	48,251
Financing:			
25.00 Unobligated balance expiring	387		
39.00 Budget authority (gross)	47,061	47,356	48,251
Budget authority:			
Current:			
40.00 Appropriation	36,115	36,427	36,968

General and special funds—Continued

OFFICE OF INSPECTOR GENERAL—Continued
(INCLUDING TRANSFER OF FUNDS)—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code 86-0189-0-1-451	1994 actual	1995 est.	1996 est.
40.75 Procurement reduction pursuant to P.L. 103-327		-32	
43.00 Appropriation (total)	36,115	36,395	36,968
68.00 Permanent: Spending authority from offsetting collections	10,946	10,961	11,283
Relation of obligations to outlays:			
71.00 Total obligations	46,674	47,356	48,251
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance	6,968	10,885	12,288
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance	-10,885	-12,288	-12,288
77.00 Adjustments in expired accounts	-227		
87.00 Outlays (gross)	42,530	45,953	48,251
Adjustments to gross budget authority and outlays:			
88.00 Offsetting collections from: Federal sources	-10,946	-10,961	-11,283
89.00 Budget authority (net)	36,115	36,395	36,968
90.00 Outlays (net)	31,584	34,992	36,968

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

Object Classification (in thousands of dollars)

Identification code 86-0189-0-1-451	1994 actual	1995 est.	1996 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	20,008	20,409	19,952
11.3 Other than full-time permanent	36	36	35
11.5 Other personnel compensation	537	548	536
11.9 Total personnel compensation	20,581	20,993	20,523
12.1 Civilian personnel benefits	4,148	4,231	4,137
13.0 Benefits for former personnel	357	364	356
21.0 Travel and transportation of persons	2,532	2,608	2,686
22.0 Transportation of things	11	11	11
23.1 Rental payments to GSA	3,009	3,100	3,194
23.3 Communications, utilities, and miscellaneous charges	38	38	38
24.0 Printing and reproduction	23	24	25
25.2 Other services	4,289	4,257	5,206
26.0 Supplies and materials	151	162	167
31.0 Equipment	589	607	625
99.0 Subtotal, direct obligations	35,728	36,395	36,968
99.0 Reimbursable obligations	10,946	10,961	11,283
99.9 Total obligations	46,674	47,356	48,251

Personnel Summary

Identification code 86-0189-0-1-451	1994 actual	1995 est.	1996 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment	396	408	387

2001 Reimbursable:			
Total compensable workyears: Full-time equivalent employment	118	122	115

NEW COMMUNITY ASSISTANCE GRANTS

Program and Financing (in thousands of dollars)

Identification code 86-0149-0-1-451	1994 actual	1995 est.	1996 est.
Financing:			
21.40 Unobligated balance available, start of year: Treasury balance	-23		
24.40 Unobligated balance available, end of year: Treasury balance			
25.00 Unobligated balance expiring	23		
39.00 Budget authority			
Relation of obligations to outlays:			
71.00 Total obligations			
90.00 Outlays			

New community assistance grants were authorized by the Housing and Urban Development Act of 1970, as amended. *Budget program.*—Grants were distributed to new community developers under section 718 to supplement public facility projects in existing new communities. Public Law 96-7, dated April 9, 1979, rescinded all budget authority not administratively committed.

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For carrying out the Federal Housing Enterprise Financial Safety and Soundness Act of 1992, **[\$15,451,000]** \$14,895,000, to remain available until expended, from the Federal Housing Enterprise Oversight Fund: *Provided*, That such amounts shall be collected by the Director as authorized by section 1316 (a) and (b) of such Act, and deposited in the Fund under section 1316(f). (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

Program and Financing (in thousands of dollars)

Identification code 86-5272-0-2-371	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations	6,486	15,451	14,895
Financing:			
17.00 Recovery of prior year obligations		1,303	
21.40 Unobligated balance available, start of year: Treasury balance	-874	-5,088	-3,785
24.40 Unobligated balance available, end of year: Treasury balance	5,088	3,785	3,785
40.20 Budget authority (appropriation) (special fund, definite)	10,700	15,451	14,895
Relation of obligations to outlays:			
71.00 Total obligations	6,486	15,451	14,895
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance	1,961	3,611	4,914
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance	-3,611	-4,914	-4,914
78.00 Adjustments in unexpired accounts		1,303	
90.00 Outlays	4,836	15,451	14,895

This appropriation funds the Office of Federal Housing Enterprise Oversight (OFHEO), which was established in 1992 to regulate the financial safety and soundness of the two housing Government Sponsored Enterprises (GSEs)—the Federal National Mortgage Association and the Federal Home

Loan Mortgage Corporation. The Office was authorized in the Federal Housing Enterprise Safety and Soundness Act of 1992, which also instituted a three-part capital standard for the GSEs, and gave the regulator enhanced authority to enforce those standards. The Department of Housing and Urban Development itself will monitor the GSEs' compliance with affordable housing goals that were also contained in the Act.

Object Classification (in thousands of dollars)

Identification code 86-5272-0-2-371	1994 actual	1995 est.	1996 est.
Personnel compensation:			
11.1 Full-time permanent	816	2,113	2,300
11.3 Other than full-time permanent	1,342	3,475	3,782
11.5 Other personnel compensation	58	150	163
11.9 Total personnel compensation	2,216	5,738	6,245
12.1 Civilian personnel benefits	474	1,561	1,699
21.0 Travel and transportation of persons	76	232	375
22.0 Transportation of things	20	100	105
23.1 Rental payments to GSA	623	799	1,095
23.3 Communications, utilities, and miscellaneous charges	267	343	469
24.0 Printing and reproduction	6	157	104
25.2 Other services	2,473	5,480	4,422
26.0 Supplies and materials	112	158	245
31.0 Equipment	219	883	136
99.9 Total obligations	6,486	15,451	14,895

Personnel Summary

Identification code 86-5272-0-2-371	1994 actual	1995 est.	1996 est.
1001 Total compensable workyears: Full-time equivalent employment	25	65	69

Intragovernmental funds:

WORKING CAPITAL FUND

Program and Financing (in thousands of dollars)

Identification code 86-4586-0-4-451	1994 actual	1995 est.	1996 est.
Program by activities:			
00.03 Operating expenses: Data processing services	136,735	139,902	150,630
01.01 Capital investment: Data processing services	1,800	1,800	1,800
10.00 Total obligations	138,535	141,702	152,430
Financing:			
17.00 Recovery of prior year obligations	-8,399		
21.90 Unobligated balance available, start of year: Fund balance	-7,011	-35,949	-35,949
24.90 Unobligated balance available, end of year: Fund balance	35,949	35,949	35,949
68.00 Budget authority (gross): Spending authority from offsetting collections	159,074	141,702	152,430
Relation of obligations to outlays:			
71.00 Total obligations	138,535	141,702	152,430
Obligated balance, start of year:			
72.10 Receivables from other government accounts		-10,050	-10,050
72.90 Unpaid obligations: Fund balance	7,824		
Obligated balance, end of year:			
74.10 Receivables from other government accounts	10,050	10,050	10,050
74.90 Unpaid obligations: Fund balance			
78.00 Adjustments in unexpired accounts	-8,399		
87.00 Outlays (gross)	148,010	141,702	152,430
Adjustments to gross budget authority and outlays:			
88.00 Offsetting collections from: Federal sources	-159,074	-141,702	-152,430
89.00 Budget authority (net)			
90.00 Outlays (net)	-11,064		

The Working Capital Fund, authorized by the Department of Housing and Urban Development Act of 1965, finances information technology and office automation initiatives which

can be performed more efficiently on a centralized basis. The fund is financed from fees charged for services performed.

Object Classification (in thousands of dollars)

Identification code 86-4586-0-4-451	1994 actual	1995 est.	1996 est.
Personnel compensation:			
11.1 Full-time permanent	16,614	17,510	16,476
11.3 Other than full-time permanent	641	676	636
11.5 Other personnel compensation	144	151	142
11.9 Total personnel compensation	17,399	18,337	17,254
12.1 Civilian personnel benefits	3,552	4,704	4,426
21.0 Travel and transportation of persons	411	332	310
22.0 Transportation of things	32	17	15
23.3 Communications, utilities, and miscellaneous charges	24,724	23,533	21,990
24.0 Printing and reproduction	116	116	108
25.2 Other services	83,317	78,749	93,461
26.0 Supplies and materials	3,396	3,150	2,942
31.0 Equipment	5,588	12,764	11,924
99.9 Total obligations	138,535	141,702	152,430

Personnel Summary

Identification code 86-4586-0-4-451	1994 actual	1995 est.	1996 est.
5001 Total compensable workyears: Full-time equivalent employment	359	370	350

Trust Funds

GIFTS AND BEQUESTS

Program and Financing (in thousands of dollars)

Identification code 86-8093-0-7-451	1994 actual	1995 est.	1996 est.
Financing:			
21.90 Unobligated balance available, start of year: Fund balance	-4	-4	-4
24.90 Unobligated balance available, end of year: Fund balance	4	4	4
Relation of obligations to outlays:			
71.00 Total obligations			
90.00 Outlays			

This fund is the repository of gifts and bequests that the Secretary of Housing and Urban Development is authorized to accept and use for the purposes of aiding the work of the Department. Section 7(k)(1) of the Department of Housing and Urban Development Act, 42 U.S.C. 3535(k)(1), authorizes the installment of a fund amount for the above purpose.

ADMINISTRATIVE PROVISIONS

All remaining obligated and unobligated balances in the Renewal of Expiring Section 8 Contracts account on September 30, 1995 shall immediately thereafter be transferred to and merged with the obligated and unobligated balances, respectively, of the Annual Contributions for Assisted Housing account.

[None of the funds provided under this title to the Department of Housing and Urban Development, which are obligated to State or local governments or to housing finance agencies or other public or quasi-public housing agencies, shall be used to indemnify contractors or subcontractors of the government or agency against costs associated with judgments of infringement of intellectual property rights.]

[Of the budgetary resources available to the Department of Housing and Urban Development during fiscal year 1995, \$3,538,000 are permanently canceled. The Secretary of Housing and Urban Development shall allocate the amount of budgetary resources canceled among the Department's accounts available for procurement and procurement-related expenses. Amounts available for procurement and procurement-related expenses in each such account shall be reduced by the amount allocated to such account. For the purpose of this

Intragovernmental funds—Continued

ADMINISTRATIVE PROVISIONS—Continued

paragraph, the definition of “procurement” includes all stages of the process of acquiring property or services, beginning with the process of determining a need for a product or service and ending with contract completion and closeout as specified in 41 U.S.C. 403(2).]

[Of the \$150,000,000 earmarked in Public Law 102–139 for special purpose grants (105 Stat. 736, 745), \$1,000,000 made available to the Pennsylvania Housing Finance Agency to complete renovation and revitalization of the Saquoit Silk Mills in Scranton into low-income elderly apartments shall instead be made available for such low-income elderly apartments on the site of the existing Lackawanna Junior College in Lackawanna County, Pennsylvania.]

[Notwithstanding any provision of law or regulation thereunder, the requirement that an amendment to an urban development action grant agreement must be integrally related to the approved project is hereby waived for project numbers B87AA360540 and B87AA360521.]

[None of the funds made available in this Act may be used in violation of section 214 of the Housing and Community Development Act of 1980 or of any applicable Federal law or regulation of the United States.]

[Subparagraph (A) of the first sentence of section 203(b)(2) of the National Housing Act (12 U.S.C. 1709(b)(2)) is amended by striking clause (ii) and all that follows through “May 12, 1992,” and inserting the following:

“(ii) 75 percent of the dollar amount limitation determined under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act for a residence of the applicable size; except that the applicable dollar amount limitation in effect for any area under this subparagraph may not be less than the greater of the dollar amount limitation in effect under this section for the area on the date of enactment of the Housing Choice and Community Investment Act of 1994 or 38 percent of the dollar amount limitation determined under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act for a residence of the applicable size;.”]

[Notwithstanding subsection 306(g)(3) of the National Housing Act, as amended, fees charged for the guaranty of, or commitment to guaranty, multiclass securities backed by a trust or pool of securities or notes guaranteed by the Government National Mortgage Association prior to February 1, 1993, and other related fees, shall be charged in an amount the Association deems appropriate.]

[Beginning fiscal year 1995, the Government National Mortgage Association shall permit Ginnie Mae II mortgage-backed securities to be eligible as collateral for multiclass securities that such Association guarantees, in accordance with the Notice published at 59 Fed. Reg. 27290 (May 26, 1994) and successor Notices.]

Section 8(c)(2)(A) of the United States Housing Act of 1937 is amended by inserting at the end the following: “However, where the maximum monthly rent, for a unit in a new construction, substantial rehabilitation, or moderate rehabilitation project, to be adjusted using an annual adjustment factor exceeds the fair market rental for an existing dwelling unit in the market area, the Secretary shall adjust the rent only to the extent that the owner demonstrates that the adjusted rent would not exceed the rent for an unassisted unit of similar quality, type, and age in the same market area, as determined by the Secretary. The immediately foregoing sentence shall be effective [only] during fiscal year [1995] 1996.”

The immediately foregoing amendment shall apply to all contracts for new construction, substantial rehabilitation, and moderate rehabilitation projects under which rents are adjusted under section 8(c)(2)(A) of such Act by applying an annual adjustment factor.

Section 8(c)(2)(A) of the United States Housing Act of 1937, as amended by the immediately foregoing amendment to such section, is further amended by inserting at the end the following: “For any unit occupied by the same family at the time of the last annual rental adjustment, where the assistance contract provides for the adjustment of the maximum monthly rent by applying an annual adjustment factor and where the rent for a unit is otherwise eligible for an adjustment based on the full amount of the factor, 0.01 shall be subtracted from the amount of the factor, except that the factor

shall not be reduced to less than 1.0. The immediately foregoing sentence shall be effective [only] during fiscal year [1995] 1996.”

The immediately foregoing shall hereafter apply to all contracts that are subject to section 8(c)(2)(A) of such Act and that provide for rent adjustments using an annual adjustment factor.

The United States Housing Act of 1937 is amended in each of sections 6(c)(4)(A)(ii) and 8(d)(1)(A)(ii), by striking “and (V)” and inserting in lieu thereof the following: “(V) assisting families that include one or more adult members who are employed; and (VI); and in sections 6(c)(4)(A)(ii) and 8(d)(1)(A)(ii), by inserting after the final semicolon in each the following: “subclause (V) shall be effective [only] during fiscal year [1995] 1996.”

[Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) is amended by adding at the end the following new subsection:

“(aa) REFINANCING INCENTIVE.—

“(1) IN GENERAL.—The Secretary may pay all or a part of the up front costs of refinancing for each project that—

“(A) is constructed, substantially rehabilitated, or moderately rehabilitated under this section;

“(B) is subject to an assistance contract under this section; and

“(C) was subject to a mortgage that has been refinanced under section 223(a)(7) or section 223(f) of the National Housing Act to lower the periodic debt service payments of the owner.

“(2) SHARE FROM REDUCED ASSISTANCE PAYMENTS.—The Secretary may pay the up front cost of refinancing only—

“(A) to the extent that funds accrue to the Secretary from the reduced assistance payments that results from the refinancing; and

“(B) after the application of amounts in accordance with section 1012 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988.”]

[Section 223(a)(7) of the National Housing Act (42 U.S.C. 1751n(a)(7)) is amended in subparagraph (B), by striking “and” at the end; and by inserting, before “: Provided further” in said paragraph, the following: “; and (D) any multifamily mortgage that is refinanced under this paragraph shall be documented through amendments to the existing insurance contract and shall not be structured through the provisions of a new insurance contract.”]

[The amendments of the two immediately preceding paragraphs shall be effective only during fiscal year 1995.]

[Section 601 of title VI of S. 2281 (103d Cong., 2d Sess), as reported to the Senate on July 13 (legislative day, July 11), 1994 (S. Rep. 103–307), is hereby incorporated into this Act, and such section 601 is deemed enacted into law upon enactment of this Act: *Provided*, That the provisions of such section 601 shall be effective only during fiscal year 1995.]

[Title VIII of S. 2281 (103d Cong., 2d Sess), as reported to the Senate on July 13 (legislative day, July 11), 1994 (S. Rep. 103–307), is hereby incorporated into this Act, and such title VIII is deemed enacted into law upon enactment of this Act.]

[Notwithstanding any other provision of law, the New York City Housing Authority is authorized to use not more than \$12,420,000, from development reservation number NY36P005324 for 100 public housing units previous awarded from funds appropriated under Public Law 101–507 (Nov. 5, 1990), for the purpose of completing a homeownership program involving not more than 463 dwelling units located in Bronx County, in the City of New York, in accordance with a certain submission dated November 16, 1993 made in response to a Notice of Funding Availability issued at 58 Fed. Reg. 41127. The Secretary of Housing and Urban Development shall hereafter add a similar number of existing non-Federal public housing units, designated by the Authority, to the agency’s inventory of federally-assisted public housing developments and said units shall, for all purposes other than the repayment of any debt associated with their development or rehabilitation, be considered as if initially developed under title I of the Housing Act of 1937.] *Notwithstanding section 8(q) of the United States Housing Act of 1937, those portions of the fees for the costs incurred in administering units assisted in the certificate and housing voucher programs under sections 8(b), 8(o), and 8(e)(2) shall be set at no higher than 7 percent. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)*

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

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

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

This budget proposes to continue this reinvention process as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PUBLIC AND INDIAN HOUSING

Federal Funds

General and special funds:

HOUSING CERTIFICATE FUND

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

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

General and special funds—Continued

HOUSING CERTIFICATE FUND—Continued

Program and Financing (in millions of dollars)—Continued

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

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

PUBLIC HOUSING CAPITAL FUND

(INCLUDING TRANSFERS OF FUNDS)

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

Program and Financing (in millions of dollars)

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

Summary of Budget Authority and Outlays

[In millions of dollars]

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

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

PUBLIC HOUSING CAPITAL FUND BONUS PROGRAM

(Legislative proposal, not subject to PAYGO)

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

Program and Financing (in millions of dollars)

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

New budget authority (gross), detail:	
40.00	Appropriation 500
Change in unpaid obligations:	
73.10	New obligations 0
Outlays (gross), detail:	
87.00	Total outlays (gross) 0
Net budget authority and outlays:	
89.00	Budget authority 500
90.00	Outlays 0

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

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

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

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

Program and Financing (in millions of dollars)

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

Summary of Budget Authority and Outlays

(In millions of dollars)

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

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

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

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

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

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

Program and Financing (in millions of dollars)

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

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

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

General and special funds—Continued

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING—Continued

Summary of Program Activity (in millions of dollars)

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

VIOLENT CRIME REDUCTION PROGRAMS

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

Program and Financing (in millions of dollars)

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

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

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VII)

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

Program and Financing (in millions of dollars)

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

Summary of Budget Authority and Outlays

[In millions of dollars]

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

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

Public enterprise funds:

LOW-RENT PUBLIC HOUSING—LOANS AND OTHER EXPENSES

Program and Financing (in millions of dollars)

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

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PUBLIC AND INDIAN HOUSING—Continued
Federal Funds—Continued

509

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

Status of Direct Loans (in millions of dollars)

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

Status of Guaranteed Loans (in millions of dollars)

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

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

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

PUBLIC HOUSING AGENCIES/INDIAN HOUSING AUTHORITIES

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

Since 1987, new reservations of capital funds for construction, acquisition, and modernization activities have been provided directly from the Annual Contributions appropriation.

Operating results.—The actual and estimated net operating income for 1994, 1995, 1996, and 1997 follows:

Statement of Operations (in millions of dollars)

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

Balance Sheet (in millions of dollars)

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

Credit accounts:

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

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

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

Program and Financing (in millions of dollars)

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

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

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

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

INDIAN HOUSING LOAN GUARANTEE FUND FINANCING ACCOUNT

Program and Financing (in millions of dollars)

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

Status of Guaranteed Loans (in millions of dollars)

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

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

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

Balance Sheet (in millions of dollars)

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

COMMUNITY PLANNING AND DEVELOPMENT

Federal Funds

General and special funds:

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

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

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

Program and Financing (in millions of dollars)

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

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

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

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

COMMUNITY DEVELOPMENT BLOCK GRANTS FUND

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

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

Program and Financing (in millions of dollars)

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

General and special funds—Continued

COMMUNITY DEVELOPMENT BLOCK GRANTS FUND—Continued

Program and Financing (in millions of dollars)—Continued

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

Summary of Budget Authority and Outlays

(In millions of dollars)

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

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

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

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

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

CDBG/ECONOMIC DEVELOPMENT BONUS POOL

(Legislative proposal, not subject to PAYGO)

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

Program and Financing (in millions of dollars)

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

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

HOME FUND

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

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

Program and Financing (in millions of dollars)

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

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

Summary of Budget Authority and Outlays

[In millions of dollars]

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

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

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

HOME FUND CHALLENGE GRANT

(Legislative proposal, not subject to PAYGO)

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

Program and Financing (in millions of dollars)

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

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

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

URBAN DEVELOPMENT ACTION GRANTS

Program and Financing (in millions of dollars)

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

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

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

General and special funds—Continued

CAPACITY BUILDING FOR COMMUNITY DEVELOPMENT AND AFFORDABLE HOUSING

Program and Financing (in millions of dollars)

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

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

EMERGENCY SHELTER GRANTS PROGRAM

Program and Financing (in millions of dollars)

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

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

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

SUPPORTIVE HOUSING PROGRAM

Program and Financing (in millions of dollars)

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

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

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

SUPPLEMENTAL ASSISTANCE FOR FACILITIES TO ASSIST THE HOMELESS

Program and Financing (in millions of dollars)

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

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

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

SHELTER PLUS CARE

Program and Financing (in millions of dollars)

Identification code 86-0204-0-1-604			
		1995 actual	1996 est. 1997 est.
Obligations by program activity:			
10.00	Total obligations (object class 41.0)	180	29 5
Budgetary resources available for obligation:			
21.40	Unobligated balance available, start of year:		
	Uninvested balance	199	24
22.00	New budget authority (gross)		
22.10	Resources available from recoveries of prior year obligations	5	5 5
23.90	Total budgetary resources available for obligation	204	29 5
23.95	New obligations	-180	-29 -5
24.40	Unobligated balance available, end of year:		
	Uninvested balance	24	
New budget authority (gross), detail:			
70.00	Total new budget authority (gross)		
Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Appropriation	296	454 428
73.10	New obligations	180	29 5
73.20	Total outlays (gross)	-17	-50 -50
73.45	Adjustments in unexpired accounts	-5	-5 -5
74.40	Unpaid obligations, end of year: Obligated balance:		
	Appropriation	454	428 378
Outlays (gross), detail:			
86.93	Outlays from current balances	17	50 50
87.00	Total outlays (gross)	17	50 50
Net budget authority and outlays:			
89.00	Budget authority		
90.00	Outlays	17	50 50

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

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

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

INNOVATIVE HOMELESS INITIATIVES DEMONSTRATION PROGRAM

Program and Financing (in millions of dollars)

Identification code 86-0221-0-1-604			
		1995 actual	1996 est. 1997 est.
Obligations by program activity:			
10.00	Total obligations (object class 41.0)		19 19
Budgetary resources available for obligation:			
22.00	New budget authority (gross)		
23.95	New obligations		-19 -19
New budget authority (gross), detail:			
40.00	Appropriation		
Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Appropriation	96	79 79
73.10	New obligations		19 19
73.20	Total outlays (gross)	-17	-19 -19
74.40	Unpaid obligations, end of year: Obligated balance:		
	Appropriation	79	79 79
Outlays (gross), detail:			
86.93	Outlays from current balances	17	19 19
87.00	Total outlays (gross)	17	19 19
Net budget authority and outlays:			
89.00	Budget authority		
90.00	Outlays	17	19 19

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

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

HOMELESS ASSISTANCE [GRANTS] FUND

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

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

Program and Financing (in millions of dollars)

Identification code 86-0192-0-1-604			
		1995 actual	1996 est. 1997 est.
Obligations by program activity:			
10.00	Total obligations (object class 41.0)	271	1,672 1,010
Budgetary resources available for obligation:			
21.40	Unobligated balance available, start of year:		
	Uninvested balance		849
22.00	New budget authority (gross)	1,120	823 1,010
23.90	Total budgetary resources available for obligation	1,120	1,672 1,010
23.95	New obligations	-271	-1,672 -1,010
24.40	Unobligated balance available, end of year:		
	Uninvested balance	849	

General and special funds—Continued

HOMELESS ASSISTANCE [GRANTS] FUND—Continued

Program and Financing (in millions of dollars)—Continued

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

Summary of Budget Authority and Outlays

(In millions of dollars)

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

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

HOMELESS/INNOVATIONS BONUS POOL

(Legislative proposal, not subject to PAYGO)

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

Program and Financing (in millions of dollars)

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

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

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

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

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

YOUTHBUILD PROGRAM

Program and Financing (in millions of dollars)

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

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

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

NATIONAL CITIES IN SCHOOLS COMMUNITY DEVELOPMENT PROGRAM

Program and Financing (in millions of dollars)

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

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

Public enterprise funds:

REVOLVING FUND (LIQUIDATING PROGRAMS)

Program and Financing (in millions of dollars)

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

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

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

Status of Guaranteed Loans (in millions of dollars)

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

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

Statement of Operations (in millions of dollars)

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

Balance Sheet (in millions of dollars)

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

Credit accounts:

COMMUNITY [OPPORTUNITY PERFORMANCE FUNDS] DEVELOPMENT
LOAN GUARANTEES PROGRAM ACCOUNT

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

Credit accounts—Continued

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

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

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

Program and Financing (in millions of dollars)

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

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

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

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

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

Program and Financing (in millions of dollars)

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

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4096-0-3-451	1995 actual	1996 est.	1997 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	2,054	1,500	2,000
2112 Uncommitted loan guarantee limitation	-210		
2150 Total guaranteed loan commitments	1,844	1,500	2,000
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	115	317	1,949
2231 Disbursements of new guaranteed loans	243	1,672	1,750
2251 Repayments and prepayments	-41	-40	-65
2290 Outstanding, end of year	317	1,949	3,634
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	317	1,949	3,634

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

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

Program and Financing (in millions of dollars)

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

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

Status of Direct Loans (in millions of dollars)

Identification code 86-4097-0-3-451			
		1995 actual	1996 est.
			1997 est.
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	110	89
1251	Repayments: Repayments and prepayments	-21	-20
			-15
1290	Outstanding, end of year	89	69
			54

Status of Guaranteed Loans (in millions of dollars)

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

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

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

HOUSING PROGRAMS

Federal Funds

General and special funds:

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

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

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

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

Program and Financing (in millions of dollars)

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

New budget authority (gross), detail:

Current:			
40.00	Appropriation	8,144	10,156
40.35	Appropriation rescinded		-477
41.00	Transferred to other accounts	-12	
42.00	Transferred from other accounts	18	
43.00	Appropriation (total)	8,150	10,156
	Permanent:		
60.05	Appropriation (indefinite)	22,326	10,013
60.49	Portion applied to liquidate contract authority	-22,326	-10,013
			-16,000

General and special funds—Continued

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING—Continued

Program and Financing (in millions of dollars)—Continued

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

Summary of Budget Authority and Outlays

(In millions of dollars)

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

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

Status of Contract Authority (in millions of dollars)

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

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

Summary of Administrative Commitments

(In millions of dollars)

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

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

¹ Reflects transfer from Contract Renewals to Annual Contributions account.

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

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

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

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

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

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

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

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

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

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

HOUSING FOR SPECIAL POPULATIONS: ELDERLY AND DISABLED

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

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

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

Program and Financing (in millions of dollars)

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

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

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

OTHER ASSISTED HOUSING PROGRAMS
RENTAL HOUSING ASSISTANCE
(RESCISSIONS)

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

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

Program and Financing (in millions of dollars)

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

General and special funds—Continued

OTHER ASSISTED HOUSING PROGRAMS—Continued

(RESCISSIONS)—Continued

Program and Financing (in millions of dollars)—Continued

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

OTHER ASSISTED HOUSING

Summary of Administrative Commitments

[In millions of dollars]

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

The Other Assisted Housing Account contains the programs listed below:

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

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

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

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

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

SUMMARY OF OUTLAYS

[In millions of dollars]

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

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

¹Includes outlays for contract renewals.

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

NATIONAL HOMEOWNERSHIP [TRUST] DEMONSTRATION PROGRAM

Program and Financing (in millions of dollars)

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

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

HOMEOWNERSHIP AND OPPORTUNITY FOR PEOPLE EVERYWHERE GRANTS (HOPE GRANTS)

Program and Financing (in millions of dollars)

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

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

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

CONGREGATE SERVICES

Program and Financing (in millions of dollars)

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

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

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

HOUSING COUNSELING ASSISTANCE

Program and Financing (in millions of dollars)

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

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

SECTION 8 MODERATE REHABILITATION

SINGLE ROOM OCCUPANCY

Program and Financing (in millions of dollars)

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

General and special funds—Continued

SECTION 8 MODERATE REHABILITATION—Continued

SINGLE ROOM OCCUPANCY—Continued

Program and Financing (in millions of dollars)—Continued

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

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

MANUFACTURED HOME INSPECTION AND MONITORING

Unavailable Collections (in millions of dollars)

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

Program and Financing (in millions of dollars)

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

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

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

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

INTERSTATE LAND SALES

Unavailable Collections (in millions of dollars)

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

Program and Financing (in millions of dollars)

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

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

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

Public enterprise funds:

TITLE IV—CORPORATIONS

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

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

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

RENTAL HOUSING ASSISTANCE FUND

Program and Financing (in millions of dollars)

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

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

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

Statement of Operations (in millions of dollars)

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

Balance Sheet (in millions of dollars)

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

FLEXIBLE SUBSIDY FUND

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

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

Program and Financing (in millions of dollars)

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

Public enterprise funds—Continued

FLEXIBLE SUBSIDY FUND—Continued

Program and Financing (in millions of dollars)—Continued

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

Status of Direct Loans (in millions of dollars)

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

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

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

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

Summary of Administrative Commitments

(In millions of dollars)

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

Statement of Operations (in millions of dollars)

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

Balance Sheet (in millions of dollars)

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

HOMEOWNERSHIP ASSISTANCE FUND

Unavailable Collections (in millions of dollars)

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

Program and Financing (in millions of dollars)

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

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

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

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

Statement of Operations (in millions of dollars)

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

Balance Sheet (in millions of dollars)

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

NEHEMIAH HOUSING OPPORTUNITY FUND

Program and Financing (in millions of dollars)

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

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

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

Credit accounts:

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

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

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

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

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

Unavailable Collections (in millions of dollars)

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

Credit accounts—Continued

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

Unavailable Collections (in millions of dollars)—Continued

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

Program and Financing (in millions of dollars)

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

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

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

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

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

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

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

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

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

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

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

FHA—MUTUAL MORTGAGE INSURANCE DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

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

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Change in unpaid obligations:			
73.10	New obligations	205	216
73.20	Total financing disbursements (gross)	-205	-214
Outlays (gross), detail:			
87.00	Total financing disbursements (gross)	205	214
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.40	Other collections from non-Federal sources	-8	-23
88.90	Total, offsetting collections (cash)	-8	-23
Net financing authority and financing disbursements:			
89.00	Financing authority	185	193
90.00	Financing disbursements	197	191

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

Status of Direct Loans (in millions of dollars)

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

Balance Sheet (in millions of dollars)

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

FHA—MUTUAL MORTGAGE INSURANCE GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4587-0-3-371			
Obligations by program activity:			
00.01	Default claims and other	1,026	2,833

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

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

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

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

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

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

Net financing authority and financing disbursements:			
89.00	Financing authority	885	350
90.00	Financing disbursements	1,175	464

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4587-0-3-371			
Position with respect to appropriations act limitation on commitments:			
2111	Limitation on guaranteed loans made by private lenders	100,000	110,000
2112	Uncommitted loan guarantee limitation	-49,677	-39,279
2150	Total guaranteed loan commitments	50,323	70,721

Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year	184,190	252,379
2231	Disbursements of new guaranteed loans	40,142	58,592
2251	Repayments and prepayments	-1,392	-27,449
Adjustments:			
2261	Terminations for default that result in loans receivable	-263	-677
2262	Terminations for default that result in acquisition of property	-647	-1,900
2263	Terminations for default that result in claim payments	-9	-36
2290	Outstanding, end of year	222,021	280,909

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

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

Credit accounts—Continued

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

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

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

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

Balance Sheet (in millions of dollars)

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

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

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

Program and Financing (in millions of dollars)

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

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

New budget authority (gross), detail:

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

Change in unpaid obligations:

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

Outlays (gross), detail:

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

Offsets:

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

Net budget authority and outlays:

89.00 Budget authority	-1		
90.00 Outlays	-1,169	-1,487	-716

Status of Direct Loans (in millions of dollars)

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

Status of Guaranteed Loans (in millions of dollars)

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

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

¹ Unaudited preliminary results.

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

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

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

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

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

PROGRAM HIGHLIGHTS

[In millions of dollars]

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

¹ Unaudited preliminary results.

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

STATUS OF INSURANCE RESERVES FROM OPERATIONS

	[In millions of dollars]		
Insurance fund:	1995 est. ¹	1996 est.	1997 est.
Mutual mortgage/CMHI:			
Liquidating account ²	6,902	7,390	7,234

¹ Unaudited preliminary results.² Reflects impact from the transfer of negative subsidy from the Financing account to the Liquidating account in 1995 only. Negative subsidy transfers are to the Receipt Account in 1996 and 1997.

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

Statement of Operations (in millions of dollars)

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

¹ As reflected in the 1996 Budget.² Estimated result on GAAP basis pending final audit.

Balance Sheet (in millions of dollars)

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

Credit accounts—Continued

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

Balance Sheet (in millions of dollars)—Continued

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

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

Object Classification (in millions of dollars)

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

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

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

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

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

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

Unavailable Collections (in millions of dollars)

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

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

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

Budgetary resources available for obligation:

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

New budget authority (gross), detail:

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

Change in unpaid obligations:

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

Outlays (gross), detail:

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

Net budget authority and outlays:

89.00 Budget authority	386	351	367
90.00 Outlays	315	416	367

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

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

Guaranteed loan levels supportable by subsidy budget authority:

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

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

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

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

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

FHA—GENERAL AND SPECIAL RISK GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)				
Identification code 86-4077-0-3-371	1995 actual	1996 est.	1997 est.	
	Obligations by program activity:			
	Capital investment, claims and other:			
00.01	Default claims and other	189	481	489

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

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

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

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

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

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

Net financing authority and financing disbursements:				
89.00	Financing authority		1,031	
90.00	Financing disbursements	-251	1,410	-332

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

Status of Guaranteed Loans (in millions of dollars)

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

¹ Preliminary results pending final audit.

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

Balance Sheet (in millions of dollars)

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

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

Program and Financing (in millions of dollars)

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

Status of Direct Loans (in millions of dollars)

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

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

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

Balance Sheet (in millions of dollars)

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

FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

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

Budgetary resources available for obligation:

Identification code 86-4072-0-3-371	1995 actual	1996 est.	1997 est.
Unobligated balance available, start of year:			
21.40 Uninvested balance	1,040	1,637	767
21.91 U.S. Securities: Par value	15	5	5
21.99 Total unobligated balance, start of year	1,055	1,642	772
22.00 New budget authority (gross)	1,947	2,126	2,275
22.10 Resources available from recoveries of prior year obligations	42		
22.60 Redemption of debt	-66	-41	-41
23.90 Total budgetary resources available for obligation	2,978	3,727	3,006
23.95 New obligations	-1,336	-2,955	-2,453
Unobligated balance available, end of year:			
24.40 Uninvested balance	1,637	767	548
24.91 U.S. Securities: Par value	5	5	5
24.99 Total unobligated balance, end of year	1,642	772	553
New budget authority (gross), detail:			
Current:			
40.75 Procurement reduction pursuant to P.L. 103-327	-1		
Permanent:			
60.05 Appropriation (indefinite)			500
64.00 Proceeds of loan asset sales with recourse		100	
67.15 Authority to borrow (indefinite)	41	41	41
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1,906	1,985	1,734
70.00 Total new budget authority (gross)	1,947	2,126	2,275

Change in unpaid obligations:

72.90	Unpaid obligations, start of year: Obligated balance:			
	Fund balance	408	366	366
73.10	New obligations	1,336	2,955	2,453
73.20	Total outlays (gross)	-1,336	-2,955	-2,453
73.45	Adjustments in unexpired accounts	-42		
74.90	Unpaid obligations, end of year: Obligated balance:			
	Fund balance	366	366	366
Outlays (gross), detail:				
86.97	Outlays from new permanent authority	970	2,026	2,087
86.98	Outlays from permanent balances	366	929	366
87.00	Total outlays (gross)	1,336	2,955	2,453
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Non-Federal sources:				
88.40	Fees and premiums	-264	-241	-226
88.40	Rebates of insurance premiums	7	7	7
88.40	Multifamily foreclosure sales	-24	-24	-24
88.40	Proceeds from sale of real property	-320	-301	-263
88.40	Repayment of mortgage notes and sales contracts	-10	-10	-6
88.40	Proceeds from sale of mortgage notes	-566	-963	-726
88.40	Prior Year Adjustment		100	
88.40	Recoveries from portfolio restructuring			-96
88.40	Recoveries on defaulted mortgages	-368	-262	-155
88.40	Interest and operating income	-334	-231	-173
88.40	Recoveries on defaulted Title I mortgages	-22	-22	-17
88.40	Other interest, dividends and revenue		-34	-50
88.40	Miscellaneous collections	-5	-4	-5
88.90	Total, offsetting collections (cash)	-1,906	-1,985	-1,734
Net budget authority and outlays:				
89.00	Budget authority	41	141	541
90.00	Outlays	-571	970	719

Summary of Budget Authority and Outlays

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

Status of Direct Loans (in millions of dollars)

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

Status of Guaranteed Loans (in millions of dollars)

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

Credit accounts—Continued**FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS LIQUIDATING ACCOUNT—Continued**

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

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

¹ Includes foreclosures of HUD-held mortgage notes.

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

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

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

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

PROGRAM HIGHLIGHTS

(In millions of dollars)

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

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

STATUS OF INSURANCE RESERVES FROM OPERATIONS

(In millions of dollars)

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

¹ Preliminary results pending final audit.

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

Statement of Operations (in millions of dollars)

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

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

Balance Sheet (in millions of dollars)

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

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

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

FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS LIQUIDATING ACCOUNT

(Legislative proposal, subject to PAYGO)

Program and Financing [in millions of dollars]

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

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

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

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

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

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

Credit accounts—Continued

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND LIQUIDATING ACCOUNT—Continued

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

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

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

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

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

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

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

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

SUMMARY OF ADMINISTRATIVE COMMITMENTS

(In millions of dollars)

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

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

Statement of Operations (in millions of dollars)

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

Balance Sheet (in millions of dollars)

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

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

Object Classification (in millions of dollars)

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

NONPROFIT SPONSOR ASSISTANCE LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

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

Status of Direct Loans (in millions of dollars)

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

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

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

Balance Sheet (in millions of dollars)

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

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

Federal Funds

Public enterprise funds:

LOANS TO FEDERAL NATIONAL MORTGAGE ASSOCIATION

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

MANAGEMENT AND LIQUIDATING FUNCTIONS FUND

Program and Financing (in millions of dollars)

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

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

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

Statement of Operations (in millions of dollars)

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

Balance Sheet (in millions of dollars)

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

Credit accounts:

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

(INCLUDES TRANSFER OF FUNDS)

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

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

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

Unavailable Collections (in millions of dollars)

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

Program and Financing (in millions of dollars)

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

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

(INCLUDES TRANSFER OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

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

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

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

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

**GUARANTEES OF MORTGAGE-BACKED SECURITIES FINANCING
ACCOUNT**

Program and Financing (in millions of dollars)

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

Change in unpaid obligations:

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

Outlays (gross), detail:

87.00 Total financing disbursements (gross)	7	9	9
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Offsets:

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

Net financing authority and financing disbursements:

89.00 Financing authority	4		
90.00 Financing disbursements	-19	-26	-27

Status of Guaranteed Loans (in millions of dollars)

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

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

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

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

Balance Sheet (in millions of dollars)

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

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

**GUARANTEES OF MORTGAGE-BACKED SECURITIES LIQUIDATING
ACCOUNT**

Program and Financing (in millions of dollars)

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

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

Status of Direct Loans (in millions of dollars)

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

Status of Guaranteed Loans (in millions of dollars)

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

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

Budget Program.—Program activity is summarized below:

Mortgage-backed Securities

[In millions of dollars]

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

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

Statement of Operations (in millions of dollars)

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

Balance Sheet (in millions of dollars)

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

Credit accounts—Continued

GUARANTEES OF MORTGAGE-BACKED SECURITIES LIQUIDATING ACCOUNT—Continued

Balance Sheet (in millions of dollars)—Continued

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

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

Object Classification (in millions of dollars)

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

POLICY DEVELOPMENT AND RESEARCH

Federal Funds

General and special funds:

RESEARCH AND TECHNOLOGY

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

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

Program and Financing (in millions of dollars)

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

New budget authority (gross), detail:			
40.00 Appropriation	42	34	45

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

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

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

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

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

Object Classification (in millions of dollars)

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

FAIR HOUSING AND EQUAL OPPORTUNITY

Federal Funds

General and special funds:

FAIR HOUSING ACTIVITIES

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

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

Program and Financing (in millions of dollars)

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

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

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

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

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

MANAGEMENT AND ADMINISTRATION

Federal Funds

General and special funds:

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

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

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

Program and Financing (in millions of dollars)

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

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

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

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

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

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

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

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

Object Classification (in millions of dollars)

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

General and special funds—Continued

SALARIES AND EXPENSES—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

Object Classification (in millions of dollars)—Continued

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

Personnel Summary

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

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

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

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

Program and Financing (in millions of dollars)

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

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

Object Classification (in millions of dollars)

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

Personnel Summary

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

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

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

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

Unavailable Collections (in millions of dollars)

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

07.99 Total balance, end of year 2 2

Program and Financing (in millions of dollars)

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

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

Object Classification (in millions of dollars)

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

Personnel Summary

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

Intragovernmental funds:

WORKING CAPITAL FUND

Program and Financing (in millions of dollars)

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

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

Object Classification (in millions of dollars)

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

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

Personnel Summary

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

ADMINISTRATIVE PROVISIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) extraordinary costs approved by the Secretary.

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

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

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

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

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

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

SEC. 104. REPEAL OF FEDERAL PREFERENCES.—

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

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

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

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

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

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

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

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

“(c) [Reserved.]”

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

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

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

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

“(k) [Reserved.]”

(f) **CONFORMING AMENDMENTS.**—

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

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

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

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

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

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

(F) in section 24(e)—

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

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

(ii) by striking paragraph (2).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

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

For the past 4 years, the Department has been engaged in a reinvention process which has emphasized: addressing homelessness through comprehensive continuum of care strategies; transforming public and assisted housing; enhancing homeownership opportunities through new national and local partnerships; reducing racial barriers to housing; and, encouraging locally-driven solutions and leveraging private sector investment through initiatives like consolidated planning, and Empowerment Zones and Enterprise Communities. An emphasis has also been placed on reinventing HUD, itself. The 1998 budget continues to move toward a "right-side up" Cabinet Department that is organized, staffed, and empowered to respond to locally driven priorities rather than Federal dictates.

As part of the 1997 reinvention process, the Department proposed consolidating many of its programs into three core funds—with incentives for good performance. The 1997 Appropriations Act did not implement the Department's proposals but did enact a major reconfiguration of the Department's housing accounts structure. Three new accounts were created: Preserving Existing Housing Investment, Development of Additional New Subsidized Housing, and Prevention of Resident Displacement.

This new account structure was an important first step to better organizing the Department's primary housing assistance programs. The 1998 budget further refines this structure to reflect the Department's consolidation efforts. This new structure will also enhance the Department's ability to administer and track its funds.

Activities funded under the Preserving Existing Housing Investment account will be divided into two separate accounts—an operating fund and a capital fund. Assistance provided for the elderly and disabled, and Native Americans in the Development of Additional New Subsidized Housing account in 1997 is being requested separately for 1998. Funds for the elderly and disabled are in the Housing for Special Populations account in 1998 and resources allocated to the Native American population will be consolidated under a Native American Housing Block Grants program as authorized by the 104th Congress. Funding for housing certificates, Section 8 contract renewals, and amendments in 1997 was provided in the Prevention of Resident Displacement account. This budget proposes to fund these activities under the Housing Certificate Fund for 1998.

The 1998 Budget includes two Presidential initiatives related to revitalizing America's urban areas. First, the HUD Budget requests funding for a second round of Empowerment Zones and Enterprise Communities. The first round has already proven successful in leveraging private sector funds and promoting economic opportunity and community-wide revitalization. Second, the Brownfields Redevelopment program will enable cities to clean up polluted sites, returning them to productive uses that create jobs. The program will also enable cities to address the economic development needs of communities in and around such sites.

The 1998 Budget maintains Community Development Block Grant (CDBG) funding. This program will continue to use a formula approach for allocating funds for a wide range of community and economic development activities. The Com-

munity Development Loan Guarantee program enables communities to borrow in the private market with a Federal guarantee. Communities must develop consolidated plans which identify local needs and priorities in order to tap into CDBG and other HUD funds.

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

The Homeless Assistance Grants program would consolidate HUD's six Stewart B. McKinney homeless assistance programs into a performance-based program that would enable communities to continue their development and implementation of comprehensive, coordinated continuum of care systems to address the needs of homeless people and families. This is the fourth consecutive year that HUD has sought consolidation of its homeless assistance programs to improve program administration and effectiveness.

Funding is also included, either as set-asides or as separate programs, for the following community and economic development and affordable housing programs: Economic Development Grants; Homeownership Zones; Habitat for Humanity; Youthbuild; Bridges to Work; and Capacity Building for Community Development and Affordable Housing.

The Department is reproposing to consolidate several categorical housing programs.

- The Public Housing Operating Fund would fund the operating costs of Public Housing. Through this fund, Public Housing Agencies will have greater flexibility in attracting and retaining low- and moderate-income families.

- The Public Housing Capital Fund would address the capital needs of Public Housing. Based on the Public Housing Modernization program, this Fund will permit the upgrading of inventory and the demolition and replacement of obsolete buildings. Funds will also be available for: economic development supportive services; technical assistance and intervention to improve troubled authorities and management improvements; and the Tenant Opportunity Program.

- The Housing Certificate Fund would address the problems arising from lagging household income and high housing costs. The Fund would be based on the existing voucher and certificate programs with changes to make the system simpler and more effective. Funding for section 8 contract renewals and amendments is included within this Fund. The 1998 request includes 50,000 incremental certificates to help low-income families move from welfare to work.

- Other Housing Programs. Lead-paint hazard reduction activities will be funded within the Community Development Block Grant Fund. Several other programs that assist communities will remain as free-standing activities: Housing Opportunities for Persons with AIDS, Youthbuild, housing counseling, drug elimination activities, and assistance for severely distressed public housing.

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

PUBLIC AND INDIAN HOUSING

Federal Funds

General and special funds:

[PREVENTION OF RESIDENT DISPLACEMENT] HOUSING CERTIFICATE FUND

For activities and assistance to prevent the involuntary displacement of low-income families, the elderly and the disabled because of the loss of affordable housing stock, expiration of subsidy contracts (other than contracts for which amounts are provided under the head "Preserving Existing Housing Investment") or expiration of use restrictions, or other changes in housing assistance arrangements, and for other purposes, [\$4,640,000,000] \$10,676,000,000, to remain available until expended: *Provided*, That of the total amount provided under this head, [\$3,600,000,000] \$9,232,000,000 shall be for assistance under the United States Housing Act of 1937 (42 U.S.C. 1437) for use in connection with expiring or terminating section 8 subsidy contracts: *Provided further*, That the Secretary may determine not to apply section 8(o)(6)(B) of the Act to housing vouchers during fiscal year [1997] 1998: *Provided further*, That of the total amount provided under this head, \$850,000,000 shall be for amendments to section 8 contracts other than contracts for projects developed under section 202 of the Housing Act of 1959, as amended: *Provided further*, That of the total amount provided under this head, [\$190,000,000] \$594,000,000 shall be for *section 8 rental assistance under the United States Housing Act [of 1937 (42 U.S.C. 1437)] including assistance to relocate residents of properties (i) that are owned by the Secretary and being disposed of or (ii) that are discontinuing section 8 project-based assistance; [or (iii) or subject to special workout assistance team intervention compliance actions;]* for the conversion of section 23 projects to assistance under section 8; for funds to carry out the family unification program; and for the relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency [; *Provided further*, That of the total amount made available under this head, \$50,000,000 shall be made available to nonelderly disabled families affected by the designation of a public housing development under section 7 of such Act or the establishment of preferences in accordance with section 651 of the Housing and Community Development Act of 1992 (42 U.S.C. 13611)]. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997.*)

Program and Financing (in millions of dollars)

Identification code 86-0311-0-1-604	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Renew rental contracts	1,956	9,997	
00.02 Contract amendments	900	850	
00.03 New housing certificates	240	594	
10.00 Total obligations (object class 41.0)	3,096	11,441	
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance		1,594	
22.00 New budget authority (gross)	4,690	10,676	
23.90 Total budgetary resources available for obligation	4,690	11,441	
23.95 New obligations	-3,096	-11,441	
24.40 Unobligated balance available, end of year:			
Uninvested balance	1,594	829	
New budget authority (gross), detail:			
40.00 Appropriation	4,640	10,676	
42.00 Transferred from other accounts	50		
43.00 Appropriation (total)	4,690	10,676	
70.00 Total new budget authority (gross)	4,690	10,676	
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	1,364		
73.10 New obligations	3,096	11,441	
73.20 Total outlays (gross)	-1,732	-5,604	
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	1,364	7,201	

Outlays (gross), detail:			
86.90 Outlays from new current authority	1,732	3,985	
86.93 Outlays from current balances		1,619	
87.00 Total outlays (gross)	1,732	5,604	
Net budget authority and outlays:			
89.00 Budget authority	4,690	10,676	
90.00 Outlays	1,732	5,604	

This account provides funding for some of the activities previously funded through the Annual Contributions for Assisted Housing account. These include the renewal of expiring Section 8 contracts, amending of Section 8 contracts, and the funding for additional Section 8 rental assistance.

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

All balances remaining in the Preserving Existing Housing Investment Account for Preservation shall be transferred to and merged with the amounts previously provided for those purposes under this head.

Program and Financing (in millions of dollars)

Identification code 86-0164-0-1-604	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Lower income housing	1,964	3,010	
00.02 Public and Indian housing	2,907	1,695	
00.03 Elderly/disabled grants	1,469	3,684	
00.04 Other programs	267	28	
00.05 Contract renewals	3,345	1,892	
10.00 Total obligations (object class 41.0)	9,952	10,309	
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
Uninvested balance:			
21.40 Uninvested balance	387	1,981	
21.40 Uninvested balance	11,153	8,030	
21.49 Contract authority	73	88	
21.99 Total unobligated balance, start of year	11,613	10,099	
22.00 New budget authority (gross)	9,819	-75	
22.10 Resources available from recoveries of prior year obligations	11,266	325	
22.21 Unobligated balance transferred to other accounts		-41	
22.75 Balance of contract authority withdrawn	-12,646		
23.90 Total budgetary resources available for obligation	20,052	10,308	
23.95 New obligations	-9,952	-10,309	
Unobligated balance available, end of year:			
Uninvested balance:			
24.40 Uninvested balance	1,981		
24.40 Uninvested balance	8,030		
24.49 Contract authority	88		
24.99 Total unobligated balance, end of year	10,099		
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	9,819		
41.00 Transferred to other accounts		-75	
43.00 Appropriation (total)	9,819	-75	
Permanent:			
60.05 Appropriation (indefinite)	632	19,848	15,541
60.49 Portion applied to liquidate contract authority	-632	-19,848	-15,541
63.00 Appropriation (total)			
70.00 Total new budget authority (gross)	9,819	-75	
Change in unpaid obligations:			
Unpaid obligations, start of year:			
Obligated balance:			
72.40 Appropriation	60,721	38,135	49,356
72.49 Contract authority	69,331	56,034	36,236
72.90 Fund balance	24	14,265	12,614
72.99 Total unpaid obligations, start of year	130,076	108,434	98,206
73.10 New obligations	9,952	10,309	
73.20 Total outlays (gross)	-20,327	-19,847	-15,912

73.31	Obligated balance transferred to other accounts		-367	
73.45	Adjustments in unexpired accounts	-11,266	-325	
	Unpaid obligations, end of year:			
	Obligated balance:			
74.40	Appropriation	38,135	49,356	51,184
74.49	Contract authority	56,034	36,236	20,695
74.90	Fund balance	14,265	12,614	10,415
74.99	Total unpaid obligations, end of year	108,434	98,206	82,294
	Outlays (gross), detail:			
86.90	Outlays from new current authority	1,019		
86.93	Outlays from current balances	19,308	19,847	15,912
87.00	Total outlays (gross)	20,327	19,847	15,912
	Net budget authority and outlays:			
89.00	Budget authority	9,819	-75	
90.00	Outlays	20,327	19,847	15,912

Summary of Budget Authority and Outlays

[In millions of dollars]

	1996 actual	1997 est.	1998 est.
Enacted/requested:			
Budget Authority	9,819	-75	
Outlays	20,327	19,847	15,912
Legislative proposal, not subject to PAYGO:			
Budget Authority			-855
Outlays			-375
Rescission proposal:			
Budget Authority		-250	
Outlays		-10	-25
Total:			
Budget Authority	9,819	-325	-855
Outlays	20,327	19,837	15,512

Status of Contract Authority (in millions of dollars)

Identification code 86-0164-0-1-604	1996 actual	1997 est.	1998 est.
Balance, start of year:			
0100 Balance, start of year	73	88	
0100 Balance, start of year	69,331	56,034	36,236
0340 Unobligated balance transferred		-41	
0400 Appropriation to liquidate contract authority	-632	-19,848	-15,541
0600 Balance of contract authority withdrawn	-12,646		
Balance, end of year:			
0700 Balance, end of year	88		
0700 Balance, end of year	56,034	36,236	20,695

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

Low-income housing (section 8).—Included within the section 8 category were incremental rental assistance in the form of housing certificates and housing vouchers; Public Housing and Housing Relocation/Replacement opt-out units; Housing Opportunities for Persons with AIDS; section 23 conversions; and loan management and property disposition activities.

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

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

The Annual Contributions for Assisted Housing account provided funding for a wide range of housing assistance through the Low-Income Housing (Section 8), Housing for the Elderly and Disabled, and the Public and Indian Housing programs. In addition, various housing-related programs were

carried out through funding provided under this account. Consistent with HUD's reinvention process, many of these activities will be funded under the new consolidated Funds being proposed for 1998.

No new appropriation is requested for this account. Language is proposed to permit the transfer into this account of all unobligated and obligated balances for preservation assistance, which was previously made available in 1997 under the Preserving Existing Housing Investment account (See table below).

Proposed Transfer of Balances

[In millions]

	1996 Actual	1997 est.	1998 est.
Annual Contributions:			
Budget Authority	9,819	(325)	(855)
Outlays	20,327	19,837	15,512
Preserving Existing Housing Investment:			
Budget Authority		350	
Outlays		140	210
Total			
Budget Authority	9,819	25	(855)
Outlays	20,327	19,977	15,722

The 1998 budget proposes to transfer all preservation balances to the Annual Contributions for Assisted Housing account.

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-0164-2-1-604	1996 actual	1997 est.	1998 est.
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			-855
22.10 Resources available from recoveries of prior year obligations			855
23.90 Total budgetary resources available for obligation			
New budget authority (gross), detail:			
40.00 Appropriation			
40.35 Appropriation rescinded			-855
43.00 Appropriation (total)			-855
70.00 Total new budget authority (gross)			-855
Change in unpaid obligations:			
73.20 Total outlays (gross)			375
73.45 Adjustments in unexpired accounts			-855
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation			-480
Outlays (gross), detail:			
86.93 Outlays from current balances			-375
Net budget authority and outlays:			
89.00 Budget authority			-855
90.00 Outlays			-375

An estimated \$855 million of budget authority is anticipated to be recaptured and canceled in 1998 as a result of enactment and implementation of HUD's Multifamily Portfolio Reengineering proposal. This proposal would restructure mortgages of selected FHA-insured multifamily properties. These properties are presently subsidized at above market rates through HUD's rental assistance programs. Budget authority remaining on these long-term, multi-year contracts would be canceled. In the future, additional outlay savings will be achieved by avoiding the need for appropriations for funds to continue subsidizing these high-cost contracts.

General and special funds—Continued

PRESERVING EXISTING-HOUSING INVESTMENT

[For operating, maintaining, revitalizing, rehabilitating, preserving, and protecting existing housing developments for low-income families, and the elderly, and the disabled, \$5,750,000,000, to remain available until expended: *Provided*, That of the total amount made available under this head, \$2,900,000,000 shall be available for payments to public housing agencies and Indian housing authorities for operating subsidies for low-income housing projects as authorized by section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g): *Provided further*, That of the total amount made available under this head, \$2,500,000,000 shall be available for modernization of existing public housing projects as authorized under section 14 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437l), of which \$10,000,000 shall be for carrying out activities under section 6(j) of the United States Housing Act of 1937 and technical assistance for the inspection of public housing units, contract expertise, and training and technical assistance directly or indirectly, under grants, contracts, or cooperative agreements, to assist in the oversight and management of public and Indian housing (whether or not the housing is being modernized with assistance under this proviso) or tenant-based assistance, including, but not limited to, an annual resident survey, data collection and analysis, training and technical assistance by or to officials and employees of the department and of public housing agencies and to residents in connection with the public and Indian housing program: *Provided further*, That of the total amount provided under this head, \$350,000,000 shall be available for use in conjunction with properties that are eligible for assistance under the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRHA) or the Emergency Low Income Housing Preservation Act of 1987 (ELIHPA), of which \$75,000,000 shall be available for obligation until March 1, 1997 for projects (1) that are subject to a repayment or settlement agreement that was executed between the owner and the Secretary prior to September 1, 1995; (2) whose submissions were delayed as a result of their location in areas that were designated as a Federal disaster area in a Presidential Disaster Declaration; or (3) whose processing was, in fact or in practical effect, suspended, deferred, or interrupted for a period of twelve months or more because of differing interpretations, by the Secretary and an owner or by the Secretary and a State or local rent regulatory agency, concerning the timing of filing eligibility or the effect of a presumptively applicable State or local rent control law or regulation on the determination of preservation value under section 213 of LIHPRHA, as amended, if the owner of such project filed notice of intent to extend the low-income affordability restrictions of the housing, or transfer to a qualified purchaser who would extend such restrictions, on or before November 1, 1993; and of which, up to \$100,000,000 may be used for rental assistance to prevent displacement of families residing in projects whose owners prepay their mortgages; and the balance of which shall be available from the effective date of this Act for sales to preferred priority purchasers: *Provided further*, That with the exception of projects described in clauses (1), (2), or (3) of the preceding proviso, the Secretary shall, notwithstanding any other provision of law, suspend further processing of preservation applications which have not heretofore received approval of a plan of action: *Provided further*, That \$150,000,000 of amounts recaptured from interest reduction payment contracts for section 236 projects whose owners prepay their mortgages during fiscal year 1997 shall be rescinded: *Provided further*, That an owner of eligible low-income housing may prepay the mortgage or request voluntary termination of a mortgage insurance contract, so long as said owner agrees not to raise rents for sixty days after such prepayment: *Provided further*, That such developments have been determined to have preservation equity at least equal to the lesser of \$5,000 per unit or \$500,000 per project or the equivalent of eight times the most recently published monthly fair market rent for the area in which the project is located as the appropriate unit size for all of the units in the eligible project: *Provided further*, That the Secretary may modify the regulatory agreement to permit owners and priority purchasers to retain rental income in excess of the basic rental charge in projects assisted under section 236 of the National Housing Act, for the purpose of preserving the low- and moderate-income character of the housing: *Provided further*, That eligible low-income housing shall include properties meeting the requirements of this paragraph with mortgages that are held by a State agency as a result of a sale by the Secretary without insurance, which immediately before the sale would have been eligible low-

income housing under LIHPRHA: *Provided further*, That notwithstanding any other provision of law, subject to the availability of appropriated funds, each low-income family, and moderate-income family who is elderly or disabled or is residing in a low-vacancy area, residing in the housing on the date of prepayment or voluntary termination, and whose rent, as a result of a rent increase occurring no later than one year after the date of the prepayment, exceeds 30 percent of adjusted income, shall be offered tenant-based assistance in accordance with section 8 or any successor program, under which the family shall pay no less for rent than it paid on such date: *Provided further*, That any family receiving tenant-based assistance under the preceding proviso may elect (1) to remain in the unit of the housing and if the rent exceeds the fair market rent or payment standard, as applicable, the rent shall be deemed to be the applicable standard, so long as the administering public housing agency finds that the rent is reasonable in comparison with rents charged for comparable unassisted housing units in the market or (2) to move from the housing and the rent will be subject to the fair market rent of the payment standard, as applicable, under existing program rules and procedures: *Provided further*, That the tenant-based assistance made available under the preceding two provisos are in lieu of benefits provided in subsections 223(b), (c), and (d) of the Low-Income Housing Preservation and Resident Homeownership Act of 1990: *Provided further*, That any sales shall be funded using the capital grant available under section 220(d)(3)(A) of LIHPRHA: *Provided further*, That any extensions shall be funded using a non-interest-bearing capital (direct) loan by the Secretary not in excess of the amount of the cost of rehabilitation approved in the plan of action plus 65 percent of the property's preservation equity and under such other terms and conditions as the Secretary may prescribe: *Provided further*, That any capital grant shall be limited to seven times, and any capital loan limited to six times, the annual fair market rent for the project, as determined using the fair market rent for fiscal year 1997 for the area in which the project is located, using the appropriate apartment sizes and mix in the eligible project, except where, upon the request of a priority purchaser, the Secretary determines that a greater amount is necessary and appropriate to preserve low-income housing: *Provided further*, That section 241(f) of the National Housing Act is repealed and insurance under such section shall not be offered as an incentive under LIHPRHA and ELIHPA: *Provided further*, That up to \$10,000,000 of the amount of \$350,000,000 made available by a preceding proviso in this paragraph may be used at the discretion of the Secretary to reimburse owners of eligible properties for which plans of action were submitted prior to the effective date of this Act, but were not executed for lack of available funds, with such reimbursement available only for documented costs directly applicable to the preparation of the plan of action as determined by the Secretary, and shall be made available on terms and conditions to be established by the Secretary: *Provided further*, That, notwithstanding any other provision of law, a priority purchaser may utilize assistance under the HOME Investment Partnerships Act or the Low Income Housing Tax Credit: *Provided further*, That projects with approved plans of action which exceed the limitations on eligibility for funding imposed by this Act may submit revised plans of action which conform to these limitations by March 1, 1997, and retain the priority for funding otherwise applicable from the original date of approval of their plan of action, subject to securing any additional necessary funding commitments by August 1, 1997.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997.*)

Program and Financing (in millions of dollars)

Identification code: 86-0312-0-1-604	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)		5,750	
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		5,750	
23.95 New obligations		-5,750	
New budget authority (gross), detail:			
40.00 Appropriation		5,750	
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation			4,218

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

73.10	New obligations	5,750	
73.20	Total outlays (gross)	-1,532	-1,962
74.40	Unpaid obligations, end of year: Obligated balance:		
	Appropriation	4,218	2,256
Outlays (gross), detail:			
86.90	Outlays from new current authority	1,532	
86.93	Outlays from current balances		1,962
87.00	Total outlays (gross)	1,532	1,962
Net budget authority and outlays:			
89.00	Budget authority	5,750	
90.00	Outlays	1,532	1,962

24.40	Unobligated balance available, end of year:		
	Uninvested balance		
New budget authority (gross), detail:			
40.00	Appropriation		2,500
Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Appropriation		
73.10	New obligations		2,500
73.20	Total outlays (gross)		-13
74.40	Unpaid obligations, end of year: Obligated balance:		
	Appropriation		2,487
Outlays (gross), detail:			
86.90	Outlays from new current authority		13
86.93	Outlays from current balances		
87.00	Total outlays (gross)		13
Net budget authority and outlays:			
89.00	Budget authority		2,500
90.00	Outlays		13

PUBLIC HOUSING CAPITAL FUND
(INCLUDING TRANSFERS OF FUNDS)

For the Public Housing Capital Fund Program under the United States Housing Act of 1937, as amended (42 U.S.C. 1437), \$2,500,000,000, to remain available until expended for modernization of existing public housing projects as authorized under section 14 of such Act, of which \$50,000,000 shall be available for grants to public housing agencies, non-profit corporations, and other appropriate entities for a supportive services program to assist residents of public and assisted housing, former residents of such housing receiving tenant-based assistance under section 8 of such Act (42 U.S.C. 1437f), and other low-income families and individuals to become self-sufficient: Provided, That the program shall provide supportive services, principally for the benefit of public housing residents, to the elderly and the disabled, and to families with children where the head of household would benefit from the receipt of supportive services and is working, seeking work, or is preparing for work by participating in job training or educational programs: Provided further, That the supportive services may include congregate services for the elderly and disabled, service coordinators, and coordinated educational, training, and other supportive services, including academic skills training, job search assistance, assistance related to retaining employment, vocational and entrepreneurship development and support programs, transportation, and child care: Provided further, That the Secretary shall require applicants to demonstrate firm commitments of funding or services from other sources: Provided further, That the Secretary shall select public and Indian housing agencies to receive assistance under this head on a competitive basis, taking into account the quality of the proposed program. Provided further, That of the total amounts, \$45,000,000 shall be for carrying out activities under section 6(j) of such Act and technical assistance for the inspection of public housing units, contract expertise, and training and technical assistance directly or indirectly, under grants, contracts, or cooperative agreements, to assist in the oversight and management of public housing (whether or not the housing is being modernized with assistance under this provision) or tenant-based assistance, including, but no limited to, an annual resident survey, data collection and analysis, training and technical assistance by or to officials and employees of the department and of public housing agencies and to residents in connection with the public housing program and for lease adjustments to section 23 projects; Provided further, That of the total amount, \$5,000,000 shall be for activities currently eligible under the Tenant Opportunity program: Provided, That all balances, as of September 30, 1997, of funds heretofore provided (other than for Indian families) for the development or acquisition costs of public housing, for modernization of existing public housing projects, for public housing amendments, for public housing modernization and development technical assistance, for lease adjustments under the section 23 program, and for the Family Investment Centers program, shall be transferred to and merged with amounts made available under this heading.

Proposed Transfer of Balances

	[In millions]		
	1996 Actual	1997 est.	1998 est.
Annual Contributions:			
Budget Authority	2,711		
Outlays	4,548	4,296	3,579
Preserving Existing Housing Investment:			
Budget Authority		2,500	
Outlays		0	276
Public Housing Capitol Fund:			
Budget Authority			2,500
Outlays			13
Total			
Budget Authority	2,711	2,500	2,500
Outlays	4,548	4,296	3,868

The 1998 budget proposes to transfer all Modernization/Development balances to the Public Housing Capital Fund.

PUBLIC HOUSING OPERATING FUND
(INCLUDING TRANSFERS OF FUNDS)

For payments to public housing agencies for operating subsidies for low-income housing projects as authorized by section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g), \$2,900,000,000, to remain available until expended: Provided, That all balances outstanding, as of September 30, 1997, of funds heretofore provided (other than for Indian families) for payments to public housing agencies for operating subsidies for low-income housing projects, shall be transferred to and merged with amounts made available under this heading.

Program and Financing (in millions of dollars)			
Identification code 86-0304-0-1-604	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00	Total obligations (object class 41.0)		2,500
Budgetary resources available for obligation:			
22.00	New budget authority (gross)		2,500
23.95	New obligations		-2,500

Program and Financing (in millions of dollars)			
Identification code 86-0163-0-1-604	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01	Operating subsidies	2,800	2,900
10.00	Total obligations (object class 41.0)	2,800	2,900
Budgetary resources available for obligation:			
22.00	New budget authority (gross)	2,800	2,900
23.95	New obligations	-2,800	-2,900
New budget authority (gross), detail:			
40.00	Appropriation	2,800	2,900
Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Appropriation	1,507	1,606
73.10	New obligations	2,800	2,900
73.20	Total outlays (gross)	-2,688	-1,421
73.40	Adjustments in expired accounts	-13	

General and special funds—Continued

PUBLIC HOUSING OPERATING FUND—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-0163-0-1-604	1996 actual	1997 est.	1998 est.
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	1,606	85	1,564
Outlays (gross), detail:			
86.90 Outlays from new current authority	1,202		1,392
86.93 Outlays from current balances	1,486	1,521	29
87.00 Total outlays (gross)	2,688	1,521	1,421
Net budget authority and outlays:			
89.00 Budget authority	2,800		2,900
90.00 Outlays	2,688	1,521	1,421

Proposed Transfer of Balances

(In millions)

	1996 Actual	1997 est.	1998 est.
Public Housing Operating Fund:			
Budget Authority	2,900		2,900
Outlays	2,688	1,521	1,421
Preserving Existing Housing Investment:			
Budget Authority		2,800	
Outlays		1,392	1,479
Total			
Budget Authority	2,900	2,800	2,900
Outlays	2,688	2,913	2,900

The 1998 budget proposes to transfer all Operating Subsidies to the Public Housing Operating Fund.

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

In 1997, funding for these activities was provided under the Preserving Existing Housing Investment Fund.

Beginning in 1998, funding for these activities would be provided under the Public Housing Operating Fund.

In 1998, operating subsidy payments for tribally designated housing entities would be provided under the Native American Housing Block Grant program.

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

(INCLUDING TRANSFER OF FUNDS)

For grants to public and Indian housing agencies for use in eliminating crime in public housing projects authorized by 42 U.S.C. 11901-11908, for grants for federally assisted low-income housing authorized by 42 U.S.C. 11909, and for drug information clearing-house services authorized by 42 U.S.C. 11921-11925, \$290,000,000, to remain available until expended, \$10,000,000 of which shall be for grants, technical assistance, contracts and other assistance training, program assessment, and execution for or on behalf of public housing agencies, [and] resident organizations, *Indian Tribes and their Tribally designated housing entities (TDHEs)* (including the cost of necessary travel for participants in such training), [\$5,000,000] \$10,000,000, of which shall be used in connection with efforts to combat violent crime in public and assisted housing under the Operation Safe Home Program administered by the Inspector General of the Department of Housing and Urban Development, and [\$5,000,000] \$10,000,000 of which shall be provided to the Office of Inspector General for Operation Safe Home; *Provided*, That the term "drug-related crime", as defined in 42 U.S.C. 11905(2), shall also include other types of crime as determined by the Secretary; *Provided further*, That notwithstanding section 5130(c) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11909(c)), the Secretary may determine not to use any such funds to provide public housing youth sports grants. (*Departments of Veterans Affairs and Housing and*

Urban Development, and Independent Agencies Appropriations Act, 1997.)

Program and Financing (in millions of dollars)

Identification code 86-0197-0-1-604	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	243	290	290
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	20	68	68
22.00 New budget authority (gross)	290	290	290
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	311	358	358
23.95 New obligations	-243	-290	-290
24.40 Unobligated balance available, end of year:			
Uninvested balance	68	68	68
New budget authority (gross), detail:			
40.00 Appropriation	290	290	290
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	532	516	595
73.10 New obligations	243	290	290
73.20 Total outlays (gross)	-259	-210	-344
73.45 Adjustments in unexpired accounts	-1		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	516	595	541
Outlays (gross), detail:			
86.93 Outlays from current balances	259	210	344
Net budget authority and outlays:			
89.00 Budget authority	290	290	290
90.00 Outlays	259	210	344

Summary of Budget Authority and Outlays

(In millions of dollars)

	1996 actual	1997 est.	1998 est.
Enacted/requested:			
Budget Authority	290	290	290
Outlays	259	210	344
Supplemental proposal:			
Budget Authority		30	
Outlays			3
Total:			
Budget Authority	290	320	290
Outlays	259	210	347

The \$290 million requested for this program in FY 1998 includes funding for technical assistance for drug elimination and operation safe home activities.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING [(HOPE VII)] (*HOPE VI*)

For grants to public housing agencies for assisting in the demolition of obsolete public housing projects or portions thereof, the revitalization (where appropriate) of sites (including remaining public housing units) on which such projects are located, replacement housing which will avoid or lessen concentrations of very low-income families, and tenant-based assistance in accordance with section 8 of the United States Housing Act of 1937; and for providing replacement housing and assisting tenants to be displaced by the demolition, [\$550,000,000] \$524,000,000, to remain available until expended, of which the Secretary may use up to \$2,500,000 for technical assistance, to be provided directly or indirectly by grants, contracts or cooperative agreements, including training and cost of necessary travel for participants in such training, by or to officials and employees of the Department and of public housing agencies and to residents; *Provided*, That no funds appropriated in this title shall be used for any purpose that is not provided for herein, in the Housing Act of 1937, in the Appropriations Acts for Veterans Affairs, Housing and Urban Development, and Independent Agencies, for the fiscal years 1993, 1994, and 1995, and the Omnibus Consolidated Rescis-

sions and Appropriations Act of 1996: *Provided further*, That none of such funds shall be used directly or indirectly by granting competitive advantage in awards to settle litigation or pay judgments, unless expressly permitted herein: *Provided further*, That, notwithstanding any other provision of law, the funds made available to the Housing Authority of New Orleans under HOPE VI for purposes of Desire Homes, shall not be obligated or expended for on-site construction until an independent third party has determined whether the site is appropriate]. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997.*)

Program and Financing (in millions of dollars)

Identification code 86-0218-0-1-604	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	57	599	557
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	116	539	490
22.00 New budget authority (gross)	480	550	524
23.90 Total budgetary resources available for obligation	596	1,089	1,014
23.95 New obligations	-57	-599	-557
24.40 Unobligated balance available, end of year:			
Uninvested balance	539	490	457
New budget authority (gross), detail:			
40.00 Appropriation	480	550	524
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	1,430	1,377	1,693
73.10 New obligations	57	599	557
73.20 Total outlays (gross)	-110	-283	-409
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	1,377	1,693	1,841
Outlays (gross), detail:			
86.90 Outlays from new current authority			12
86.93 Outlays from current balances	110	283	397
87.00 Total outlays (gross)	110	283	409
Net budget authority and outlays:			
89.00 Budget authority	480	550	524
90.00 Outlays	110	283	409

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

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 (Public Law 104-330), \$485,000,000, to remain available until expended, of which \$5,000,000, shall be used to support the inspection of Indian housing units, contract expertise, training, and technical assistance in the oversight and management of Indian housing and tenant-based assistance, including up to \$200,000 for related travel: *Provided*, That all balances outstanding as of September 30, 1997, previously appropriated under the headings "Annual Contributions for Assisted Housing", "Development of Additional New Subsidized Housing", "Preserving Existing Housing Development", "HOME Investment Partnerships Program", "Emergency Shelter Grants Program," and "Homeless Assistance Funds", identified for Indian Housing Authorities and other agencies primarily serving Indian or Indian areas, shall be transferred to and merged with amounts made under this heading.

Program and Financing (in millions of dollars)		1996 actual	1997 est.	1998 est.
Identification code 86-0313-0-1-604				
Obligations by program activity:				
10.00	Total obligations (object class 41.0)			485
Budgetary resources available for obligation:				
22.00	New budget authority (gross)			485
23.95	New obligations			-485
New budget authority (gross), detail:				
40.00	Appropriation			485
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance:			
	Appropriation			
73.10	New obligations			485
73.20	Total outlays (gross)			-57
74.40	Unpaid obligations, end of year: Obligated balance:			
	Appropriation			429
Outlays (gross), detail:				
86.90	Outlays from new current authority			57
86.93	Outlays from current balances			
87.00	Total outlays (gross)			57
Net budget authority and outlays:				
89.00	Budget authority			485
90.00	Outlays			57

Proposed Transfer of Balances

	[In millions]		
	1996 est.	1997 est.	1998 est.
Indian Development (Annual Contributions):			
Budget Authority	163		
Outlays	252	251	214
Indian Development (Development of Additional New Subsidized Housing):			
Budget Authority		200	
Outlays		0	10
Modernization:			
Budget Authority	149	162	
Outlays	161	162	181
HOME:			
Budget Authority	14	21	
Outlays	13	14	25
Homeless:			
Budget Authority	1	1	
Outlays	1	1	1
Native American Block Grant:			
Budget Authority			485
Outlays			57
Total			
Budget Authority	327	384	485
Outlays	427	428	488

The 1998 budget proposes to transfer all obligated and unobligated balances from Annual Contributions, Development of Additional New Subsidized Housing, Preserving Existing Housing Investment, HOME Investment Partnerships Program Emergency Shelter Grants, and Homeless Assistance for Indian housing authorities and other agencies primarily serving Indians or Indian areas to the Native American Housing Block Grants Program.

Title I of the Native American Housing Assistance and Self-Determination Act of 1996 (P.L. 104-330) authorized the Native American Housing Block Grants program. This program provides an allocation of funds on a formula basis to Indian tribes and their tribally designated housing entities to help them address housing needs within their communities. Indian tribes will use performance measures and benchmarks that are consistent with the national goals of the program, but can base these measures on the needs and priorities they establish in their own Indian housing plan.

Public enterprise funds:

LOW-RENT PUBLIC HOUSING—LOANS AND OTHER EXPENSES

Program and Financing (in millions of dollars)

Identification code 86-4098-0-3-604	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Capital investment: Loans to public housing agencies and Indian housing authorities	38	50	50
10.00 Total obligations (object class 33.0)	38	50	50
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	6	13	13
22.00 New budget authority (gross)	107	115	118
22.60 Redemption of debt	-62	-65	-68
23.90 Total budgetary resources available for obligation	51	63	63
23.95 New obligations	-38	-50	-50
24.40 Unobligated balance available, end of year:			
Uninvested balance	13	13	13
New budget authority (gross), detail:			
67.15 Authority to borrow (indefinite)	20	50	50
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	87	65	68
70.00 Total new budget authority (gross)	107	115	118
Change in unpaid obligations:			
Unpaid obligations, start of year:			
Obligated balance:			
72.40 Appropriation	1,288	1,176	1,064
72.90 Fund balance			
72.99 Total unpaid obligations, start of year	1,288	1,176	1,064
73.10 New obligations	38	50	50
73.20 Total outlays (gross)	-150	-162	-165
Unpaid obligations, end of year:			
Obligated balance:			
74.40 Appropriation	1,176	1,064	
74.90 Fund balance			950
74.99 Total unpaid obligations, end of year	1,176	1,064	950
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	50	65	68
86.98 Outlays from permanent balances	100	97	97
87.00 Total outlays (gross)	150	162	165
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-62	-65	-68
88.40 Non-Federal sources	-25		
88.90 Total, offsetting collections (cash)	-87	-65	-68
Net budget authority and outlays:			
89.00 Budget authority	20	50	50
90.00 Outlays	64	97	97

Status of Direct Loans (in millions of dollars)

Identification code 86-4098-0-3-604	1996 actual	1997 est.	1998 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1,689	1,627	1,562
1251 Repayments: Repayments and prepayments	-62	-65	-65
1290 Outstanding, end of year	1,627	1,562	1,497

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4098-0-3-604	1996 actual	1997 est.	1998 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	4,132	3,861	3,507
2251 Repayments and prepayments	-271	-354	-280
2290 Outstanding, end of year	3,861	3,507	3,227

Memorandum:

2299	Guaranteed amount of guaranteed loans outstanding, end of year	3,861	3,507	3,227
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The Low-Rent Public Housing Loan Fund is used to provide direct Federal loans to fund remaining Public Housing Agency and Indian Housing Authority construction, acquisition, and modernization activities reserved under the Annual Contributions appropriation through 1986. These loans are made from borrowings from the Treasury. Under legislation enacted during 1986 (Public Law 99-272), the borrowings from the Treasury are forgiven at the end of each fiscal year and the loans to PHAs/IHAs are forgiven as construction, acquisition, and modernization activities are completed. Under the provisions of this legislation, \$20 million of borrowings from the Treasury were forgiven in 1996, an estimated \$50 million will be borrowed from the Treasury and forgiven in 1997, and an estimated \$50 million will be borrowed from the Treasury and forgiven in 1998. The table below shows the status of outstanding loans for the period 1996-1998. The balance at the end of each year represents administrative loans, off-site facility loans, and preliminary loans on projects never undertaken and excess financing.

PUBLIC HOUSING AGENCIES/INDIAN HOUSING AUTHORITIES

Loans Outstanding

(In millions of dollars)

	1996 actual	1997 est.	1998 est.
Outstanding, start of year	64	45	45
Direct loan disbursements	38	50	50
Repayments	-20		
Adjustments	2		
Total loans forgiven	-39	-50	-50
Outstanding, end of year	45	45	45

Since 1987, new reservations of capital funds for construction, acquisition, and modernization activities have been provided directly from the Annual Contributions, Preserving Existing Housing Investment, and Development of Additional New Subsidized Housing appropriations.

Operating results.—The actual and estimated net operating income for 1995, 1996, 1997, and 1998 follows:

Statement of Operations (in millions of dollars)

Identification code 86-4098-0-3-604	1995 actual	1996 actual	1997 est.	1998 est.
0101 Revenue	116	112	108	104
0102 Expense	-131	-127	-123	-119
0109 Net income or loss (-)	-15	-15	-15	-15

Balance Sheet (in millions of dollars)

Identification code 86-4098-0-3-604	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	1,294	1,189	1,084	979
Investments in US securities:				
1106 Receivables, net	1,791	1,726	1,661	1,596
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	64	45	45	45
1602 Interest receivable	6	3	3	3
1603 Allowance for estimated uncollectible loans and interest (-)	-12	-12	-12	-12
1604 Direct loans and interest receivable, net	58	36	36	36
1699 Value of assets related to direct loans	58	36	36	36
1999 Total assets	3,143	2,951	2,781	2,611

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PUBLIC AND INDIAN HOUSING—Continued
Federal Funds—Continued

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LIABILITIES:					
Federal liabilities:					
2102	Interest payable	205	198	191	184
2104	Resources payable to Treasury	1,688	1,627	1,565	1,503
2207	Non-Federal liabilities: Other	1	1	1	1
2999	Total liabilities	1,894	1,826	1,757	1,688
NET POSITION:					
3100	Appropriated capital	1,184	1,076	968	860
3300	Cumulative results of operations	65	49	56	63
3999	Total net position	1,249	1,125	1,024	923
4999	Total liabilities and net position	3,143	2,951	2,781	2,611

Credit accounts:

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

For the cost of guaranteed loans, as authorized by section 184 of the Housing and Community Development Act of 1992 (106 Stat. 3739) \$3,000,000, 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 \$36,900,000. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997.*)

Program and Financing (in millions of dollars)

Identification code 86-0223-0-1-371	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	3	3	3
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	3	3	3
23.95 New obligations	-3	-3	-3
New budget authority (gross), detail:			
40.00 Appropriation	3	3	3
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	3	6	6
73.10 New obligations	3	3	3
73.20 Total outlays (gross)		-2	-3
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	6	6	6
Outlays (gross), detail:			
86.90 Outlays from new current authority		2	2
86.93 Outlays from current balances			1
87.00 Total outlays (gross)		2	3
Net budget authority and outlays:			
89.00 Budget authority	3	3	3
90.00 Outlays		2	3

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

Identification code 86-0223-0-1-371	1996 actual	1997 est.	1998 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Loan guarantee levels	37	37	37
2159 Total loan guarantee levels	37	37	37
Guaranteed loan subsidy (in percent):			
2320 Subsidy rate	8.13	8.13	8.13
2329 Weighted average subsidy rate	8.13	8.13	8.13
Guaranteed loan subsidy budget authority:			
2330 Subsidy budget authority	3	3	3
2339 Total subsidy budget authority	3	3	3
Guaranteed loan subsidy outlays:			
2340 Subsidy outlays		2	3
2349 Total subsidy outlays		2	3

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the loan guarantees committed in 1994 and beyond (including modifications of guarantees that resulted from obligations in any year). The subsidy amounts are estimated on a net present value basis. The administrative expenses are shown on a cash basis.

This program provides access to sources of private financing for Indian families, Indian tribes and their tribally designated housing entities (TDHEs) 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	1996 actual	1997 est.	1998 est.
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance	3	3	5
22.00 New financing authority (gross)		2	3
23.90 Total budgetary resources available for obligation	3	5	8
23.95 New obligations			
24.90 Unobligated balance available, end of year: Fund balance	3	5	8
New financing authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Spending authority from offsetting collections, Federal sources		2	3
Offsets:			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources:			
Payments from program account		-2	-3
Net financing authority and financing disbursements:			
89.00 Financing authority		1	2
90.00 Financing disbursements	-1		-3

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4104-0-3-604	1996 actual	1997 est.	1998 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	37	37	37
2150 Total guaranteed loan commitments	37	37	37
2199 Guaranteed amount of guaranteed loan commitments	37	37	
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	1	6	11
2231 Disbursements of new guaranteed loans	5	5	17
2290 Outstanding, end of year	6	11	28
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	6	11	

As required by the Federal Credit Reform Act of 1990, this nonbudgetary account records all cash flows to and from the Government resulting from the loan guarantees committed in 1994 and beyond (including modifications of loan guarantees that resulted from obligations in any year). The amounts in this account are a means of financing and not included in the budget totals.

Credit accounts—Continued

INDIAN HOUSING LOAN GUARANTEE FUND FINANCING ACCOUNT—Continued

Balance Sheet (in millions of dollars)

Identification code 86-4104-0-3-604	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury		2	5	
Investments in US securities:				
1106 Receivables, net		1	1	
1999 Total assets		3	6	
LIABILITIES:				
2204 Non-Federal liabilities: Liabilities for loan guarantees		1	1	
2999 Total liabilities		1	1	
NET POSITION:				
3100 Appropriated capital		2	5	
3999 Total net position		2	5	
4999 Total liabilities and net position		3	6	

90.00 Outlays	133	165
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The Housing Opportunities for Persons with AIDS program was established as a separate account in 1997. All of the balances from prior appropriations for this program have been transferred to and merged with this account. This program is now accounted for on an obligation basis. The purpose of the program is to provide States and localities with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with HIV/AIDS and their families.

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

COMMUNITY DEVELOPMENT BLOCK GRANTS [FUND]

(INCLUDING TRANSFERS OF FUNDS)

For grants to States and units of general local government and for related expenses, not otherwise provided for, to carry out a community development grants program as authorized by title I of the Housing and Community Development Act of 1974, as amended (the "Act" herein) (42 U.S.C. 5301), \$4,600,000,000, to remain available until September 30, [1999.] 2000; of which \$67,000,000 shall be for grants to Indian tribes notwithstanding section 106(a)(1) of the Act[: *Provided*, That \$2,100,000 shall be available as a grant to the Housing Assistance Council, \$1,500,000 shall be available as a grant to the National American Indian Housing Council, and \$49,000,000]; of which [\$35,000,000] \$32,600,000 shall be [available] for grants pursuant to section 107 of such Act[, including up to \$14,000,000 for the development and operation of a management information system]; of which \$50,000,000 shall be for *Economic Development Grants*; \$50,000,000 shall be for activities to promote and implement homeownership in targeted geographic areas; \$10,000,000 shall be for the *Capacity Building for Community Development and Affordable Housing program*; \$10,000,000 shall be for a grant to *Habitat for Humanity International*; \$10,000,000 shall be for grants to units of local government, preferably for communities designated as *Empowerment Zones or Enterprise Communities*, to develop strategies for *Bridges to Work programs*, which include assistance for job search, transportation, child care and other needed supportive services to increase job opportunities; and \$60,000,000 shall be for the *lead-based paint hazard reduction program*: *Provided further*, That not to exceed 20 percent of any grant made with funds appropriated herein (other than [a grant made available under the preceding proviso to the Housing Assistance Council or the National American Indian Housing Council, or] a grant using funds under section 107(b)(3) of the Housing and Community Development Act of 1974, as amended) shall be expended for "Planning and Management Development" and "Administration" as defined in regulations promulgated by the Department[: *Provided further*, That for fiscal year 1997 and thereafter, section 105(a)(25) of such Act, shall continue to be effective and the termination and conforming provisions of section 907(b)(2) of the Cranston-Gonzalez National Affordable Housing Act shall not be effective: *Provided further*, That section 916(f) of the Cranston-Gonzalez National Affordable Housing Act is repealed].

[Of the amount provided under this heading, the Secretary of Housing and Urban Development may use up to \$60,000,000 for grants to public housing agencies (including Indian housing authorities), nonprofit corporations, and other appropriate entities for a supportive services program to assist residents of public and assisted housing, former residents of such housing receiving tenant-based assistance under section 8 of such Act (42 U.S.C. 1437f), and other low-income families and individuals to become self-sufficient: *Provided*, That the program shall provide supportive services, principally for the benefit of public housing residents, to the elderly and the disabled, and to families with children where the head of household would benefit from the receipt of supportive services and is working, seeking work, or is preparing for work by participating in job training or educational programs: *Provided further*, That the supportive serv-

COMMUNITY PLANNING AND DEVELOPMENT

Federal Funds

General and special funds:

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

For carrying out the Housing Opportunities for Persons with AIDS program, as authorized by the AIDS Housing Opportunity Act (42 U.S.C. 12901), [\$171,000,000] \$204,000,000, to remain available until expended[: *Provided*, That any amounts previously appropriated for such program, and any related assets and liabilities, in the "Annual Contributions for Assisted Housing" account, shall be transferred to and merged with amounts in this account]. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997.*)

Program and Financing (in millions of dollars)

Identification code 86-0308-0-1-604	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)		237	204
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		196	204
22.22 Unobligated balance transferred from other accounts		41	
23.90 Total budgetary resources available for obligation		237	204
23.95 New obligations		-237	-204
New budget authority (gross), detail:			
40.00 Appropriation		171	204
42.00 Transferred from other accounts		25	
43.00 Appropriation (total)		196	204
70.00 Total new budget authority (gross)		196	204
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation			471
73.10 New obligations		237	204
73.20 Total outlays (gross)		-133	-165
73.32 Obligated balance transferred from other accounts		367	
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation		471	510
Outlays (gross), detail:			
86.90 Outlays from new current authority		4	4
86.93 Outlays from current balances		129	161
87.00 Total outlays (gross)		133	165
Net budget authority and outlays:			
89.00 Budget authority		196	204

ices may include congregate services for the elderly and disabled, service coordinators, and coordinated educational, training, and other supportive services, including academic skills training, job search assistance, assistance related to retaining employment, vocational and entrepreneurship development and support programs, transportation, and child care: *Provided further*, That the Secretary shall require applications to demonstrate firm commitments of funding or services from other sources: *Provided further*, That the Secretary shall select public and Indian housing agencies to receive assistance under this head on a competitive basis, taking into account the quality of the proposed program (including any innovative approaches, the extent of the proposed coordination of supportive services, the extent of commitments of funding or services from other sources, the extent to which the proposed program includes reasonably achievable, quantifiable goals for measuring performance under the program over a three-year period, the extent of success an agency has had in carrying out other comparable initiatives, and other appropriate criteria established by the Secretary). *Provided further*, That from the foregoing \$60,000,000, up to \$5,000,000 shall be available for the Tenant Opportunity Program, and up to \$5,000,000 shall be available for the Moving to Work Demonstration for public housing families.]

[Of the amount made available under this heading, notwithstanding any other provision of law, \$20,000,000 shall be available for grants to entities managing or operating public housing developments, federally-assisted multifamily-housing developments, or other multifamily-housing developments for low-income families supported by non-Federal governmental entities or similar housing developments supported by nonprofit private sources, to reimburse local law enforcement entities for additional police presence in and around such housing developments; to provide or augment such security services by other entities or employees of the recipient agency; to assist in the investigation and/or prosecution of drug related criminal activity in and around such developments; and to provide assistance for the development of capital improvements at such developments directly relating to the security of such developments: *Provided*, That such grants shall be made on a competitive basis as specified in section 102 of the HUD Reform Act.]

[Of the amount made available under this heading, notwithstanding any other provision of law, \$30,000,000 shall be available for youthbuild program activities authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as amended, and such activities shall be an eligible activity with respect to any funds made available under this heading.]

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

For the cost of guaranteed loans, [\$31,750,000] \$29,000,000, as authorized by section 108 of the Housing and Community Development Act of 1974: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed [\$1,500,000,000], \$1,261,000,000, notwithstanding any aggregate limitation on outstanding obligations guaranteed in section 108(k) of the Housing and Community Development Act [of 1974]. In addition, for administrative expenses to carry out the guaranteed loan program, [\$675,000] \$1,000,000, which shall be transferred to and merged with the appropriation for departmental salaries and expenses. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997.*)

Program and Financing (in millions of dollars)

Identification code 86-0162-0-1-451	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Grants	4,415	5,326	4,600
10.00 Total obligations (object class 41.0)	4,415	5,326	4,600
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	487	726	
22.00 New budget authority (gross)	4,650	4,600	4,600
22.10 Resources available from recoveries of prior year obligations	3		

23.90 Total budgetary resources available for obligation	5,140	5,326	4,600
23.95 New obligations	-4,415	-5,326	-4,600
24.40 Unobligated balance available, end of year:			
Uninvested balance	726		
New budget authority (gross), detail:			
40.00 Appropriation	4,650	4,600	4,600
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	8,645	8,512	9,001
73.10 New obligations	4,415	5,326	4,600
73.20 Total outlays (gross)	-4,545	-4,837	-4,641
73.45 Adjustments in unexpired accounts	-3		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	8,512	9,001	8,960
Outlays (gross), detail:			
86.90 Outlays from new current authority	186	91	91
86.93 Outlays from current balances	4,359	4,746	4,550
87.00 Total outlays (gross)	4,545	4,837	4,641
Net budget authority and outlays:			
89.00 Budget authority	4,650	4,600	4,600
90.00 Outlays	4,545	4,837	4,641

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

Funds are allocated to Indian tribes and, on an entitlement basis, to metropolitan cities and urban counties which receive their grants using the higher of two objective formulas. States and small cities are also allocated a portion of the available funds. Section 107 Grants include funding for Insular Areas, technical assistance, Historically Black Colleges and Universities, Community Development Work Study and Community Outreach Partnership programs.

A revised and enhanced Economic Development Initiative (EDI) program which will build upon the success of the existing program, is proposed for 1998. The proposal will expand funding available for job creation projects, expand the list of eligible recipients, and provide more flexibility in meeting community and economic development needs. The focus of the 1998 EDI grants will be on the need to create employment opportunities in the wake of welfare reform.

The Homeownership Zones program will provide flexible grants to States and Community Development Block Grant (CDBG) entitlement units of general local government for large-scale redevelopment of abandoned neighborhoods to create viable communities of mixed income homebuyers.

The Capacity Building for Community Development and Affordable Housing program provides funding to the National Community Development Initiative (NCDI) to build the capacity of community-based development corporations and housing development organizations, and to assist such entities to carry out community development and affordable housing activities.

Title X of the Housing and Community Development Act of 1992 (Public Law 102-550) authorizes a Lead-Based Paint Hazard Reduction program to address lead-hazard reduction activities in privately owned housing.

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

The Bridges to Work program will provide assistance to low-income work-ready, but unemployed or underemployed,

General and special funds—Continued

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

city residents in finding and maintaining employment. These grants will emphasize the link between transportation services and other supportive services to increase access to jobs throughout a metropolitan area. The funding will provide time-limited assistance for job search, transportation, child care and other needed supportive services to increase job opportunities. The program will build on the existing demonstration program by expanding collaborative efforts by private businesses, non-profit organizations and public agencies, including the Federal Government. The Bridges to Work program would be available on a competitive basis and would be targeted, but not limited to, Empowerment Zones and Enterprise Communities.

EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES

(Legislative proposal, not subject to PAYGO)

For grants to Empowerment Zones and Enterprise Communities, to be designated by the Secretary of the Department of Housing and Urban Development, to continue efforts to stimulate economic opportunity in America's distressed communities, \$100,000,000, to remain available until expended. (Additional authorizing legislation required.)

Program and Financing (in millions of dollars)

Identification code 86-0315-2-1-451	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)			100
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			100
23.95 New obligations			-100
New budget authority (gross), detail:			
40.00 Appropriation			100
Change in unpaid obligations:			
73.10 New obligations			100
73.20 Total outlays (gross)			-2
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation			98
Outlays (gross), detail:			
86.90 Outlays from new current authority			2
Net budget authority and outlays:			
89.00 Budget authority			100
90.00 Outlays			2

This program would provide grants to support the financing of capital projects, including housing and economic development, in urban Empowerment Zones and Enterprise Communities. Applicants would be challenged to develop their own comprehensive strategic plans for revitalization, with the input of residents and a wide array of community partners. Grants could be used for a range of activities, at local discretion, including: workforce preparation and job creation efforts linked to welfare reform, repayment of debt financed by municipal bonds; financing of projects in conjunction with the section 108 financing loan guarantee program and other economic development projects; and support for project-based rental assistance and other housing initiatives.

BROWNFIELDS REDEVELOPMENT

For Economic Development Grants, as authorized by section 108 of the Housing and Community Development Act of 1974, as amended, for Brownfields redevelopment projects, \$25,000,000, to remain available until expended.

Program and Financing (in millions of dollars)

Identification code 86-0314-0-1-451	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)			25
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			25
23.95 New obligations			-25
New budget authority (gross), detail:			
40.00 Appropriation			25
Change in unpaid obligations:			
73.10 New obligations			25
73.20 Total outlays (gross)			-1
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation			24
Outlays (gross), detail:			
86.90 Outlays from new current authority			1
Net budget authority and outlays:			
89.00 Budget authority			25
90.00 Outlays			1

This program would make competitive economic development grants in conjunction with Section 108 loan guarantees for qualified brownfield projects. This is the first of four annual funding requests, for a total of \$100 million, to be dedicated to the initiative between 1998 and 2001. This program will solicit applications from communities with the best proposals for returning these sites to productive, and employment generating uses, with an emphasis on creating substantial numbers of jobs for lower income people in physically and economically distressed neighborhoods.

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

HOME INVESTMENT PARTNERSHIPS PROGRAM

For the HOME investment partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101-625), as amended, [\$1,400,000,000] \$1,309,000,000, to remain available until expended: *Provided*, [\$21,000,000 shall be available for grants to Indian tribes: *Provided further*,] That up to [0.5 percent, but not less than] \$7,000,000 shall be available for the development and operation of integrated community development management information systems[; *Provided further*, That \$15,000,000 shall be available for Housing Counseling under section 106 of the Housing and Urban Development Act of 1968]. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997.*)

Program and Financing (in millions of dollars)

Identification code 86-0205-0-1-999	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	1,367	1,582	1,309
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	148	182	
22.00 New budget authority (gross)	1,400	1,400	1,309
22.10 Resources available from recoveries of prior year obligations			
	1		
23.90 Total budgetary resources available for obligation	1,549	1,582	1,309
23.95 New obligations	-1,367	-1,582	-1,309

24.40	Unobligated balance available, end of year:			
	Uninvested balance	182		
New budget authority (gross), detail:				
40.00	Appropriation	1,400	1,400	1,309
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance:			
	Appropriation	3,189	3,349	3,486
73.10	New obligations	1,367	1,582	1,309
73.20	Total outlays (gross)	-1,206	-1,445	-1,440
73.45	Adjustments in unexpired accounts	-1		
74.40	Unpaid obligations, end of year: Obligated balance:			
	Appropriation	3,349	3,486	3,355
Outlays (gross), detail:				
86.90	Outlays from new current authority	28	28	26
86.93	Outlays from current balances	1,178	1,417	1,414
87.00	Total outlays (gross)	1,206	1,445	1,440
Net budget authority and outlays:				
89.00	Budget authority	1,400	1,400	1,309
90.00	Outlays	1,206	1,445	1,440

74.40	Unpaid obligations, end of year: Obligated balance:			
	Appropriation	13	3	
Outlays (gross), detail:				
86.93	Outlays from current balances	5	10	3
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	5	10	3

As authorized by section 4 of the HUD Demonstration Act of 1993, this program provides funding to the National Community Development Initiative to build the capacity of community-based development corporations and housing development organizations, and to assist such corporations and organizations to carry out community development and affordable housing activities. Funding for this program was provided under the Annual Contributions for Assisted Housing account in 1996, and is requested under the Community Development Block Grant account in 1998.

EMERGENCY SHELTER GRANTS PROGRAM

Program and Financing (in millions of dollars)

Identification code 86-0181-0-1-604	1996 actual	1997 est.	1998 est.
Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Appropriation	36	6
73.20	Total outlays (gross)	-30	-6
74.40	Unpaid obligations, end of year: Obligated balance:		
	Appropriation	6	
Outlays (gross), detail:			
86.93	Outlays from current balances	30	6
Net budget authority and outlays:			
89.00	Budget authority		
90.00	Outlays	30	6

The HOME Investment Partnership program is authorized by the National Affordable Housing Act (P.L. 101-625). This program provides assistance to States and units of local government, through formula allocation, for the purpose of expanding the supply and affordability of housing. Eligible activities include acquisition, rehabilitation, and new construction of housing and tenant-based rental assistance.

The 1998 proposal includes funds to continue to develop, implement and refine integrated community development management information systems which are critical to establishing a national database of local needs and program performance, as well as to provide localities, States and community members with software to plan and track performance. Funding for technical assistance is also included.

URBAN DEVELOPMENT ACTION GRANTS

Program and Financing (in millions of dollars)

Identification code 86-0170-0-1-451	1996 actual	1997 est.	1998 est.
Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Appropriation	163	136
73.20	Total outlays (gross)	-27	-60
74.40	Unpaid obligations, end of year: Obligated balance:		
	Appropriation	136	76
Outlays (gross), detail:			
86.93	Outlays from current balances	27	60
Net budget authority and outlays:			
89.00	Budget authority		
90.00	Outlays	27	60

Title IV, subtitle B, of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77), authorizes the Secretary to make Emergency Shelter Grants to States, units of local government, and nonprofit organizations to provide emergency shelter and other support for the homeless. Since fiscal year 1995, this assistance has been funded under the Homeless Assistance Grants account.

SUPPORTIVE HOUSING PROGRAM

Of the funds made available under this heading in Public Law 102-389 and prior laws for the Supportive Housing Demonstration Program, as authorized by the Stewart B. McKinney Homeless Assistance Act, \$6,000,000 of funds recaptured during fiscal year 1998 shall be rescinded.

Program and Financing (in millions of dollars)

Identification code 86-0188-0-1-604	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00	Total obligations (object class 41.0)	44	31
Budgetary resources available for obligation:			
21.40	Unobligated balance available, start of year:		
	Uninvested balance	66	31
22.00	New budget authority (gross)		-6
22.10	Resources available from recoveries of prior year obligations	9	6
23.90	Total budgetary resources available for obligation	75	31
23.95	New obligations	-44	-31
24.40	Unobligated balance available, end of year:		
	Uninvested balance	31	

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

CAPACITY BUILDING FOR COMMUNITY DEVELOPMENT AND AFFORDABLE HOUSING

Program and Financing (in millions of dollars)

Identification code 86-0222-0-1-451	1996 actual	1997 est.	1998 est.
Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Appropriation	19	13
73.20	Total outlays (gross)	-5	-10

General and special funds—Continued

SUPPORTIVE HOUSING PROGRAM—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-0188-0-1-604	1996 actual	1997 est.	1998 est.
New budget authority (gross), detail:			
40.36 Unobligated balance rescinded			-6
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	575	462	336
73.10 New obligations	44	31	
73.20 Total outlays (gross)	-148	-157	-144
73.45 Adjustments in unexpired accounts	-9		-6
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	462	336	186
Outlays (gross), detail:			
86.93 Outlays from current balances	148	157	144
Net budget authority and outlays:			
89.00 Budget authority			-6
90.00 Outlays	148	157	144

Title IV, subtitle C, of the Stewart B. McKinney Homeless Assistance Act authorizes assistance to promote the development of supportive housing and services, especially for deinstitutionalized homeless individuals, homeless families with children, homeless individuals with mental disabilities, and other persons including those with AIDS. Such assistance is available for the acquisition, rehabilitation, construction, or leasing of structures to be used for homeless persons as well as to pay for operating costs and supportive services. Since fiscal year 1995, this type of assistance has been funded under the Homeless Assistance Grants account.

This proposal would rescind funding, recaptured in 1998, for approved projects in prior years which were either not undertaken or utilized less funding than originally obligated.

SUPPLEMENTAL ASSISTANCE FOR FACILITIES TO ASSIST THE HOMELESS

Program and Financing (in millions of dollars)

Identification code 86-0187-0-1-451	1996 actual	1997 est.	1998 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance		1	1
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	1	1	1
23.95 New obligations			
24.40 Unobligated balance available, end of year:			
Uninvested balance	1	1	1
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	9	3	
73.10 New obligations			
73.20 Total outlays (gross)	-5	-3	
73.45 Adjustments in unexpired accounts	-1		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	3		
Outlays (gross), detail:			
86.93 Outlays from current balances	5	3	
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	5	3	

Title IV, subtitle D, of the Stewart B. McKinney Homeless Assistance Act, authorized the Supplemental Assistance for Facilities To Assist the Homeless program (SAFAH) to pro-

vide comprehensive assistance for particularly innovative programs or alternative methods of meeting the immediate and long-term needs of the homeless. The authority for the SAFAH program was terminated by section 1403 of the Housing and Community Development Act of 1992.

SHELTER PLUS CARE

Of the funds made available under this heading in Public Law 102-389 and prior laws for the Shelter Plus Care program, as authorized by the Stewart B. McKinney Homeless Assistance Act, \$4,000,000 of funds recaptured during fiscal year 1998 shall be rescinded.

Program and Financing (in millions of dollars)

Identification code 86-0204-0-1-604	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	9	16	
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	24	16	
22.00 New budget authority (gross)			-4
22.10 Resources available from recoveries of prior year obligations	1		4
23.90 Total budgetary resources available for obligation	25	16	
23.95 New obligations	-9	-16	
24.40 Unobligated balance available, end of year:			
Uninvested balance	16		
New budget authority (gross), detail:			
40.36 Unobligated balance rescinded			-4
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	454	419	385
73.10 New obligations	9	16	
73.20 Total outlays (gross)	-43	-50	-49
73.45 Adjustments in unexpired accounts	-1		-4
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	419	385	332
Outlays (gross), detail:			
86.90 Outlays from new current authority			
86.93 Outlays from current balances	43	50	49
87.00 Total outlays (gross)	43	50	49
Net budget authority and outlays:			
89.00 Budget authority			-4
90.00 Outlays	43	50	49

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

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

This proposal would rescind funding, recaptured in 1998, for approved projects in prior years which were either not undertaken or utilized less funding than was originally obligated.

INNOVATIVE HOMELESS INITIATIVES DEMONSTRATION PROGRAM

Program and Financing (in millions of dollars)

Identification code 86-0221-0-1-604	1996 actual	1997 est.	1998 est.
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	79	58	39
73.20 Total outlays (gross)	-20	-19	-17

74.40	Unpaid obligations, end of year: Obligated balance:			
	Appropriation	58	39	22
Outlays (gross), detail:				
86.93	Outlays from current balances	20	19	17
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	20	19	17

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

HOMELESS ASSISTANCE [FUNDS] GRANTS

For grants to States, units of general local government, nonprofit organizations, or public housing authorities, and for related expenses not otherwise provided for, necessary for carrying out a performance-based homeless assistance program, \$823,000,000, to remain available until expended: Provided, That up to one percent of such funds shall be available to the Secretary for technical assistance. (Additional authorizing legislation required.)

[For the emergency shelter grants program (as authorized under subtitle B of title IV of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77), as amended); the supportive housing program (as authorized under subtitle C of title IV of such Act); the section 8 moderate rehabilitation single room occupancy program (as authorized under the United States Housing Act of 1937, as amended) to assist homeless individuals pursuant to section 441 of the Stewart B. McKinney Homeless Assistance Act; and the shelter plus care program (as authorized under subtitle F of title IV of such Act), \$823,000,000, to remain available until expended.] (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997.)

Program and Financing (in millions of dollars)

Identification code 86-0192-0-1-604	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	785	1,711	823
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	849	888	
22.00 New budget authority (gross)	823	823	823
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	1,673	1,711	823
23.95 New obligations	-785	-1,711	-823
24.40 Unobligated balance available, end of year:			
Uninvested balance	888		
New budget authority (gross), detail:			
40.00 Appropriation	823	823	823
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	260	857	2,283
73.10 New obligations	785	1,711	823
73.20 Total outlays (gross)	-186	-285	-474
73.45 Adjustments in unexpired accounts	-1		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	857	2,283	2,632
Outlays (gross), detail:			
86.90 Outlays from new current authority	41	41	41
86.93 Outlays from current balances	145	244	433
87.00 Total outlays (gross)	186	285	474
Net budget authority and outlays:			
89.00 Budget authority	823	823	823
90.00 Outlays	186	285	474

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

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

YOUTHBUILD PROGRAM

For the HOPE for Youth: Youthbuild program, authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as amended, \$30,000,000, to remain available until expended.

Program and Financing (in millions of dollars)

Identification code 86-0219-0-1-604	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)		3	30
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	2	3	
22.00 New budget authority (gross)			30
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	3	3	30
23.95 New obligations		-3	-30
24.40 Unobligated balance available, end of year:			
Uninvested balance	3		
New budget authority (gross), detail:			
40.00 Appropriation			30
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	85	43	21
73.10 New obligations		3	30
73.20 Total outlays (gross)	-41	-25	-15
73.45 Adjustments in unexpired accounts	-1		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	43	21	36
Outlays (gross), detail:			
86.93 Outlays from current balances	41	25	15
Net budget authority and outlays:			
89.00 Budget authority			30
90.00 Outlays	41	25	15

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

General and special funds—Continued

YOUTHBUILD PROGRAM—Continued

For fiscal years 1996 and 1997, funding for the Youthbuild program was included in the Community Development Block Grants account.

NATIONAL CITIES IN SCHOOLS COMMUNITY DEVELOPMENT PROGRAM

Program and Financing (in millions of dollars)

Identification code 86-0220-0-1-451	1996 actual	1997 est.	1998 est.
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	2		
73.20 Total outlays (gross)	-2		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation			
Outlays (gross), detail:			
86.93 Outlays from current balances	2		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	2		

This program provides grants for community-wide programs designed to assist at-risk youth and their families. Funding for this program was provided under the Annual Contributions for Assisted Housing account in fiscal year 1996.

Public enterprise funds:

REVOLVING FUND (LIQUIDATING PROGRAMS)

Program and Financing (in millions of dollars)

Identification code 86-4015-0-3-451	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.03 Loan servicing and other expenses	8	7	7
00.04 Maintenance of acquired security and collateral		7	6
00.05 Administrative expenses	1	1	1
10.00 Total obligations	9	15	14
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance	102	97	87
22.00 New budget authority (gross)	74	65	60
22.10 Resources available from recoveries of prior year obligations	1		
22.40 Capital transfer to general fund	-70	-60	-60
23.90 Total budgetary resources available for obligation	107	102	87
23.95 New obligations	-9	-15	-14
24.90 Unobligated balance available, end of year: Fund balance	97	87	73
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	74	65	60
Change in unpaid obligations:			
72.90 Unpaid obligations, start of year: Obligated balance:			
Fund balance	46	27	7
73.10 New obligations	9	15	14
73.20 Total outlays (gross)	-28	-35	-21
73.45 Adjustments in unexpired accounts	-1		
74.90 Unpaid obligations, end of year: Obligated balance:			
Fund balance	27	7	
Outlays (gross), detail:			
86.98 Outlays from permanent balances	28	35	21
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-74	-65	-60

Net budget authority and outlays:

89.00 Budget authority			
90.00 Outlays	-46	-30	-39

Status of Direct Loans (in millions of dollars)

Identification code 86-4015-0-3-451	1996 actual	1997 est.	1998 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	388	328	282
1251 Repayments: Repayments and prepayments	-51	-45	-40
1263 Write-offs for default: Direct loans	-9	-1	
1290 Outstanding, end of year	328	282	242

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4015-0-3-451	1996 actual	1997 est.	1998 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	4	3	2
2251 Repayments and prepayments	-1	-1	-1
2290 Outstanding, end of year	3	2	1
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	3	2	1

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

Statement of Operations (in millions of dollars)

Identification code 86-4015-0-3-451	1995 actual	1996 actual	1997 est.	1998 est.
0101 Revenue	19	31	20	20
0102 Expense	-12	-18	-15	-12
0109 Net income or loss (-)	7	13	5	8

Balance Sheet (in millions of dollars)

Identification code 86-4015-0-3-451	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	149	125	135	130
1206 Non-Federal assets: Receivables, net	3	4	3	2
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	391	331	301	254
1602 Interest receivable	21	18	20	18
1603 Allowance for estimated uncollectible loans and interest (-)	-36	-25	-39	-30
1604 Direct loans and interest receivable, net	376	324	282	242
1606 Foreclosed property	1	1	1	
1699 Value of assets related to direct loans	377	325	283	242
1999 Total assets	529	454	421	374
LIABILITIES:				
Non-Federal liabilities:				
2201 Accounts payable	1			
2207 Other	13	9	8	7
2999 Total liabilities	14	9	8	7
NET POSITION:				
3100 Appropriated capital		28	28	28
3200 Invested capital		301	301	301
3300 Cumulative results of operations	514	116	84	38
3999 Total net position	514	445	413	367
4999 Total liabilities and net position	528	454	421	374

Object Classification (in millions of dollars)				
Identification code 86-4015-0-3-451		1996 actual	1997 est.	1998 est.
25.2	Other services	5	10	10
32.0	Land and structures	4	5	4
99.9	Total obligations	9	15	14

Credit accounts:

COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-0198-0-1-451		1996 actual	1997 est.	1998 est.
Obligations by program activity:				
00.02	Guaranteed loan subsidy	9	32	29
00.09	Administrative expenses	1	1	1
10.00	Total obligations (object class 33.0)	10	33	30
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	33	33	30
22.30	Unobligated balance expiring	-23		
23.90	Total budgetary resources available for obligation	10	33	30
23.95	New obligations	-10	-33	-30
New budget authority (gross), detail:				
40.00	Appropriation	33	33	30
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance:			
	Appropriation		9	19
73.10	New obligations	10	33	30
73.20	Total outlays (gross)	-1	-23	-35
74.40	Unpaid obligations, end of year: Obligated balance:			
	Appropriation	9	19	14
Outlays (gross), detail:				
86.90	Outlays from new current authority	1	17	16
86.93	Outlays from current balances		6	19
87.00	Total outlays (gross)	1	23	35
Net budget authority and outlays:				
89.00	Budget authority	33	33	30
90.00	Outlays	1	23	35

Guaranteed Loans.—The Community Development Block Grant program includes a guaranteed loan provision (Section 108). A commitment level of \$1.3 billion is proposed for the Community Development Loan Guarantees (Section 108) program for 1998. The credit subsidy/administrative cost estimate for the guaranteed loan program is \$30 million in FY 1998.

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

Identification code 86-0198-0-1-451		1996 actual	1997 est.	1998 est.
Guaranteed loan levels supportable by subsidy budget authority:				
2150	Loan guarantee levels	1,500	1,380	1,261
2159	Total loan guarantee levels	1,500	1,380	1,261
Guaranteed loan subsidy (in percent):				
2320	Subsidy rate	2.10	2.30	2.30
2329	Weighted average subsidy rate	2.10	2.30	2.30
Guaranteed loan subsidy budget authority:				
2330	Subsidy budget authority	32	32	29
2339	Total subsidy budget authority	32	32	29
Guaranteed loan subsidy outlays:				
2340	Subsidy outlays		22	23
2349	Total subsidy outlays		22	23

Administrative expense data:				
3510	Budget authority	1	1	1
3590	Outlays	1	1	1

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

COMMUNITY DEVELOPMENT LOAN GUARANTEES FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4096-0-3-451		1996 actual	1997 est.	1998 est.
Budgetary resources available for obligation:				
21.90	Unobligated balance available, start of year: Fund balance			23
22.00	New financing authority (gross)		23	37
23.90	Total budgetary resources available for obligation		23	60
24.90	Unobligated balance available, end of year: Fund balance		23	60
New financing authority (gross), detail:				
68.00	Spending authority from offsetting collections (gross):			
	Offsetting collections (cash)		23	37
Offsets:				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Federal sources		-22	-34
88.25	Interest on uninvested funds		-1	-3
88.90	Total, offsetting collections (cash)		-23	-37
Net financing authority and financing disbursements:				
89.00	Financing authority			
90.00	Financing disbursements		-23	-37

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4096-0-3-451		1996 actual	1997 est.	1998 est.
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders	1,500	1,380	1,261
2112	Uncommitted loan guarantee limitation	-1,066		
2150	Total guaranteed loan commitments	434	1,380	1,261
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	430	750	1,425
2231	Disbursements of new guaranteed loans	360	750	1,150
2251	Repayments and prepayments	-40	-75	-135
2290	Outstanding, end of year	750	1,425	2,440
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	750	1,425	2,440

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

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 guaran-

Credit accounts—Continued

COMMUNITY DEVELOPMENT LOAN GUARANTEES FINANCING
ACCOUNT—Continued

tees 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.

COMMUNITY DEVELOPMENT LOAN GUARANTEES LIQUIDATING
ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4097-0-3-451	1996 actual	1997 est.	1998 est.
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	50	4	4
22.60 Redemption of debt	-50	-4	-4
23.90 Total budgetary resources available for obligation			
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	50	4	4
Change in unpaid obligations:			
72.47 Unpaid obligations, start of year: Obligated balance:			
Authority to borrow	153	147	147
73.20 Total outlays (gross)	-6		
74.47 Unpaid obligations, end of year: Obligated balance:			
Authority to borrow	147	147	147
Outlays (gross), detail:			
86.98 Outlays from permanent balances	6		
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal			
sources	-50	-4	-4
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-44	-4	-4

Status of Direct Loans (in millions of dollars)

Identification code 86-4097-0-3-451	1996 actual	1997 est.	1998 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	89	39	35
1251 Repayments: Repayments and prepayments	-50	-4	-4
1290 Outstanding, end of year	39	35	31

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4097-0-3-451	1996 actual	1997 est.	1998 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	246	243	203
2231 Disbursements of new guaranteed loans	44	15	10
2251 Repayments and prepayments	-47	-55	-33
2290 Outstanding, end of year	243	203	180
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding,			
end of year	243	203	180

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

Guaranteed loans.—Guaranteed loan assistance under the Community Development Loan Guarantees program is provided to eligible communities to finance economic development activities, housing rehabilitation, public facilities, acquisition of real property, rehabilitation of publicly owned real prop-

erty, and certain related expenses. In the past, the FFB financed these guaranteed loans. The Consolidated Omnibus Budget Reconciliation Act of 1985 requires private financing of all loan guarantees committed after July 1, 1986. FFB will continue disbursing loans for commitments approved prior to July 1, 1986. The activity shown in the above account reflects privately financed guaranteed loans for which commitments were made prior to 1992.

HOUSING PROGRAMS

Federal Funds

General and special funds:

**[DEVELOPMENT OF ADDITIONAL NEW SUBSIDIZED HOUSING]
HOUSING FOR SPECIAL POPULATIONS**

For assistance for the purchase, construction, acquisition, or development of additional public and subsidized housing units for low income families under the United States Housing Act of 1937, as amended, ["the Act" herein] (42 U.S.C. 1437), not otherwise provided for, [\$1,039,000,000] \$474,000,000, to remain available until expended: *Provided*, That of the total amount provided under this head, [\$645,000,000] \$300,000,000 shall be for capital advances, including amendments to capital advance contracts, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for the elderly under section 202(c)(2) of the Housing Act of 1959; and [\$194,000,000] \$174,000,000 shall be for capital advances, including amendments to capital advance contracts, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act, and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for persons with disabilities as authorized by section 811 of [the Cranston-Gonzalez National Affordable Housing] such Act: *Provided further*, That the Secretary may designate up to 25 percent of the amounts earmarked under this paragraph for section 811 of [the Cranston-Gonzalez National Affordable Housing] such Act for tenant-based assistance, as authorized under that section, including such authority as may be waived under the next proviso, which assistance is five years in duration: *Provided further*, That the Secretary may waive any provision of section 202 of the Housing Act of 1959 and section 811 of the National Affordable Housing Act (including the provisions governing the terms and conditions of project rental assistance and tenant-based assistance) that the Secretary determines is not necessary to achieve the objectives of these programs, or that otherwise impedes the ability to develop, operate or administer projects assisted under these programs, and may make provision for alternative conditions or terms where appropriate: *Provided further*, That [of the total amount provided under this head \$200,000,000, shall be for the development or acquisition cost of public housing for Indian families, including amounts for housing under the mutual help homeownership opportunity program under section 202 of the Act (42 U.S.C. 1437bb)] all obligated and unobligated balances remaining in either the Annual Contributions for Assisted Housing account or the Development of Additional New Subsidized Housing account for capital advances, including amendments to capital advances, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for the elderly, under section 202(c)(2) of such Act, shall be transferred to and merged with the amounts for those purposes under this head; and, all obligated and unobligated balances remaining in either the Annual Contributions for Assisted Housing account or the Development of Additional New Subsidized Housing account for capital advances, including amendments to capital advances, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act, and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for persons with disabilities, as authorized under section 811 of such Act, shall be transferred to and merged with the amounts for those purposes under this head. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997.)

Program and Financing (in millions of dollars)			
Identification code 86-0310-0-1-604	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)		1,039	474
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		1,039	474
23.95 New obligations		-1,039	-474
New budget authority (gross), detail:			
40.00 Appropriation		1,039	474
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation			1,039
73.10 New obligations		1,039	474
73.20 Total outlays (gross)			-15
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation		1,039	1,498
Outlays (gross), detail:			
86.93 Outlays from current balances			15
Net budget authority and outlays:			
89.00 Budget authority		1,039	474
90.00 Outlays			15

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

A program level of \$300 million for Housing for the Elderly grants and rental assistance is proposed for 1998. This is estimated to support the production of 3,865 additional units.

A program level of \$174 million is proposed for disabled housing, including \$43.5 million for 1,630 5-year vouchers and \$130.5 million for grant and rental assistance to support 1,488 additional units.

During fiscal year 1996 funding for supportive housing for the elderly and disabled was provided under the Annual Contributions for Assisted Housing account. For 1997, funding was provided under the Development of Additional New Subsidized Housing, and in 1998 funding is proposed under the new Housing for Special Populations account. The table below shows the total budget authority and outlays associated with all three accounts. Language is being proposed in this budget to transfer the balances from Annual Contributions and Development of Additional New Housing accounts to the Housing for Special Populations account.

Proposed Transfer of Balances

[In millions of dollars]			
	1996 actual	1997 est.	1998 est.
Annual Contributions for Assisted Housing:			
Budget Authority	1,013	NA	NA
Outlays	757	853	911
Development of Additional New Subsidized Housing:			
Budget Authority	NA	839	NA
Outlays	NA	NA	NA
Housing for Special Populations:			
Budget Authority	NA	NA	474
Outlays	NA	NA	NA
Total:			
Budget Authority	1,013	839	474
Outlays	757	853	911

OTHER ASSISTED HOUSING PROGRAMS
RENTAL HOUSING ASSISTANCE
(Rescissions)

The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 236 of the National Housing Act (12 U.S.C. 1715z-1) is reduced in fiscal year 1998 by not more than \$7,350,000 in uncommitted balances of authorizations provided for this purpose in appropriation Acts: Provided, That up to \$125,000,000 of recaptured budget authority shall be canceled.

Program and Financing (in millions of dollars)			
Identification code 86-0206-0-1-999	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Rent supplement	9	39	37
00.02 Homeownership and rental housing assistance (Sections 235 and 236)	16	68	64
10.00 Total obligations (object class 41.0)	25	107	101
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
21.40 Uninvested balance	12	15	
21.49 Contract authority (available)	1,032	978	959
21.99 Total unobligated balance, start of year	1,044	993	959
22.00 New budget authority (gross)			-125
22.10 Resources available from recoveries of prior year obligations	340	111	278
22.75 Balance of contract authority withdrawn	-365	-38	-33
23.90 Total budgetary resources available for obligation	1,019	1,066	1,079
23.95 New obligations	-25	-107	-101
Unobligated balance available, end of year:			
24.40 Uninvested balance	15		
24.49 Contract authority (available)	978	959	978
24.99 Total unobligated balance, end of year	993	959	978
New budget authority (gross), detail:			
Current:			
40.36 Unobligated balance canceled			-125
Permanent:			
60.05 Appropriation (indefinite)	709	727	678
60.49 Portion applied to liquidate contract authority	-709	-727	-678
63.00 Appropriation (total)			
70.00 Total new budget authority (gross)			-125
Change in unpaid obligations:			
Unpaid obligations, start of year:			
Obligated balance:			
72.40 Administrative commitment (reserved)	104	140	140
72.49 Contract authority	22,774	21,687	20,956
72.99 Total unpaid obligations, start of year	22,878	21,827	21,096
73.10 New obligations	25	107	101
73.20 Total outlays (gross)	-736	-727	-678
73.45 Adjustments in unexpired accounts	-340	-111	-278
Unpaid obligations, end of year:			
Obligated balance:			
74.40 Administrative commitment reserved	140	140	140
74.49 Contract authority	21,687	20,956	20,101
74.99 Total unpaid obligations, end of year	21,827	21,096	20,241
Outlays (gross), detail:			
86.93 Outlays from current balances	736	727	678
Net budget authority and outlays:			
89.00 Budget authority			-125
90.00 Outlays	736	727	678

Status of Contract Authority (in millions of dollars)

Identification code 86-0206-0-1-999	1996 actual	1997 est.	1998 est.
Balance, start of year:			
0100 Balance, start of year	1,032	978	959
0100 Balance, start of year	22,774	21,687	20,956
Contract authority:			
0200 Contract authority			-125

General and special funds—Continued

RENTAL HOUSING ASSISTANCE—Continued

Status of Contract Authority (in millions of dollars)—Continued

Identification code 86-0206-0-1-999	1996 actual	1997 est.	1998 est.
0400 Appropriation to liquidate contract authority	-709	-727	-678
0600 Balance of contract authority withdrawn	-365	-38	-33
Balance, end of year:			
0700 Balance, end of year	978	959	978
0700 Balance, end of year	21,687	20,956	20,101

OTHER ASSISTED HOUSING

Summary of Administrative Commitments

[In millions of dollars]

	1996 actual	1997 est.	1998 est.
Program by activities			
Assistance contracts:			
Rent supplement	9	39	37
Homeownership and rental housing assistance (sections 235 and 236)	16	68	64
Administrative commitments, start of year	16	16	16
Administrative commitments, end of year	-16	-16	-16
Total obligations	25	107	101

The Other Assisted Housing Account contains the programs listed below:

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

Section 235.—The Housing and Urban-Rural Recovery Act of 1983 (Public Law 98-181) authorized a restructured section 235 (Homeownership Assistance) program based on a 10-year interest reduction subsidy. A total of \$150 million of budget authority was provided in the Second Supplemental Appropriations Act of 1984 (Public Law 98-396) to fund the program. Recaptures of budget authority from terminations must be transferred into the Homeownership Assistance Fund account established pursuant to Public Law 98-181.

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. During 1998, as a result of foreclosures from mortgage defaults or regulatory violations, the Department will rescind up to \$125 million.

During 1998, as a result of foreclosures from mortgage defaults or regulatory violations, the Department will rescind up to \$125 million.

The table below reflects the consolidated outlay total for both the Annual Contributions for Assisted Housing account and the Other Assisted Housing account, for fiscal years 1996, 1997, and 1998.

SUMMARY OF OUTLAYS

[In millions of dollars]

(Annual Contributions for Assisted Housing, Housing Certificate Fund, and Other Assisted Housing)¹

	1996 actual	1997 est.	1998 est.
Subsidized housing programs, total	21,064	22,308	22,494
Low-income housing assistance (sec. 8)	15,779	17,283	17,937
Public housing	4,548	4,296	3,867
Rent supplement	57	58	60
Homeownership assistance (sec. 235)		31	31
Rental housing assistance (sec. 236)	663	623	582
College housing grants	17	17	17

¹ Includes outlays for contract renewals.

HOMEOWNERSHIP AND OPPORTUNITY FOR PEOPLE EVERYWHERE GRANTS (HOPE GRANTS)

Program and Financing (in millions of dollars)

Identification code 86-0196-0-1-604	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Hope I		3	
00.02 Hope II		31	
00.03 Hope III	3	2	
00.04 Elderly independence	1	2	
10.00 Total obligations (object class 41.0)	4	38	
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
Uninvested balance:			
21.40 Uncommitted	36	34	
21.40 Administratively committed	5	4	
21.99 Total unobligated balance, start of year	41	38	
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	42	38	
23.95 New obligations	-4	-38	
Unobligated balance available, end of year:			
Uninvested balance:			
24.40 Uncommitted	34		
24.40 Administratively committed	4		
24.99 Total unobligated balance, end of year	38		
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	244	184	136
73.10 New obligations	4	38	
73.20 Total outlays (gross)	-63	-86	-59
73.45 Adjustments in unexpired accounts	-1		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	184	136	77
Outlays (gross), detail:			
86.93 Outlays from current balances	63	86	59
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	63	86	59

Summary of Budget Authority and Outlays

[In millions of dollars]

	1996 actual	1997 est.	1998 est.
Enacted/requested:			
Budget Authority			
Outlays	63	86	59
Supplemental proposal:			
Budget Authority		-30	
Outlays		-6	-8
Total:			
Budget Authority		-30	
Outlays	63	80	51

The Homeownership and Opportunity for People Everywhere Program provided affordable homeownership opportunities for low-income families. Units were converted to homeownership from public and Indian housing properties in HOPE 1, from FHA-insured and Government-held multifamily properties in HOPE 2 and from Government-owned or -held single family properties in HOPE 3. HOPE Grants were used for property acquisition, rehabilitation, mortgage subsidies, security measures, and technical assistance. In addition, grants have been devoted to counseling and training of residents, and other activities intended to help them become economically self-sufficient homeowners. No funding is being requested for fiscal year 1998. Approximately \$30 million of HOPE unobligated balances are proposed for transfer to the Drug Elimination Grants program in 1997. This schedule reflects the liquidation of prior year balances.

CONGREGATE SERVICES

Program and Financing (in millions of dollars)

Identification code 86-0178-0-1-604	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)		1	
Budgetary resources available for obligation:			
23.95 New obligations		-1	
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	38	30	23
73.10 New obligations		1	
73.20 Total outlays (gross)	-8	-7	-7
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	30	23	16
Outlays (gross), detail:			
86.93 Outlays from current balances	8	7	7
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	8	7	7

Under the Congregate Services program, HUD contracted directly with local public housing agencies and section 202 housing for the elderly or disabled sponsors to supply support services, including meals and other services. No funding is being requested for this program in fiscal year 1998. This schedule reflects the liquidation of prior year balances.

HOUSING COUNSELING ASSISTANCE

For assistance, not otherwise provided, for providing counseling and advice to tenants and homeowners, both current and prospective, with respect to property maintenance, financial management, and such other matters as may be appropriate to assist them in improving their housing conditions and meeting the responsibilities of tenancy or homeownership, as authorized by section 106 of the Housing and Urban Development Act of 1968, as amended, \$23,000,000.

Program and Financing (in millions of dollars)

Identification code 86-0156-0-1-506	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)			23
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			23
23.95 New obligations			-23
New budget authority (gross), detail:			
40.00 Appropriation			23
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	17	6	3
73.10 New obligations			23
73.20 Total outlays (gross)	-10	-3	-3
73.40 Adjustments in expired accounts	-1		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	6	3	23
Outlays (gross), detail:			
86.93 Outlays from current balances	10	3	3
Net budget authority and outlays:			
89.00 Budget authority			23
90.00 Outlays	10	3	3

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

SECTION 8 MODERATE REHABILITATION

SINGLE ROOM OCCUPANCY

Program and Financing (in millions of dollars)

Identification code 86-0195-0-1-604	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	85	106	
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	191	106	
23.95 New obligations	-85	-106	
24.40 Unobligated balance available, end of year:			
Uninvested balance	106		
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	319	382	433
73.10 New obligations	85	106	
73.20 Total outlays (gross)	-21	-55	-51
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	382	433	382
Outlays (gross), detail:			
86.93 Outlays from current balances	21	55	51
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	21	55	51

Section 8 assistance for single room occupancy dwellings is authorized by Title IV, subtitle E, of the Stewart B. McKinney Homeless Assistance Act, as amended by the Housing and Community Development Act of 1992. Since fiscal year 1995, these activities have been funded in the Homeless Assistance Grants account.

MANUFACTURED HOME INSPECTION AND MONITORING

Unavailable Collections (in millions of dollars)

Identification code 86-5271-0-2-376	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, start of year			
Receipts:			
02.01 Manufactured home inspection and monitoring	13	14	16
Appropriation:			
05.01 Manufactured home inspection and monitoring	-13	-14	-16
07.99 Total balance, end of year			

Program and Financing (in millions of dollars)

Identification code 86-5271-0-2-376	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Transfer to salaries and expenses	1	1	1
00.02 Other program costs	11	13	14
10.00 Total obligations (object class 25.2)	12	14	15
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	7	9	10
22.00 New budget authority (gross)	13	14	16
23.90 Total budgetary resources available for obligation	20	23	26
23.95 New obligations	-12	-14	-15
24.40 Unobligated balance available, end of year:			
Uninvested balance	9	10	10
New budget authority (gross), detail:			
60.25 Appropriation (special fund, indefinite)	13	14	16

Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	2	2	3
73.10 New obligations	12	14	15

General and special funds—Continued

MANUFACTURED HOME INSPECTION AND MONITORING—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-5271-0-2-376	1996 actual	1997 est.	1998 est.
73.20 Total outlays (gross)	-12	-13	-15
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	2	3	3
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	12	13	15
Net budget authority and outlays:			
89.00 Budget authority	13	14	16
90.00 Outlays	12	13	15

Section 620 of the National Manufactured Housing Construction and Safety Standards Act of 1974, as amended, authorizes enforcement of appropriate construction standards for the construction, design and performance of manufactured homes to assure their quality, durability, and safety. All manufactured homes produced since the standards took effect on June 15, 1976 must comply with Federal construction and safety standards. The States are actively encouraged to participate in the program under compliance plans approved by HUD.

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

INTERSTATE LAND SALES

Unavailable Collections (in millions of dollars)

Identification code 86-5270-0-2-376	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, start of year			
Receipts:			
02.01 Interstate land sales		1	1
Appropriation:			
05.01 Interstate land sales		-1	-1
07.99 Total balance, end of year			

Program and Financing (in millions of dollars)

Identification code 86-5270-0-2-376	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 25.2)		1	1
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		1	1
23.95 New obligations		-1	-1
New budget authority (gross), detail:			
60.25 Appropriation (special fund, indefinite)		1	1
Change in unpaid obligations:			
73.10 New obligations		1	1
73.20 Total outlays (gross)		-1	-1
Outlays (gross), detail:			
86.97 Outlays from new permanent authority		1	1
Net budget authority and outlays:			
89.00 Budget authority		1	1
90.00 Outlays		1	1

The Interstate Land Sales Full Disclosure Act provides protection to the public with respect to purchases or leases of

subdivision lots. Statements of record must be filed with the Secretary before subdivisions with 100 or more lots may be sold in interstate commerce, except when the subdivision is eligible for exemption.

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

Public enterprise funds:

TITLE IV—CORPORATIONS

Corporations and agencies of the Department of Housing and Urban Development which are subject to the Government Corporation Control Act, as amended, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Act as may be necessary in carrying out the programs set forth in the budget for [1997] 1998 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. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997.*)

RENTAL HOUSING ASSISTANCE FUND

Program and Financing (in millions of dollars)

Identification code 86-4041-0-3-604	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 25.2)	55	57	51
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance	1	1	1
22.00 New budget authority (gross)	55	57	51
23.90 Total budgetary resources available for obligation	56	57	51
23.95 New obligations	-55	-57	-51
24.90 Unobligated balance available, end of year: Fund balance	1	1	1
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	55	57	51
Change in unpaid obligations:			
72.90 Unpaid obligations, start of year: Obligated balance:			
Fund balance	8	8	1
73.10 New obligations	55	57	51
73.20 Total outlays (gross)	-55	-64	-51
74.90 Unpaid obligations, end of year: Obligated balance:			
Fund balance	8	1	1
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	47	57	51
86.98 Outlays from permanent balances	8	7	
87.00 Total outlays (gross)	55	64	51
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-55	-57	-51
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays		7	

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

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

Statement of Operations (in millions of dollars)

Identification code 86-4041-0-3-604	1995 actual	1996 actual	1997 est.	1998 est.
0101 Revenue	61	53	57	51
0102 Expense	-61	-53	-57	-51
0109 Net income or loss (-)				

Balance Sheet (in millions of dollars)

Identification code 86-4041-0-3-604	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	8	8	1	1
1206 Non-Federal assets: Receivables, net	7	7		
1999 Total assets	15	15	1	1
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	8	4		
2105 Other		3		
2999 Total liabilities	8	7		
NET POSITION:				
3300 Cumulative results of operations	7	7	1	1
3999 Total net position	7	7	1	1
4999 Total liabilities and net position	15	14	1	1

FLEXIBLE SUBSIDY FUND

From the Rental Housing Assistance Fund, all uncommitted balances of excess rental charges as of September 30, 1997, and any collections made during fiscal year 1998, shall be transferred to the Flexible Subsidy Fund, as authorized by section 236(g) of the National Housing Act, as amended.

Program and Financing (in millions of dollars)

Identification code 86-4044-0-3-604	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	80	15	60
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
Fund balance:			
21.90 Treasury balance: Uncommitted	27	88	
21.90 Treasury balance: Administratively committed	82	15	60
21.91 U.S. Securities: Par value, uncommitted	46	39	135
21.99 Total unobligated balance, start of year	155	142	195
22.00 New budget authority (gross)	67	68	63
22.30 Unobligated balance expiring	-1		
23.90 Total budgetary resources available for obligation	221	210	258
23.95 New obligations	-80	-15	-60
Unobligated balance available, end of year:			
Fund balance:			
24.90 Fund balance, Uncommitted	88		33
24.90 Fund balance: Administratively committed	15	60	
24.91 U.S. Securities: Par value uncommitted	39	135	165

24.99 Total unobligated balance, end of year	142	195	198
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	67	68	63
Change in unpaid obligations:			
72.91 Unpaid obligations, start of year: Obligated balance:			
U.S. Securities: Par value	114	101	21
73.10 New obligations	80	15	60
73.20 Total outlays (gross)	-93	-95	-73
74.91 Unpaid obligations, end of year: Obligated balance:			
U.S. Securities: Par value	101	21	7
Outlays (gross), detail:			
86.98 Outlays from permanent balances	93	95	73
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-56	-57	-51
88.20 Interest on U.S. securities	-8	-8	-9
88.40 Non-Federal sources	-3	-3	-3
88.90 Total, offsetting collections (cash)	-67	-68	-63
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	26	27	10

Status of Direct Loans (in millions of dollars)

Identification code 86-4044-0-3-604	1996 actual	1997 est.	1998 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	584	675	768
1231 Disbursements: Direct loan disbursements	93	95	73
1251 Repayments: Repayments and prepayments	-2	-2	-3
1290 Outstanding, end of year	675	768	838

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

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

The budget assumes that the account will continue to serve as a repository of excess rental charges appropriated from the Rental Housing Assistance Fund. Beginning in FY 1996 these resources are no longer used for new reservations, but they continue to offset Flexible Subsidy outlays and other discretionary expenditures.

Summary of Administrative Commitments

(In millions of dollars)

Program by activities:	1996 actual	1997 est.	1998 est.
Capital investments:			
Flexible subsidy reservations	18	60	
Administrative commitments, start of year	82	15	60
Cancellation of prior year commitments	-5		
Administrative commitments, end of year	-15	-60	
Capital investment—obligations	80	15	60

Statement of Operations (in millions of dollars)

Identification code 86-4044-0-3-604	1995 actual	1996 actual	1997 est.	1998 est.
0101 Revenue	71	66	65	60
0102 Expense	-86	-64	-82	-62

Public enterprise funds—Continued

FLEXIBLE SUBSIDY FUND—Continued

Statement of Operations (in millions of dollars)—Continued

Identification code 86-4044-0-3-604	1995 actual	1996 actual	1997 est.	1998 est.
0109 Net income or loss (-)	-15	2	-17	-2

Balance Sheet (in millions of dollars)

Identification code 86-4044-0-3-604	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	126	120	76	44
Investments in US securities:				
1102 Treasury securities, par	82	140	156	172
1106 Receivables, net	6	4		
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	584	676	768	838
1603 Allowance for estimated uncollectible loans and interest (-)	-493	-536	-609	-665
1699 Value of assets related to direct loans	91	140	159	173
1901 Other Federal assets: Other assets	26	4		
1999 Total assets	331	408	391	389
LIABILITIES:				
2201 Non-Federal liabilities: Accounts payable	2	1		
2999 Total liabilities	2	1		
NET POSITION:				
3100 Appropriated capital	217	217	217	217
3300 Cumulative results of operations	112	191	174	172
3999 Total net position	329	408	391	389
4999 Total liabilities and net position	331	409	391	389

HOMEOWNERSHIP ASSISTANCE FUND

Unavailable Collections (in millions of dollars)

Identification code 86-4043-0-3-604	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, start of year			4
03.00 Offsetting Collections		4	4
04.00 Total: Balances and collections		4	8
07.99 Total balance, end of year		4	8

Program and Financing (in millions of dollars)

Identification code 86-4043-0-3-604	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Refunds of offsetting collections	31		
10.00 Total obligations (object class 44.0)	31		
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
21.49 Contract authority	57	57	57
21.90 Treasury balance	2	2	2
21.91 U.S. Securities: Par value	49	18	18
21.99 Total unobligated balance, start of year	108	77	77
23.90 Total budgetary resources available for obligation	108	77	77
23.95 New obligations	-31		
Unobligated balance available, end of year:			
24.49 Contract authority	57	57	57
24.90 Treasury balance	2	2	2
24.91 U.S. Securities: Par value	18	18	18
24.99 Total unobligated balance, end of year	77	77	77

New budget authority (gross), detail:

Spending authority from offsetting collections:			
68.00	Offsetting collections (cash)	4	4
68.45	Portion not available for obligation (limitation on obligations)	-4	-4
68.90	Spending authority from offsetting collections (total)		

Change in unpaid obligations:

72.90	Unpaid obligations, start of year: Obligated balance:		
	Fund balance	-1	-1
73.10	New obligations	31	
73.20	Total outlays (gross)	-31	
74.90	Unpaid obligations, end of year: Obligated balance:		
	Fund balance	-1	-1

Outlays (gross), detail:

86.90	Outlays from permanent balances	31	
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Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00	Federal sources: Interest on U.S. securities	-3	-3
88.40	Non-Federal sources	-1	-1
88.90	Total, offsetting collections (cash)	-4	-4

Net budget authority and outlays:

89.00	Budget authority	-4	-4
90.00	Outlays	31	-4

Status of Contract Authority (in millions of dollars)

Identification code 86-4043-0-3-604	1996 actual	1997 est.	1998 est.
0100 Balance, start of year	57	57	57
0700 Balance, end of year	57	57	57

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

Statement of Operations (in millions of dollars)

Identification code 86-4043-0-3-604	1995 actual	1996 actual	1997 est.	1998 est.
0101 Revenue	4	2	4	4
0102 Expense				
0109 Net income or loss (-)	4	2	4	4

Balance Sheet (in millions of dollars)

Identification code 86-4043-0-3-604	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	2	1	2	2
Investments in US securities:				
1102 Treasury securities, par	49	18	21	21
1999 Total assets	51	19	23	23
NET POSITION:				
3300 Cumulative results of operations	51	19	23	23
3999 Total net position	51	19	23	23
4999 Total liabilities and net position	51	19	23	23

NEHEMIAH HOUSING OPPORTUNITY FUND

Program and Financing (in millions of dollars)

Identification code 86-4071-0-3-604	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 33.0)	2	21	
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance	18	21	
22.10 Resources available from recoveries of prior year obligations	5		
23.90 Total budgetary resources available for obligation	23	21	
23.95 New obligations	-2	-21	
24.90 Unobligated balance available, end of year: Fund balance	21		
Change in unpaid obligations:			
72.90 Unpaid obligations, start of year: Obligated balance: Fund balance	18	11	22
73.10 New obligations	2	21	
73.20 Total outlays (gross)	-4	-10	-21
73.45 Adjustments in unexpired accounts	-5		
74.90 Unpaid obligations, end of year: Obligated balance: Fund balance	11	22	1
Outlays (gross), detail:			
86.93 Outlays from current balances	4	10	21
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	4	10	21

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. During fiscal year 1997, up to \$20 million of unobligated balances were available for homeownership activities pursuant to Public Law 104-204.

Credit accounts:

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT
(INCLUDING TRANSFERS OF FUNDS)

During fiscal year [1997] 1998, commitments to guarantee loans to carry out the purposes of section 203(b) of the National Housing Act, as amended, shall not exceed a loan principal of \$110,000,000,000: *Provided*, That during fiscal year 1997, the Secretary shall sell assigned mortgage notes having an unpaid principal balance of up to \$2,000,000,000, which notes were originally insured under section 203(b) of the National Housing Act: *Provided further*, That the Secretary may use the amount of any negative subsidy resulting from the sale of such assigned mortgage notes during fiscal year 1997 for the purposes included under this heading].

During fiscal year [1997] 1998, obligations to make direct loans to carry out the purposes of section 204(g) of the National Housing Act, as amended, shall not exceed \$200,000,000: *Provided*, That the foregoing amount shall be for loans to nonprofit and governmental entities in connection with sales of single family real properties owned by the Secretary and for- merly insured under [section 203 of such Act] *the Mutual Mortgage Insurance Fund*.

For administrative expenses necessary to carry out the guaranteed and direct loan program, [\$350,595,000] \$333,421,000, to be derived from the FHA-mutual mortgage insurance guaranteed loans receipt account, of which not to exceed [\$343,483,000] \$326,309,000 shall be transferred to the appropriation for departmental salaries and expenses; and of which not to exceed \$7,112,000 shall be transferred to the appropriation for the Office of Inspector General. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997.*)

Unavailable Collections (in millions of dollars)

Identification code 86-0183-0-1-371	1996 actual	1997 est.	1998 est.
Receipts:			
02.01 FHA Mutual Mortgage Insurance Guaranteed Loan, negative subsidies	523	351	1,576
02.02 FHA Mutual Mortgage Insurance Guaranteed Loan, negative subsidies, legislative proposal not subject to PAYGO			52
02.03 FHA Mutual Mortgage Insurance Guaranteed Loan, negative subsidies, legislative proposal subject to PAYGO			370
02.99 Total receipts	523	351	1,998
Appropriation:			
05.01 FHA mutual mortgage insurance program account	-523	-351	-333
05.99 Subtotal appropriation	-523	-351	-333
07.99 Total balance, end of year			1,665

Program and Financing (in millions of dollars)

Identification code 86-0183-0-1-371	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.09 Administrative expenses	342	351	333
00.10 Subsidy rate reestimate	181		
10.00 Total obligations	523	351	333
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	523	351	333
23.95 New obligations	-523	-351	-333
New budget authority (gross), detail:			
Current:			
40.25 Appropriation (special fund, definite)	342	351	333
Permanent:			
60.25 Appropriation (special fund, indefinite)	181		
70.00 Total new budget authority (gross)	523	351	333
Change in unpaid obligations:			
73.10 New obligations	523	351	333
73.20 Total outlays (gross)	-523	-351	-333
Outlays (gross), detail:			
86.90 Outlays from new current authority	342	351	333
86.97 Outlays from new permanent authority	181		
87.00 Total outlays (gross)	523	351	333
Net budget authority and outlays:			
89.00 Budget authority	523	351	333
90.00 Outlays	523	351	333

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

Identification code 86-0183-0-1-371	1996 actual	1997 est.	1998 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Direct loan levels	200	200	200
1159 Total direct loan levels	200	200	200
Direct loan subsidy (in percent):			
1320 Subsidy rate	0.00	0.00	0.00
1329 Weighted average subsidy rate	0.00	0.00	0.00
Guaranteed loan levels supportable by subsidy budget authority:			
2150 MMI Fund, Section 203(b)	74,324	93,173	83,450
2150 Standby commitment authority		16,827	26,550
2159 Total loan guarantee levels	74,324	110,000	110,000
Guaranteed loan subsidy (in percent):			
2320 Subsidy rate	-2.77	-2.88	-2.62
2329 Weighted average subsidy rate	-2.77	-2.88	-2.62
Guaranteed loan subsidy budget authority:			
2330 MMI Section 203(b) negative subsidy	-1,549	-1,855	-1,523
2339 Total subsidy budget authority	-1,549	-1,855	-1,523

Credit accounts—Continued

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

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

Identification code 86-0183-0-1-371	1996 actual	1997 est.	1998 est.
Guaranteed loan subsidy outlays:			
2340 Subsidy outlays	-1,549	-1,855	-1,523
2349 Total subsidy outlays	-1,549	-1,855	-1,523

FHA will continue to provide mortgage insurance to encourage lenders to make credit available to expand homeownership. FHA will continue to predominantly serve borrowers that the conventional market does not adequately serve: first-time homebuyers; minorities; lower-income families; and, residents of underserved areas (central cities and rural areas). Currently, the maximum mortgage amount for FHA-insured one-family loans is set at 95 percent of area median house price, provided that the amount is never less than 38 percent of the conforming loan limit—the maximum mortgage amount for loans purchased by the housing secondary market Government-Sponsored Enterprises, Fannie Mae and Freddie Mac—and never more than 75 percent of the conforming loan limit. The Administration proposes to increase the maximum mortgage amount for FHA-insured loans in all areas to equal the conforming loan limit. In addition, starting in 1997, FHA hopes to test the viability of sharing single-family mortgage risk between the Federal Government and other partners, including private mortgage insurers and state agencies.

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

Object Classification (in millions of dollars)

Identification code 86-0183-0-1-371	1996 actual	1997 est.	1998 est.
99.0 Reimbursable obligations: Subtotal, reimbursable obligations	523	351	333
99.9 Total obligations	523	351	333

**FHA-MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT
(Legislative proposal, subject to PAYGO)**

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

Identification code 86-0183-4-1-371	1996 actual	1997 est.	1998 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2150 MMI Fund, Section 203(b)			7,094
Guaranteed loan subsidy (in percent):			
2320 Subsidy rate			-0.37
2329 Weighted average subsidy rate			-0.37
Guaranteed loan subsidy budget authority:			
2330 MMI Section 203(b) negative subsidy			-370
2339 Total subsidy budget authority			-370
Guaranteed loan subsidy outlays:			
2340 Subsidy outlays			-370
2349 Total subsidy outlays			-370

This adjustment reflects the effect of two pieces of legislation. The first is the Administration's proposal to increase the maximum mortgage amount for single family FHA-in-

sured loans in all areas to equal the GSE conforming loan limits. If enacted, this change is anticipated to increase insurance written by \$7 billion in 1998, generating \$206 million in additional negative credit subsidy. The second is anticipated action by the Congress to eliminate permanently the assignment program and replace it with additional loss mitigation tools. This change has already been enacted for insurance endorsed in all prior years. If enacted permanently, it would decrease the (negative) credit subsidy rate for MMI loans in 1998 by 0.37 percent, producing \$164 million in negative credit subsidy in 1998. These two changes would result in additional outlay reductions in subsequent years.

FHA—MUTUAL MORTGAGE INSURANCE DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4242-0-3-371	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct loans	3	200	200
00.02 Interest paid to Treasury		7	11
00.03 Claims & other			4
10.00 Total obligations	3	207	215
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance		1	61
22.00 New financing authority (gross)	4	267	311
23.90 Total budgetary resources available for obligation	4	268	372
23.95 New obligations	-3	-207	-215
24.90 Unobligated balance available, end of year: Fund balance	1	61	157
New financing authority (gross), detail:			
67.15 Authority to borrow (indefinite)	3	200	200
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1	67	111
70.00 Total new financing authority (gross)	4	267	311
Change in unpaid obligations:			
73.10 New obligations	3	207	215
73.20 Total financing disbursements (gross)	-3	-207	-215
87.00 Total financing disbursements (gross)	3	207	215
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25 Interest on uninvested funds			-2
88.40 Other collections from non-Federal sources	-1	-67	-109
88.90 Total, offsetting collections (cash)	-1	-67	-111
Net financing authority and financing disbursements:			
89.00 Financing authority	3	200	200
90.00 Financing disbursements	2	140	104

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and thereafter (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals. The \$200 million in 1998 direct loan limitation in the MMI Fund would permit the Department to use Purchase Money Mortgages (PMMs) to help finance the sale of acquired single family properties. HUD would extend credit for these single-family homes to community nonprofit organizations or local government entities who would be expected to sell the properties to low- and moderate-income buyers. The use of PMMs provides a tool for State and local nonprofit organizations to use in revitalizing communities, and creates

enhanced homeownership opportunities for low- and moderate-income families.

Status of Direct Loans (in millions of dollars)

Identification code 86-4242-0-3-371	1996 actual	1997 est.	1998 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	200	200	200
1112 Unobligated direct loan limitation	-197		
1150 Total direct loan obligations	3	200	200
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year		2	145
1231 Disbursements: Direct loan disbursements	3	200	200
1251 Repayments: Repayments and prepayments	-1	-57	-88
1263 Write-offs for default: Direct loans			-3
1290 Outstanding, end of year	2	145	255

Balance Sheet (in millions of dollars)

Identification code 86-4242-0-3-371	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross		2	145	254
1499 Net present value of assets related to direct loans		2	145	254
1999 Total assets		2	145	254

FHA—MUTUAL MORTGAGE INSURANCE GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4587-0-3-371	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Default claims and other	1,698	1,562	1,944
00.04 Working capital fund reimbursements	19	19	19
00.05 Payment of negative subsidy to receipt account	342	351	1,523
00.06 Payment of negative subsidy to liquidating account	1,473	1,182	
00.07 Subsidy reestimate paid to liquidating account	1,227		
00.08 Interest payments to Treasury	153	184	215
00.09 Payment to liquidating account for asset sale	1,321	1,011	
10.00 Total obligations	6,233	4,309	3,701
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance	701	907	1,321
22.00 New financing authority (gross)	6,439	4,722	3,908
23.90 Total budgetary resources available for obligation	7,140	5,629	5,229
23.95 New obligations	-6,233	-4,309	-3,701
24.90 Unobligated balance available, end of year: Fund balance	907	1,321	1,528
New financing authority (gross), detail:			
67.15 Authority to borrow (indefinite)	1,527		
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	4,912	4,722	3,908
70.00 Total new financing authority (gross)	6,439	4,722	3,908
Change in unpaid obligations:			
72.90 Unpaid obligations, start of year: Obligated balance:			
Obligated balance	77	47	47
73.10 New obligations	6,233	4,309	3,701
73.20 Total financing disbursements (gross)	-6,263	-4,309	-3,701
74.90 Unpaid obligations, end of year: Obligated balance:			
Obligated balance	47	47	47
87.00 Total financing disbursements (gross)	6,263	4,309	3,701
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25 Interest on uninvested funds	-114	-163	-146

Non-Federal sources:				
88.40	Fees and premiums	-2,515	-2,519	-2,709
88.40	Recoveries on defaulted notes	-670	-945	-1,053
88.40	Gross proceeds from asset sales	-1,613	-1,095	
88.90	Total, offsetting collections (cash)	-4,912	-4,722	-3,908

Net financing authority and financing disbursements:				
89.00	Financing authority	1,527		
90.00	Financing disbursements	1,350	-414	-207

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4587-0-3-371	1996 actual	1997 est.	1998 est.	
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders	110,000	110,000	110,000
2112	Uncommitted loan guarantee limitation	-35,676	-16,827	-26,550
2150	Total guaranteed loan commitments	74,324	93,173	83,450
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	203,414	242,407	283,605
2231	Disbursements of new guaranteed loans	59,221	65,440	60,718
2251	Repayments and prepayments	-18,616	-22,858	-22,458
Adjustments:				
2261	Terminations for default that result in loans receivable	-416	-145	-231
2262	Terminations for default that result in acquisition of property	-1,154	-1,118	-1,365
2263	Terminations for default that result in claim payments	-42	-121	-166
2290	Outstanding, end of year	242,407	283,605	320,103

Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	242,407	283,605	320,103

Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	413	866	818
2331	Disbursements for guaranteed loan claims	416	145	232
2351	Repayments of loans receivable	-1	-36	-34
2364	Other adjustments, net	38	-157	-161
2390	Outstanding, end of year	866	818	855

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	1995 actual ¹	1996 actual	1997 est.	1998 est.	
ASSETS:					
1101	Federal assets: Fund balances with Treasury	777	954	1,368	724
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:					
1501	Defaulted guaranteed loans receivable, gross	413	866	818	855
1504	Foreclosed property	324	521	534	609
1505	Allowance for subsidy cost	-429	-405	-399	-437
1599	Net value of assets related to defaulted guaranteed loan	308	982	953	1,027
1999	Total assets	1,085	1,936	2,321	1,751
LIABILITIES:					
2103	Federal liabilities: Federal liabilities, Debt	1,171	2,698	2,698	1,838
2204	Non-Federal liabilities: Liabilities for loan guarantees	-86	-762	-377	-87
2999	Total liabilities	1,085	1,936	2,321	1,751
4999	Total liabilities and net position	1,085	1,936	2,321	1,751

Credit accounts—Continued

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

¹As reflected in the 1997 Budget. Subsidy reestimates for fiscal year 1996 disbursements will be performed for the mid-session review of the Budget.

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

Program and Financing (in millions of dollars)

Identification code 86-4070-0-3-371	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Operating expenses:			
00.03 Other operating costs	216	147	146
00.04 Working Capital Fund reimbursements	31	31	31
00.05 Participation payments	1	1	1
00.91 Total operating expenses	248	179	178
Capital investment:			
01.02 Assignment of defaulted mortgages	465	309	73
01.03 Acquisition of real properties	2,017	785	485
01.05 Acquisition of other assets	39	39	39
01.07 Capitalized property expenses	264	159	76
01.08 Loss on defaulted guaranteed loans	2	10	8
01.09 Preforeclosure sale claims	18	73	59
01.91 Total capital investment	2,805	1,375	740
10.00 Total obligations	3,053	1,554	918
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
21.90 Treasury balance	-163	2,905	1,242
U.S. Securities:			
21.91 Par value	6,673	7,045	11,161
21.92 Unrealized discounts	-66	-87	-67
21.99 Total unobligated balance, start of year	6,444	9,863	12,336
22.00 New budget authority (gross)	6,472	4,027	1,438
23.90 Total budgetary resources available for obligation	12,916	13,890	13,774
23.95 New obligations	-3,053	-1,554	-918
Unobligated balance available, end of year:			
24.90 Fund balance	2,905	1,242	965
U.S. Securities:			
24.91 Par value	7,045	11,161	11,958
24.92 Unrealized discounts	-87	-67	-67
24.99 Total unobligated balance, end of year	9,863	12,336	12,856
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	6,472	4,027	1,438
Change in unpaid obligations:			
Unpaid obligations, start of year:			
Obligated balance:			
72.90 Fund balance	659		685
72.91 U.S. Securities: Par value		685	
72.99 Total unpaid obligations, start of year	659	685	685
73.10 New obligations	3,053	1,554	918
73.20 Total outlays (gross)	-3,031	-1,554	-918
73.32 Obligated balance transferred from other accounts	4		
Unpaid obligations, end of year:			
Obligated balance:			
74.90 Fund balance		685	685
74.91 U.S. Securities: Par value	685		
74.99 Total unpaid obligations, end of year	685	685	685
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	2,372	869	233
86.98 Outlays from permanent balances	659	685	685
87.00 Total outlays (gross)	3,031	1,554	918
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20 Interest on U.S. securities	-531	-676	-785
Non-Federal sources:			
88.40 Fees and premiums	-92	-81	-72

88.40	Rebate of unearned prepaid premiums collected	287	48	16
88.40	Proceeds from sale of real property	-1,901	-962	-485
88.40	Proceeds from sale of mortgage notes	-1,321	-1,011	
88.40	Repayment of mortgage notes and sales contracts	-1	-1	-1
88.40	Interest and operating income	-31	-37	-46
88.40	Recoveries on defaulted mortgages	-237	-142	-22
88.40	Other interest, dividends and revenues		-1	-43
88.40	Payment from financing account	-2,700	-1,164	
88.40	Miscellaneous collections	-10		
88.40	Other income	65		
88.90	Total, offsetting collections (cash)	-6,472	-4,027	-1,438

Net budget authority and outlays:

89.00	Budget authority			
90.00	Outlays	-3,441	-2,473	-520

Status of Direct Loans (in millions of dollars)

Identification code 86-4070-0-3-371	1996 actual	1997 est.	1998 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	15	7	5
1251	Repayments: Repayments and prepayments	-1	-1	
1264	Write-offs for default: Other adjustments, net	-7	-1	
1290	Outstanding, end of year	7	5	5

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4070-0-3-371	1996 actual	1997 est.	1998 est.	
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	96,145	121,587	107,374
2251	Repayments and prepayments	-15,754	-13,036	-11,885
Adjustments:				
2261	Terminations for default that result in loans receivable	-465	-309	-73
2262	Terminations for default that result in acquisition of property	-2,017	-784	-485
2263	Terminations for default that result in claim payments	-20	-84	-67
2264	Other adjustments, net	43,698		
2290	Outstanding, end of year	121,587	107,374	94,864
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	121,587	107,374	94,864

Addendum:

Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	3,886	1,862	358
2331	Disbursements for guaranteed loan claims	465	309	73
2351	Repayments of loans receivable	-1,725	-1,111	-63
2361	Write-offs of loans receivable	-763	-702	-28
2364	Other adjustments, net	-1		-1
2390	Outstanding, end of year	1,862	358	339

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 Fund and the multifamily Cooperative Management Housing insurance funds (MMI/CMHI) 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 programs. For each of the FHA business segments (MMI/CMHI and GI/SRI) there is a liquidating account, which records the revenues and costs associated with loan insurance committed prior to October 1, 1991; a financing account which records the revenues and costs associated with commitments to insure loans made after

September 30, 1991; and, a program account which records the transactions associated with the program subsidy costs, if any, and the costs of administering the program.

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

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

PROGRAM HIGHLIGHTS

[In millions of dollars]

	1996 actual ¹	1997 est.	1998 est.
Insurance initiation:			
Mortgage insurance applications (units)	977,702	1,152,163	1,016,302
Mortgage insurance written:			
Units	739,603	810,439	737,002
Amount	59,221	65,440	60,718
Insurance maintenance: Outstanding balance of insurance in force, end of year:			
Mortgage insurance	363,995	390,979	414,967

¹ Unaudited preliminary results.

Insurance reserves from operations at the end of 1996 are estimated to be in a surplus position for the Mutual Mortgage Insurance and Cooperative Management Housing insurance funds. The status of estimated insurance reserves from operations (retained income or deficit) through 1998 for the MMI/CMHI account follows:

STATUS OF INSURANCE RESERVES FROM OPERATIONS

[In millions of dollars]

	1996 est. ¹	1997 est.	1998 est.
Insurance fund:			
Mutual mortgage/CMHI:			
Liquidating account ²	8,776	10,288	10,877
Receipt Account ²			1,414

¹ Unaudited preliminary results.² Reflects impact from the transfer of negative subsidy from the Financing account to the Liquidating account in 1996 and 1997. Negative subsidy transfers are to the Receipt Account in 1998.

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

Statement of Operations (in millions of dollars)

Identification code 86-4070-0-3-371	1995 actual ¹	1996 actual ²	1997 est.	1998 est.
0101 Revenue	2,821	2,103	1,935	958
0102 Expense	-1,123	-1,097	-421	-368
0109 Net income or loss (-)	1,698	1,006	1,514	590

¹ As reflected in the 1997 Budget.² Estimated result on GAAP basis pending final audit.

Balance Sheet (in millions of dollars)

Identification code 86-4070-0-3-371	1995 actual ¹	1996 actual	1997 est.	1998 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	495	2,905	1,724	1,728
Investments in US securities:				
Treasury securities, par:				
1102 Treasury securities, par	6,673	7,729	11,230	11,780
1102 Unamortized net premium/discount	-67	-87	-69	-69
1106 Receivables, net	123	106	106	106
1107 Advances and prepayments	72			
Non-Federal assets:				
1206 Receivables, net	159	207	207	207
1207 Advances and prepayments	12	-62	-62	-62

Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:

1601 Direct loans, gross	15	7	6	4
1603 Allowance for estimated uncollectible loans and interest (-)	-3	-1	-1	-1
1699 Value of assets related to direct loans	12	6	5	3
1701 Defaulted guaranteed loans, gross	3,886	1,862	358	339
1703 Allowance for estimated uncollectible loans and interest (-)	-738	-495	-95	-90
1704 Defaulted guaranteed loans and interest receivable, net	3,148	1,367	263	249
1705 Allowance for uncollectibles from foreclosed property	-526	-354	-140	-71
1706 Foreclosed property	1,379	872	344	174
1799 Value of assets related to loan guarantees	4,001	1,885	467	352
1901 Other Federal assets: Other assets		18	7	15
1999 Total assets	11,480	12,707	13,615	14,060
LIABILITIES:				
2101 Federal liabilities: Accounts payable	4			
Non-Federal liabilities:				
2201 Accounts payable	496	676	567	542
2206 Pension and other actuarial liabilities	2,254	2,175	1,729	1,626
2207 Unearned revenue and advances	1,805	1,061	1,013	997
2999 Total liabilities	4,559	3,912	3,309	3,165
NET POSITION:				
3100 Appropriated capital	19	19	18	18
3300 Cumulative results of operations	6,902	8,776	10,288	10,877
3999 Total net position	6,921	8,795	10,306	10,895
4999 Total liabilities and net position	11,480	12,707	13,615	14,060

¹ As reflected in the 1997 Budget.

Object Classification (in millions of dollars)

Identification code 86-4070-0-3-371	1996 actual	1997 est.	1998 est.
25.2 Other services	246	178	177
32.0 Land and structures	2,282	943	560
33.0 Investments and loans	504	348	112
42.0 Insurance claims and indemnities	20	84	68
44.0 Refunds	1	1	1
99.0 Subtotal, direct obligations	3,053	1,554	918
99.9 Total obligations	3,053	1,554	918

FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the cost of guaranteed loans, as authorized by sections 238 and 519 of the National Housing Act (12 U.S.C. 1715z-3 and 1735c), including the cost of loan guarantee modifications (as that term is defined in section 502 of the Congressional Budget Act of 1974, as amended) **[\$85,000,000]** **\$81,000,000**, to remain available until expended: *Provided*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, of up to \$17,400,000,000: *Provided further*, That during fiscal year 1997, the Secretary shall sell assigned notes having an unpaid principal balance of up to \$2,500,000,000, which notes are held by the Secretary under the General Insurance and Special Risk Insurance funds: *Provided further*, That any amounts made available in any prior appropriations Act for the cost (as such term is defined in section 502 of the Congressional Budget Act of 1974) of guaranteed loans that are obligations of the funds established under section 238 or 519 of the National Housing Act that have not been obligated or that are deobligated shall be available to the Secretary of Housing and Urban Development in connection with the making of such guarantees and shall remain available until expended, notwithstanding the expiration of any period of availability otherwise applicable to such amounts.

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

Credit accounts—Continued

FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

merly insured under such Act; and of which not to exceed \$20,000,000 shall be for loans to nonprofit and governmental entities in connection with the sale of single-family real properties owned by the Secretary and formerly insured under such Act.

In addition, for administrative expenses necessary to carry out the guaranteed and direct loan programs, **[\$207,470,000]** \$222,305,000, of which **[\$203,299,000]** \$218,134,000, including \$25,000,000 for the enforcement of housing standards on FHA-insured multifamily projects, shall be transferred to the appropriation for departmental salaries and expenses; and of which \$4,171,000 shall be transferred to the appropriation for the Office of Inspector General. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997.)

Unavailable Collections (in millions of dollars)

Identification code 86-0200-0-1-371	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, subsidy downward reestimate, start of year	1,209	1,506	2,119
Receipts:			
02.01 Negative Subsidies	721	613	122
02.02 Negative Subsidies, legislative proposal			665
02.03 Downward reestimates of subsidies	110		
02.99 Total receipts	831	613	787
04.00 Total: Balances and collections	2,040	2,119	2,906
Appropriation:			
05.01 General and special risk program account	-534		
07.99 Total balance, end of year	1,506	2,119	2,906

Program and Financing (in millions of dollars)

Identification code 86-0200-0-1-371	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Guaranteed loan subsidy	143	176	154
00.02 Prior year adjustment	32		
00.03 Indirect modification subsidy	37		
00.04 FHA multi-family demonstration		30	10
00.09 Administrative expenses	202	207	222
10.00 Total obligations	414	413	386
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
Uninvested balance:			
21.40 Uncommitted	31	534	439
21.40 Administratively committed	69	56	40
21.99 Total unobligated balance, start of year	100	590	479
22.00 New budget authority (gross)	905	302	303
23.90 Total budgetary resources available for obligation	1,005	892	782
23.95 New obligations	-414	-413	-386
Unobligated balance available, end of year:			
Uninvested balance:			
24.40 Uncommitted	534	439	358
24.40 Administratively committed	56	40	38
24.99 Total unobligated balance, end of year	590	479	396
New budget authority (gross), detail:			
Appropriation:			
40.00 Appropriation	202		
40.00 Indirect modification subsidy	37		
40.00 FHA multi-family demonstration	30	10	
40.00 Appropriation	85		
40.25 Appropriation (special fund, indefinite)	534	292	303
43.00 Appropriation (total)	888	302	303
50.05 Reappropriation (indefinite)	17		
70.00 Total new budget authority (gross)	905	302	303
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	30	46	88
73.10 New obligations	414	413	386

73.20 Total outlays (gross)	-398	-371	-396
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	46	88	78
Outlays (gross), detail:			
86.90 Outlays from new current authority	307	271	283
86.93 Outlays from current balances	91	100	113
87.00 Total outlays (gross)	398	371	396
Net budget authority and outlays:			
89.00 Budget authority	905	302	303
90.00 Outlays	398	371	396

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

Identification code 86-0200-0-1-371	1996 actual	1997 est.	1998 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Single-family PMMs	20	20	20
1150 Multifamily bridge loans	100	100	100
1159 Total direct loan levels	120	120	120
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Multifamily development	1,013	1,170	1,053
2150 Refinance of FHA-insured mortgages	1,134	1,000	927
2150 Risk sharing programs	337	577	876
2150 Mixed Income		404	150
2150 Cooperatives	31	25	20
2150 Health and residential care facilities	694	1,748	2,052
2150 Neighborhood improvement program			100
2150 Small Projects		374	537
2150 Micro Loans		671	895
2150 Indian Housing		2	2
2150 Preservation	267	150	
2150 Single family, negative	7,619	8,569	8,388
2150 Title I guarantees	1,656	2,710	2,400
2159 Total loan guarantee levels	12,751	17,400	17,400
Guaranteed loan subsidy (in percent):			
2320 Multifamily development	11.96	8.78	8.51
2320 Refinance of multifamily mortgages	2.51	-0.79	-0.75
2320 Mixed Income	0.00	12.26	12.13
2320 Cooperatives	27.04	30.47	29.21
2320 Nursing Homes	-1.98	0.00	-0.70
2320 Hospitals	-3.78	0.00	1.75
2320 Preservation	-1.96	0.00	0.00
2320 234c/Other single family programs	-1.34	-1.55	-1.32
2320 Single family indian housing	0.00	9.51	9.12
2320 Title I	-1.44	-1.59	-1.50
2329 Weighted average subsidy rate	0.00	-0.21	-0.22
Guaranteed loan subsidy budget authority:			
2330 Subsidy budget authority	703	95	81
2339 Total subsidy budget authority	703	95	81
Guaranteed loan subsidy outlays:			
2340 Subsidy outlays	196	164	174
2349 Total subsidy outlays	196	164	174
Administrative expense data:			
3510 Budget authority	202	207	222
3590 Outlays from new authority	202	207	222

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

The credit subsidy appropriation of \$81 million requested for 1998 will be used in conjunction with \$71 million of carry-over budget authority to provide a total program level of \$152 million. The \$222.3 million requested in 1998 for administrative expenses includes \$25 million to support enhanced measures being undertaken to enforce standards for multifamily housing projects.

Subsidy Costs and Administrative Expenses.—As required by the Federal Credit Reform Act of 1990, this account records, for the single family, multifamily and Title I insur-

ance programs of FHA's General and Special Risk Insurance Funds, the subsidy costs associated with the loan guarantees committed or direct loans obligated in 1992 and thereafter (including modifications of loan guarantees or direct loans that resulted from obligations or commitments in any year), as well as administrative expenses of these programs. The subsidy amounts are estimated on a present value basis; the administrative expenses are accounted for on a cash basis.

Object Classification (in millions of dollars)

Identification code 86-0200-0-1-371	1996 actual	1997 est.	1998 est.
41.0 Direct obligations: Grants, subsidies, and contributions	212	206	164
99.0 Reimbursable obligations: Subtotal, reimbursable obligations	202	207	222
99.9 Total obligations	414	413	386

FHA—GENERAL AND SPECIAL RISK GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4077-0-3-371	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Capital investment, claims and other:			
00.01 Default claims and other	376	822	1,052
00.03 Working capital fund reimbursements	5	5	5
00.04 Payment of negative subsidy to receipt account	142	119	122
00.05 Interest paid to Treasury	31	42	82
00.06 Downward subsidy rate reestimate	110		
00.08 Asset sale negative subsidy payment to receipt account	534	414	
00.09 Asset sale payment to liquidating account	1,204	643	
00.10 Modification of pre-1992 guarantees, costs	37	20	20
00.11 Portfolio reengineering legislative savings			665
00.12 Waiver of PD/mortgage sale law, savings	40	80	
10.00 Total obligations	2,479	2,145	1,946
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance	435	547	553
22.00 New financing authority (gross)	2,731	2,226	1,994
22.60 Redemption of debt	-140	-75	-135
23.90 Total budgetary resources available for obligation	3,026	2,698	2,412
23.95 New obligations	-2,479	-2,145	-1,946
24.90 Unobligated balance available, end of year: Fund balance	547	553	466
New financing authority (gross), detail:			
61.00 Transferred to other accounts	-100		
67.15 Authority to borrow (indefinite)	86	166	760
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	2,788	2,060	1,234
68.10 Change in receivables from program account	-43		
68.90 Spending authority from offsetting collections (total)	2,745	2,060	1,234
70.00 Total new financing authority (gross)	2,731	2,226	1,994
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Obligated balance: Appropriation	16	42	42
72.95 Receivables from program account	43		
72.99 Total unpaid obligations, start of year	59	42	42
73.10 New obligations	2,479	2,145	1,946
73.20 Total financing disbursements (gross)	-2,496	-2,145	-1,946
74.40 Unpaid obligations, end of year: Obligated balance: Appropriation	42	42	42
87.00 Total financing disbursements (gross)	2,496	2,145	1,946
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Payments from program account	-172	-164	-174

88.00 Modification subsidy, program acct.	-37	-20	-20
88.00 Repayment of principal and interest from liquidating account	-137	-117	-117
88.00 Repayment of portfolio reengineering savings borrowed			-67
88.25 Interest on uninvested funds	-35	-27	-23
Non-Federal sources:			
88.40 Fees and premiums	-234	-379	-483
88.40 Recoveries on defaulted mortgages	-135	-276	-350
88.40 Proceeds from sale of mortgage notes	-2,038	-1,077	
88.90 Total, offsetting collections (cash)	-2,788	-2,060	-1,234
88.95 Change in receivables from program accounts	43		

Net financing authority and financing disbursements:

89.00 Financing authority	-14	166	760
90.00 Financing disbursements	-292	85	712

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4077-0-3-371	1996 actual	1997 est.	1998 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	17,400	17,400	17,400
2112 Uncommitted loan guarantee limitation	-4,649		
2150 Total guaranteed loan commitments	12,751	17,400	17,400
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	35,457	41,830	52,076
2231 Disbursements of new guaranteed loans	12,220	14,652	15,005
2251 Repayments and prepayments	-5,510	-3,646	-2,594
Adjustments:			
2261 Terminations for default that result in loans receivable	-90	-399	-552
2262 Terminations for default that result in acquisition of property	-247	-251	-295
2263 Terminations for default that result in claim payments		-110	-125
2290 Outstanding, end of year	41,830	52,076	63,515
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	41,830	52,076	63,515
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	88	159	539
2331 Disbursements for guaranteed loan claims	90	399	552
2351 Repayments of loans receivable	-9	-19	-25
2361 Write-offs of loans receivable	-10		
2390 Outstanding, end of year	159	539	1,066

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

Balance Sheet (in millions of dollars)¹

Identification code 86-4077-0-3-371	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	451	589	504	152
Investments in US securities:				
1107 Borrowings receivable from liquidating account	476	336	299	780
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501 Defaulted guaranteed loans receivable, gross	87	159	539	1,066
1504 Foreclosed property	69	118	153	271
1505 Allowance for subsidy cost	-77	-164	-437	-850

Credit accounts—Continued

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

Balance Sheet (in millions of dollars) ¹—Continued

Identification code 86-4077-0-3-371	1995 actual	1996 actual	1997 est.	1998 est.
1599 Net value of assets related to defaulted guaranteed loan	79	113	255	487
1999 Total assets	1,006	1,038	1,058	1,419
LIABILITIES:				
2103 Federal liabilities: Debt	476	421	385	533
2204 Non-Federal liabilities: Liabilities for loan guarantees	530	617	673	886
2999 Total liabilities	1,006	1,038	1,058	1,419
4999 Total liabilities and net position	1,006	1,038	1,058	1,419

¹ Preliminary results pending final audit. Subsidy reestimates for fiscal year 1996 disbursements will be performed for the Mid-Session review of the Budget.

FHA—GENERAL AND SPECIAL RISK DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4105-0-3-371	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct loans		40	120
00.02 Interest paid to Treasury		3	10
10.00 Total obligations		43	130
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance			2
22.00 New financing authority (gross)		45	142
23.90 Total budgetary resources available for obligation		45	144
23.95 New obligations		-43	-130
24.40 Unobligated balance available, end of year:			
Uninvested balance		2	14
New financing authority (gross), detail:			
67.15 Authority to borrow (indefinite)		40	120
68.00 Spending authority from offsetting collections: Offsetting collections (cash)		5	22
70.00 Total new financing authority (gross)		45	142
Change in unpaid obligations:			
73.10 New obligations		43	130
73.20 Total financing disbursements (gross)		-43	-130
87.00 Total financing disbursements (gross)		43	130
Offsets:			
Against gross financing authority and financing disbursements:			
88.40 Offsetting collections (cash) from: Interest received on loans		-5	-22
Net financing authority and financing disbursements:			
89.00 Financing authority		40	120
90.00 Financing disbursements		38	108

Status of Direct Loans (in millions of dollars)

Identification code 86-4105-0-3-371	1996 actual	1997 est.	1998 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	120	120	120
1112 Unobligated direct loan limitation	-120	-80	
1150 Total direct loan obligations		40	120
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year			40
1231 Disbursements: Direct loan disbursements		40	120
1251 Repayments: Repayments and prepayments			-20

1290 Outstanding, end of year	40	140
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As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and thereafter (including loan modifications) for FHA's General and Special Risk Insurance Fund programs. The amounts in this account are a means of financing and are not included in the budget totals.

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

Balance Sheet (in millions of dollars)

Identification code 86-4105-0-3-371	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross			40	140
1499 Net present value of assets related to direct loans			40	140
1999 Total assets			40	140
LIABILITIES:				
2103 Federal liabilities: Treasury borrowing			40	140
2999 Total liabilities			40	140
4999 Total liabilities and net position			40	140

FHA—LOAN GUARANTEE RECOVERY FUND—FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4106-0-3-371	1996 actual	1997 est.	1998 est.
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance			4
22.00 New financing authority (gross)		4	1
23.90 Total budgetary resources available for obligation		4	5
24.90 Unobligated balance available, end of year: Fund balance		4	5
New financing authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)		4	1
Offsets:			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources		-4	-1
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements		-4	-1

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4106-0-3-371	1996 actual	1997 est.	1998 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders		10	
2150 Total guaranteed loan commitments		10	
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year			7
2231 Disbursements of new guaranteed loans		7	3
2290 Outstanding, end of year		7	10

Memorandum:

2299	Guaranteed amount of guaranteed loans outstanding, end of year	7	10
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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 have been damaged as a result of acts of arson or terrorism.

FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4072-0-3-371	1996 actual	1997 est.	1998 est.	
Obligations by program activity:				
Operating expenses:				
00.02	Interest on debentures	18	19	20
00.03	Other operating costs	41	148	148
00.04	Working capital fund reimbursements	13	15	15
00.05	Legislative savings repayments	138	117	117
00.91	Total operating expenses	210	299	300
Capital investment: Claims and other:				
01.01	Acquisition of defaulted Title I notes	36	36	36
01.02	Assignment of defaulted mortgages	210	372	1,152
01.03	Acquisition of real properties	299	112	89
01.04	Rehabilitation of real properties	236	140	140
01.06	Assignment of current mortgages	1	1	1
01.07	Capitalized property expenses	182	97	117
01.08	Loss on defaulted guaranteed loans	23	66	287
01.10	Tax advances on held mortgages	70	70	70
01.11	Claims, other	17	13	13
01.91	Total capital investment	820	1,007	1,905
10.00	Total obligations	1,030	1,306	2,205
Budgetary resources available for obligation:				
Unobligated balance available, start of year:				
21.40	Uninvested balance	1,637	1,818	2,143
21.91	U.S. Securities: Par value	5	7	7
21.99	Total unobligated balance, start of year	1,642	1,825	2,150
22.00	New budget authority (gross)	2,134	1,697	775
22.10	Resources available from recoveries of prior year obligations	18		
22.60	Redemption of debt	-70	-66	-66
22.70	Balance of permanent authority withdrawn	-869		
23.90	Total budgetary resources available for obligation	2,855	3,456	2,859
23.95	New obligations	-1,030	-1,306	-2,205
Unobligated balance available, end of year:				
24.40	Uninvested balance	1,818	2,143	647
24.91	U.S. Securities: Par value	7	7	7
24.99	Total unobligated balance, end of year	1,825	2,150	654
New budget authority (gross), detail:				
62.00	Transferred from other accounts	100		
67.15	Authority to borrow (indefinite)	66	66	66
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	1,968	1,631	709
70.00	Total new budget authority (gross)	2,134	1,697	775
Change in unpaid obligations:				
72.90	Unpaid obligations, start of year: Obligated balance: Net obligated balance: Fund balance	366	278	278
73.10	New obligations	1,030	1,306	2,205
73.20	Total outlays (gross)	-1,096	-1,306	-2,205
73.31	Obligated balance transferred to other accounts	-4		
73.45	Adjustments in unexpired accounts	-18		
74.90	Unpaid obligations, end of year: Obligated balance: Obligated balance	278	278	278
Outlays (gross), detail:				
86.97	Outlays from new permanent authority	731	66	757
86.98	Outlays from permanent balances	365	1,240	1,448
87.00	Total outlays (gross)	1,096	1,306	2,205

Offsets:

Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Non-Federal sources:				
88.40	Fees and premiums	-245	-219	-205
88.40	Rebates of insurance premiums	8	8	8
88.40	Multifamily foreclosure sales		-42	-96
88.40	Proceeds from sale of real property	-261	-128	-132
88.40	Proceeds from sale of mortgage notes	-1,204	-643	
88.40	Mortgage sale accounting adjustment	323	-323	
88.40	Prior year adjustment	-5		
88.40	Recoveries on defaulted mortgages	-284	-14	-14
88.40	Interest and operating income	-210	-221	-225
88.40	Recoveries on defaulted Title I mortgages	-19	-17	-14
88.40	Other interest, dividends and revenue	-34	-12	-11
88.40	Modification subsidy	-37	-20	-20
88.90	Total, offsetting collections (cash)	-1,968	-1,631	-709
Net budget authority and outlays:				
89.00	Budget authority	166	66	66
90.00	Outlays	-872	-325	1,496

Summary of Budget Authority and Outlays

(In millions of dollars)

	1996 actual	1997 est.	1998 est.
Enacted/requested:			
Budget Authority	166	66	66
Outlays	-872	-325	1,496
Legislative proposal, not subject to PAYGO:			
Budget Authority			523
Outlays			523
Total:			
Budget Authority	166	66	589
Outlays	-872	-325	2,019

Status of Direct Loans (in millions of dollars)

Identification code 86-4072-0-3-371	1996 actual	1997 est.	1998 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	107	97	85
1251	Repayments: Repayments and prepayments	-8	-9	-7
1264	Write-offs for default: Other adjustments, net	-2	-3	-2
1290	Outstanding, end of year	97	85	76

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4072-0-3-371	1996 actual	1997 est.	1998 est.	
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	53,756	49,346	46,247
2251	Repayments and prepayments	-3,843	-2,531	-1,387
Adjustments:				
2261	Terminations for default that result in loans receivable	-246	-408	-1,188
2262	Terminations for default that result in acquisition of property	-298	-112	-89
2263	Terminations for default that result in claim payments	-23	-48	-287
2290	Outstanding, end of year	49,346	46,247	43,296

Memorandum:

2299	Guaranteed amount of guaranteed loans outstanding, end of year	49,346	46,247	43,296
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Addendum:

Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	5,234	2,933	1,801
2331	Disbursements for guaranteed loan claims	246	408	1,188
2351	Repayments of loans receivable	-395	-142	-313
2361	Write-offs of loans receivable	-1,271	-755	-152
2364	Other adjustments, net	-881	-643	
2390	Outstanding, end of year	2,933	1,801	2,524

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

Credit accounts—Continued

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

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

Budget program.—As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from loan guarantees committed and direct loans obligated prior to 1992. This account is shown on a cash basis. New insurance and direct loan activity in 1992 and thereafter in the GI/SRI programs is recorded in corresponding program (86-0200) and financing (86-4077 and 86-4105) accounts.

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

PROGRAM HIGHLIGHTS

(In millions of dollars)

	1996 actual	1997 est.	1998 est.
Insurance commitments:			
Mortgage insurance applications (units)	300,794	402,018	434,744
Mortgage and loan insurance written:			
Units	301,730	370,341	407,501
Amount	12,220	14,602	14,988
Insurance maintenance: Outstanding balance of insurance in force, end of year:			
Mortgage insurance	95,386	103,367	110,878

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

Statement of Operations (in millions of dollars)

Identification code 86-4072-0-3-371	1995 actual ¹	1996 actual ²	1997 est.	1998 est.
0101 Revenue	517	370	359	322
0102 Expense	-563	-167	-271	-1,821
0109 Net income or loss (-)	-46	203	88	-1,499

¹ As reflected in the 1997 Budget.

² Preliminary results pending final audit.

Balance Sheet (in millions of dollars)

Identification code 86-4072-0-3-371	1995 actual ¹	1996 actual	1997 est.	1998 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	1,134	2,092	2,392	871
Investments in US securities:				
1102 Treasury securities, par	5	7	7	7
1106 Receivables, net	3	16	16	16
1107 Advances and prepayments	20			
Non-Federal assets:				
1206 Receivables, net	98	175	175	175
1207 Advances and prepayments	75			
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	107	97	85	76
1603 Allowance for estimated uncollectible loans and interest (-)	-22	-21	-18	-16
1699 Value of assets related to direct loans	85	76	67	60
1701 Defaulted guaranteed loans, gross	5,201	2,940	1,801	2,523

1703 Allowance for estimated uncollectible loans and interest (-)	-2,460	-1,957	-1,198	-1,678
1704 Defaulted guaranteed loans and interest receivable, net	2,741	983	603	845
1705 Allowance for uncollectibles from foreclosed property	-543	-479	-293	-371
1706 Foreclosed property	734	632	387	490
1799 Value of assets related to loan guarantees	2,932	1,136	697	964
1901 Other Federal assets: Other assets	38		236	
1999 Total assets	4,390	3,502	3,590	2,093
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	63	373	373	373
2102 Interest payable	6			
2104 Resources payable to Treasury	86			
Non-Federal liabilities:				
2201 Accounts payable	131	131	131	131
2202 Interest payable	21			
2203 Debt	408	82	82	82
2206 Pension and other actuarial liabilities	9,997	8,890	8,890	8,890
Other:				
2207 Unearned revenue and advances ...	380	111	111	111
2207 Other	50	209	209	209
2999 Total liabilities	11,142	9,796	9,796	9,796
NET POSITION:				
3100 Appropriated capital	6,287	5,350	5,350	5,350
3300 Cumulative results of operations	-20,510	-19,115	-19,026	-20,525
3600 Debt forgiveness	7,471	7,471	7,471	7,471
3999 Total net position	-6,752	-6,294	-6,205	-7,704
4999 Total liabilities and net position	4,390	3,502	3,591	2,092

¹ As reflected in 1997 Budget.

Object Classification (in millions of dollars)

Identification code 86-4072-0-3-371	1996 actual	1997 est.	1998 est.
25.2 Other services	55	164	164
32.0 Land and structures	299	348	229
33.0 Investments and loans	246	426	1,433
42.0 Insurance claims and indemnities	275	233	244
43.0 Interest and dividends	18	18	18
44.0 Repayments to financing account	137	117	117
99.9 Total obligations	1,030	1,306	2,205

FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS LIQUIDATING ACCOUNT

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-4072-2-3-371	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Capital investment: Claims and other:			
01.01 Change to baseline claims			449
01.02 Change to repair and holding costs			-19
01.03 Legislative savings repayments			67
01.91 Total capital investment			497
10.00 Total obligations			497
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			497
23.95 New obligations			-497
New budget authority (gross), detail:			
60.05 Appropriation (indefinite)			523
68.00 Spending authority from offsetting collections: Change to offsetting collections (cash)			-26
70.00 Total new budget authority (gross)			497
Change in unpaid obligations:			
73.10 New obligations			497
73.20 Total outlays (gross)			-497
Outlays (gross), detail:			
86.97 Outlays from new permanent authority			497

Offsets:		
Against gross budget authority and outlays:		
88.40	Offsetting collections (cash) from: Change to recoveries on defaults	26
Net budget authority and outlays:		
89.00	Budget authority	523
90.00	Outlays	523

Object Classification (in millions of dollars)			
Identification code 86-4072-2-3-371	1996 actual	1997 est.	1998 est.
32.0	Land and structures		-19
33.0	Investments and loans		449
44.0	Repayment to financing account		67
99.9	Total obligations		497

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)			
Identification code 86-4115-0-3-371	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Capital investment:			
00.01	Housing for the elderly or handicapped loans	3	14
00.02	Maintenance security and collateral	2	4
00.91	Capital Investment, Subtotal	5	18
01.01	Operating expenses: Interest on borrowings	572	435
10.00	Total obligations	577	453

Budgetary resources available for obligation:			
Identification code 86-4115-0-3-371	1996 actual	1997 est.	1998 est.
21.90	Unobligated balance available, start of year: Fund balance	315	462
22.00	New budget authority (gross)	722	751
22.10	Resources available from recoveries of prior year obligations	2	
23.90	Total budgetary resources available for obligation	1,039	1,213
23.95	New obligations	-577	-453
24.90	Unobligated balance available, end of year: Fund balance	462	760

New budget authority (gross), detail:			
Identification code 86-4115-0-3-371	1996 actual	1997 est.	1998 est.
60.05	Appropriation (indefinite)	805	735
60.47	Portion applied to debt reduction	-805	-735
63.00	Appropriation (total)		
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	722	751
70.00	Total new budget authority (gross)	722	751

Change in unpaid obligations:			
Identification code 86-4115-0-3-371	1996 actual	1997 est.	1998 est.
72.90	Unpaid obligations, start of year: Obligated balance: Fund balance	390	425
73.10	New obligations	577	453
73.20	Total outlays (gross)	-540	-627
73.45	Adjustments in unexpired accounts	-2	
74.90	Unpaid obligations, end of year: Obligated balance: Fund balance	425	251

Outlays (gross), detail:			
Identification code 86-4115-0-3-371	1996 actual	1997 est.	1998 est.
86.97	Outlays from new permanent authority	540	627

Offsets:		
Against gross budget authority and outlays:		
88.40	Offsetting collections (cash) from: Non-Federal sources	-751
Net budget authority and outlays:		
89.00	Budget authority	-124
90.00	Outlays	-311

Status of Direct Loans (in millions of dollars)			
Identification code 86-4115-0-3-371	1996 actual	1997 est.	1998 est.
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	8,331	8,306

1231	Disbursements: Direct loan disbursements	2	189	
1251	Repayments: Repayments and prepayments	-71	-71	-72
1264	Write-offs for default: Other adjustments, net	44		
1290	Outstanding, end of year	8,306	8,424	8,352

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

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

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

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

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

For FY 1998, funding is being requested for assistance on behalf of the elderly and disabled under the Housing for Special Populations Account.

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

SUMMARY OF ADMINISTRATIVE COMMITMENTS

Program by activities:	[In millions of dollars]		
	1996 actual	1997 est.	1998 est.
Capital investment:			
Administrative commitments, start of year	17	14	
Recovery of prior year obligations	4		
Administrative commitments, end of year	-14		
Subtotal, capital investment-loan obligations	3	14	
Other expenses (Fee inspection)			
Capital investment:			
Loan obligations	3	14	
Maintenance security and collateral	2	4	4
Total capital investment	5	18	4

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

Statement of Operations (in millions of dollars)

Identification code 86-4115-0-3-371	1995 actual	1996 actual	1997 est.	1998 est.
0101	Revenue	672	700	680
0102	Expense	-551	-573	-439
0109	Net income or loss (-)	121	127	241

Balance Sheet (in millions of dollars)

Identification code 86-4115-0-3-371	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
1101	Federal assets: Fund balances with Treasury	705	887	1,011
1206	Non-Federal assets: Receivables, net	167	83	

Credit accounts—Continued

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND LIQUIDATING ACCOUNT—Continued

Balance Sheet (in millions of dollars)—Continued

Identification code 86-4115-0-3-371	1995 actual	1996 actual	1997 est.	1998 est.
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	8,331	8,306	8,424	8,353
1603 Allowance for estimated uncollectible loans and interest (-)	-18	-20	-20	-20
1604 Direct loans and interest receivable, net	8,313	8,286	8,404	8,333
1699 Value of assets related to direct loans	8,313	8,286	8,404	8,333
1901 Other Federal assets: Other assets	-7	1		
1999 Total assets	9,178	9,257	9,415	9,655
LIABILITIES:				
Federal liabilities:				
2102 Interest payable	275	291	222	184
2104 Resources payable to Treasury	142	8	8	8
2207 Non-Federal liabilities: Other	7,714	6,909	6,174	5,293
2999 Total liabilities	8,131	7,208	6,404	5,485
NET POSITION:				
3100 Appropriated capital	1,183	2,021	2,756	3,637
3300 Cumulative results of operations	-137	28	256	534
3999 Total net position	1,046	2,049	3,011	4,170
4999 Total liabilities and net position	9,177	9,257	9,416	9,656

Object Classification (in millions of dollars)

Identification code 86-4115-0-3-371	1996 actual	1997 est.	1998 est.
32.0 Land and structures	2	4	4
33.0 Investments and loans	3	14	
43.0 Interest and dividends	572	435	361
99.9 Total obligations	577	453	365

NONPROFIT SPONSOR ASSISTANCE LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4042-0-3-604	1996 actual	1997 est.	1998 est.
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance	6	6	6
23.95 New obligations			
24.90 Unobligated balance available, end of year: Fund balance	6	6	6
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

Status of Direct Loans (in millions of dollars)

Identification code 86-4042-0-3-604	1996 actual	1997 est.	1998 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1	1	1
1290 Outstanding, end of year	1	1	1

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

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

Balance Sheet (in millions of dollars)

Identification code 86-4042-0-3-604	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	6	6	6	6
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	1	1	1	1
1603 Allowance for estimated uncollectible loans and interest (-)	-1	-1	-1	-1
1999 Total assets	6	6	6	6
NET POSITION:				
3300 Cumulative results of operations	6	6	6	6
3999 Total net position	6	6	6	6
4999 Total liabilities and net position	6	6	6	6

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

Federal Funds

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

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

Operating results.—Fee collections, interest, and other income are expected to exceed expenses by \$23 million and \$60 million in 1997 and 1998 respectively.

MANAGEMENT AND LIQUIDATING FUNCTIONS FUND

Program and Financing (in millions of dollars)

Identification code 86-4016-0-3-371	1996 actual	1997 est.	1998 est.
Budgetary resources available for obligation:			
21.91 Unobligated balance available, start of year: U.S. Securities: Par value	15		
22.40 Capital transfer to general fund	-15		
23.90 Total budgetary resources available for obligation			
23.95 New obligations			
24.91 Unobligated balance available, end of year: U.S. Securities: Par value			
Outlays (gross), detail:			
86.97 Outlays from new permanent authority			
86.98 Outlays from permanent balances			
87.00 Total outlays (gross)			
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

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

Statement of Operations (in millions of dollars)

Identification code 86-4016-0-3-371	1995 actual	1996 actual	1997 est.	1998 est.
0101 Revenue	1			
0102 Expense				
0109 Net income or loss (-)	1			

Balance Sheet (in millions of dollars)

Identification code 86-4016-0-3-371	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Investments in US securities:				
1104 Federal assets: Agency securities, par	15			
1999 Total assets	15			
NET POSITION:				
3300 Cumulative results of operations	15			
3999 Total net position	15			
4999 Total liabilities and net position	15			

Credit accounts:

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT
(INCLUDES TRANSFER OF FUNDS)

During fiscal year [1997] 1998, 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 [\$110,000,000] \$130,000,000.

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

[During fiscal year 1996 and in addition to commitments previously provided, additional commitments to issue guarantees to carry out section 306 of the National Housing Act, as amended (12 U.S.C. 1721(g)), shall not exceed \$20,000,000,000.] (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997.)

Unavailable Collections (in millions of dollars)

Identification code 86-0186-0-1-371	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, start of year			
Receipts:			
02.01 Guarantees of mortgage backed securities guarantee loans, negative subsidies	9	9	81
Appropriation:			
05.01 Guarantees of mortgage-backed securities loan guarantee program account	-9	-9	-9
07.99 Total balance, end of year			72

Program and Financing (in millions of dollars)

Identification code 86-0186-0-1-371	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 25.2)	9	9	9
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	9	9	9
23.95 New obligations	-9	-9	-9
New budget authority (gross), detail:			
40.25 Appropriation (special fund, indefinite)	9	9	9
Change in unpaid obligations:			
73.10 New obligations	9	9	9
73.20 Total outlays (gross)	-9	-9	-9
Outlays (gross), detail:			
86.90 Outlays from new current authority	9	9	9
86.93 Outlays from current balances			

87.00 Total outlays (gross)	9	9	9
Net budget authority and outlays:			
89.00 Budget authority	9	9	9
90.00 Outlays	9	9	9

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

Identification code 86-0186-0-1-371	1996 actual	1997 est.	1998 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2159 Total loan guarantee levels	130,000	110,000	130,000
Guaranteed loan subsidy (in percent):			
2320 Subsidy rate	0.00	0.00	-0.32
Guaranteed loan subsidy budget authority:			
2339 Total subsidy budget authority	-9	-9	-9
Guaranteed loan subsidy outlays:			
2349 Total subsidy outlays	-9	-9	-9

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

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

GUARANTEES OF MORTGAGE-BACKED SECURITIES FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4240-0-3-371	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Payment to receipt account for administration	9	9	9
00.02 Payment to receipt account for negative subsidy			45
00.03 Payment to receipt account for multi-class savings proposals			27
00.04 Operating expenses			15
00.05 Capital investment			6
10.00 Total obligations (object class 25.2)	9	9	102
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance	99	127	150
22.00 New financing authority (gross)	37	32	102
23.90 Total budgetary resources available for obligation	136	159	252
23.95 New obligations	-9	-9	-102
24.90 Unobligated balance available, end of year: Fund balance	127	150	150
New financing authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	37	32	102
Change in unpaid obligations:			
72.47 Unpaid obligations, start of year: Obligated balance:			
Authority to borrow	-6		
73.10 New obligations	9	9	102
73.20 Total financing disbursements (gross)	-3	-9	-102
74.47 Unpaid obligations, end of year: Obligated balance:			
Authority to borrow			
87.00 Total financing disbursements (gross)	3	9	102
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25 Interest on uninvested funds	-8	-2	-2
88.40 Non-Federal sources: Commitment and other fees	-29	-30	-100
88.90 Total, offsetting collections (cash)	-37	-32	-102
Net financing authority and financing disbursements:			
89.00 Financing authority			

Credit accounts—Continued

**GUARANTEES OF MORTGAGE-BACKED SECURITIES FINANCING
ACCOUNT—Continued**

Program and Financing (in millions of dollars)—Continued

Identification code 86-4240-0-3-371	1996 actual	1997 est.	1998 est.
90.00 Financing disbursements	-35	-23	

Status of Direct Loans (in millions of dollars)

Identification code 86-4240-0-3-371	1996 actual	1997 est.	1998 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year			
1232 Disbursements: Purchase of loans assets from the public			5
1252 Repayments: Proceeds from loan asset sales to the public or discounted			-5
1290 Outstanding, end of year			

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4240-0-3-371	1996 actual	1997 est.	1998 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	130,000	110,000	130,000
2112 Uncommitted loan guarantee limitation	-20,000		
2150 Total guaranteed loan commitments	110,000	110,000	130,000
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year			
2231 Disbursements of new guaranteed loans			75,799
2251 Repayments and prepayments			
2290 Outstanding, end of year			75,799
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year			

Balance Sheet (in millions of dollars)

Identification code 86-4240-0-3-371	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	93	127	137	149
1206 Non-Federal assets: Receivables, net	6			105
1999 Total assets	99	127	137	254
NET POSITION:				
3300 Cumulative results of operations	99	127	137	254
3999 Total net position	99	127	137	254

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

**GUARANTEES OF MORTGAGE-BACKED SECURITIES LIQUIDATING
ACCOUNT**

Program and Financing (in millions of dollars)

Identification code 86-4238-0-3-371	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Operating expenses:			
00.02 Functional services	12	13	13
00.03 Default expenses	8	9	8
00.04 Servicing expenses	9	10	10
00.05 Other expenses	15	20	19
00.06 REMIC expenses	4	5	6
00.91 Total operating expenses	48	57	56
Capital investment:			
01.01 Advances of guaranty payments	129	145	111

01.02 Real estate owned properties	13	13	12
01.91 Total capital investment	142	158	123
10.00 Total obligations	190	215	179

Budgetary resources available for obligation:

Unobligated balance available, start of year:			
21.90 Treasury balance	87	82	52
U.S. Securities:			
Par value:			
21.91 Par value	4,211	4,762	5,341
21.91 Par value (REMICs)	-17		
21.99 Total unobligated balance, start of year	4,281	4,844	5,393
22.00 New budget authority (gross)	753	765	735
23.90 Total budgetary resources available for obligation	5,034	5,609	6,128
23.95 New obligations	-190	-215	-179
Unobligated balance available, end of year:			
24.90 Fund balance	82	52	45
24.91 U.S. Securities: Par value	4,762	5,341	5,903
24.99 Total unobligated balance, end of year	4,844	5,393	5,948

New budget authority (gross), detail:

Spending authority from offsetting collections:			
Offsetting collections (cash):			
68.00 Offsetting collections (cash)	742	743	714
68.00 Spending authority from offsetting collections (REMICs)	11	22	21
68.90 Spending authority from offsetting collections (total)	753	765	735
70.00 Total new budget authority (gross)	753	765	735

Change in unpaid obligations:

72.47 Unpaid obligations, start of year: Obligated balance:			
Orders on hand from Federal sources	-87	-78	-48
73.10 New obligations	190	215	179
73.20 Total outlays (gross)	-181	-185	-173
74.47 Unpaid obligations, end of year: Obligated balance:			
Orders on hand from Federal Sources	-78	-48	-41

Outlays (gross), detail:

86.98 Outlays from permanent balances	181	185	173
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Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20 Interest on U.S. securities	-264	-261	-277
Non-Federal sources:			
88.40 Guarantee fees	-305	-311	-297
88.40 Repayments of guaranteed payments	-120	-130	-102
88.40 Commitment and other fees	-17	-28	-27
88.40 Servicing income	-16	-16	-15
88.40 Receipts from sale of REO properties and mobile home units	-11	-11	-10
88.40 Repayments on mortgages	-12		
88.40 Sale of servicing rights	-8	-8	-7
88.90 Total, offsetting collections (cash)	-753	-765	-735

Net budget authority and outlays:

89.00 Budget authority			
90.00 Outlays	-571	-580	-562

Status of Direct Loans (in millions of dollars)

Identification code 86-4238-0-3-371	1996 actual	1997 est.	1998 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	333	321	327
1232 Disbursements: Purchase of loans assets from the public	128	144	111
1252 Repayments: Proceeds from loan asset sales to the public or discounted	-140	-138	-109
1290 Outstanding, end of year	321	327	329

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4238-0-3-371	1996 actual	1997 est.	1998 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	463,848	497,433	533,333

2231	Disbursements of new guaranteed loans	101,540	79,560	.....
2251	Repayments and prepayments	-67,955	-43,660	-45,465
2290	Outstanding, end of year	497,433	533,333	487,868
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	497,433	503,333	487,868

Budget Program.—Program activity is summarized below:

Mortgage-backed Securities				
(In millions of dollars)				
	1996 actual	1997 est.	1998 est.	
Commitment limitation	130,000	110,000	*	
Commitments issued	110,000	110,000	*	
Guarantees issued	101,540	79,560	*	
Securities outstanding	497,423	533,333	*	

* 1998 figures are reflected in the GNMA financing account.

Operating results.—Fee collections, interest, and other income are expected to exceed expenses by \$570 million in 1996 and \$570 million in 1997 and 1998, respectively. These amounts will be retained to cover future year expenses and as a reserve against losses that may be incurred on guarantees.

Statement of Operations (in millions of dollars)

Identification code 86-4238-0-3-371	1995 actual	1996 actual	1997 est.	1998 est.
Revenue:				
0101 Revenue	514	576	602	602
0101 Revenue (REMICs)	13	11	22	21
Expense:				
0102 Expense	-46	-96	-52	-51
0102 Expense (REMICs)	-4	-4	-2	-2
Net income or loss (-):				
0109 Net income or loss (-)	468	480	550	551
0109 Net income or loss (-) (REMICs)	9	7	20	19
0199 Net income or loss	477	487	570	570

Balance Sheet (in millions of dollars)

Identification code 86-4238-0-3-371	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury		4	4	4
Investments in US securities:				
1102 Treasury securities, par	4,232	4,785	5,341	5,903
1104 Agency securities, par	1			
1106 Receivables, net	59	60	60	64
1206 Non-Federal assets: Receivables, net	26	28	28	27
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	333	321	327	329
1603 Allowance for estimated uncollectible loans and interest (-)	-241	-288	-163	-162
1699 Value of assets related to direct loans	92	33	164	167
1801 Other Federal assets: Cash and other monetary assets	4	5	5	6
1999 Total assets	4,414	4,915	5,602	6,171
LIABILITIES:				
Non-Federal liabilities:				
2201 Accounts payable	29	36	45	53
2207 Other	534	473	471	471
2999 Total liabilities	563	509	516	524
NET POSITION:				
3300 Cumulative results of operations	3,851	4,406	5,085	5,647
3999 Total net position	3,851	4,406	5,085	5,647
4999 Total liabilities and net position	4,414	4,915	5,601	6,171

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

Object Classification (in millions of dollars)

Identification code 86-4238-0-3-371	1996 actual	1997 est.	1998 est.
25.2 Other services	48	57	56
33.0 Investments and loans	142	158	123
99.0 Subtotal, reimbursable obligations	190	215	179
99.9 Total obligations	190	215	179

POLICY DEVELOPMENT AND RESEARCH**Federal Funds****General and special funds:**

RESEARCH AND TECHNOLOGY

For contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970, as amended (12 U.S.C. 1701z-1 et seq.), including carrying out the functions of the Secretary under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, [\$34,000,000] \$39,000,000, to remain available until September 30, [1998] 1999. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997.)

Program and Financing (in millions of dollars)

Identification code 86-0108-0-1-451	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct program	33	36	39
10.00 Total obligations	33	36	39
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	1	2	
22.00 New budget authority (gross)	34	34	39
23.90 Total budgetary resources available for obligation	35	36	
23.95 New obligations	-33	-36	-39
24.40 Unobligated balance available, end of year:			
Uninvested balance	2		
New budget authority (gross), detail:			
40.00 Appropriation	34	34	39
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	28	25	29
73.10 New obligations	33	36	39
73.20 Total outlays (gross)	-36	-32	-37
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	25	29	31
Outlays (gross), detail:			
86.90 Outlays from new current authority	14	14	16
86.93 Outlays from current balances	22	18	21
87.00 Total outlays (gross)	36	32	37
Net budget authority and outlays:			
89.00 Budget authority	34	34	39
90.00 Outlays	36	32	37

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 1998, the research program will focus on activities to support the reinvention of HUD, including examination of issues such as the transformation of public housing and design of standards for performance-based funds. National housing surveys and research to reduce the cost of housing will continue in 1998.

General and special funds—Continued
RESEARCH AND TECHNOLOGY—Continued
Object Classification (in millions of dollars)

Identification code 86-0108-0-1-451	1996 actual	1997 est.	1998 est.
25.2 Other services	29	32	34
41.0 Grants, subsidies, and contributions	4	4	5
99.9 Total obligations	33	36	39

FAIR HOUSING AND EQUAL OPPORTUNITY

Federal Funds

General and special funds:

FAIR HOUSING ACTIVITIES

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and section 561 of the Housing and Community Development Act of 1987, as amended, [\$30,000,000] \$39,000,000, to remain available until September 30, [1998] 1999, of which [\$15,000,000] \$24,000,000 shall be to carry out activities pursuant to such section 561. [No funds made available under this heading shall be used to lobby the executive or legislative branches of the Federal Government in connection with a specific contract, grant or loan.] (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997.)

Program and Financing (in millions of dollars)

Identification code 86-0144-0-1-751	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Fair housing assistance	11	19	15
00.02 Fair housing initiatives	9	24	24
10.00 Total obligations (object class 41.0)	20	43	39
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	3	13	
22.00 New budget authority (gross)	30	30	39
23.90 Total budgetary resources available for obligation	33	43	39
23.95 New obligations	-20	-43	-39
24.40 Unobligated balance available, end of year:			
Uninvested balance	13		
New budget authority (gross), detail:			
40.00 Appropriation	30	30	39
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	44	32	51
73.10 New obligations	20	43	39
73.20 Total outlays (gross)	-32	-24	-27
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	32	51	63
Outlays (gross), detail:			
86.93 Outlays from current balances	32	24	27
Net budget authority and outlays:			
89.00 Budget authority	30	30	39
90.00 Outlays	32	24	27

The Budget proposes an appropriation of \$39 million in 1998 for fair housing activities to aid in eliminating housing discrimination. Of the amount requested, \$15 million is for the Fair Housing Assistance program and \$24 million is for the Fair Housing Initiatives program.

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

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

MANAGEMENT AND ADMINISTRATION

Federal Funds

General and special funds:

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary administrative and non-administrative expenses of the Department of Housing and Urban Development, not otherwise provided for, including not to exceed \$7,000 for official reception and representation expenses, [\$976,840,000, of which \$15,000,000 may be used for additional retraining, relocation, permanent change of station, and other activities related to downsizing only upon submission of a detailed and specific, multi-year downsizing plan to the Committees on Appropriations of the House of Representatives and the Senate, and] [\$955,471,000,] \$1,005,826,000 of which \$544,443,000 shall be provided from the various funds of the Federal Housing Administration, \$9,383,000 shall be provided from funds of the Government National Mortgage Association, and [\$675,000] \$1,000,000 shall be provided from the Community Development Grants Program account. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997.)

Program and Financing (in millions of dollars)

Identification code 86-0143-0-1-999	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Direct program:			
00.01 Housing, mortgage credit, regulatory and energy conservation	94	95	121
00.02 Community planning and development programs	59	60	61
00.03 Equal opportunity and research programs	59	59	60
00.04 Departmental management, legal and audit services	51	51	52
00.05 Field direction and administration	154	155	157
00.91 Total direct program	417	420	451
01.01 Reimbursable program	546	557	555
10.00 Total obligations	963	977	1,006
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	1		
22.00 New budget authority (gross)	965	977	1,006
22.30 Unobligated balance expiring	-4		
23.90 Total budgetary resources available for obligation	962	977	1,006
23.95 New obligations	-963	-977	-1,006
24.40 Unobligated balance available, end of year:			
Uninvested balance			
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	420	420	451
40.75 Reduction pursuant to P.L. 104-134	-1		
43.00 Appropriation (total)	419	420	451
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	546	557	555
70.00 Total new budget authority (gross)	965	977	1,006
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	112	136	136
73.10 New obligations	963	977	1,006
73.20 Total outlays (gross)	-928	-977	-998
73.40 Adjustments in expired accounts	-11		-8
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	136	136	136

Outlays (gross), detail:				
86.90	Outlays from new current authority	321	324	347
86.93	Outlays from current balances	61	96	96
86.97	Outlays from new permanent authority	546	557	555
87.00	Total outlays (gross)	928	977	998
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-546	-557	-555
Net budget authority and outlays:				
89.00	Budget authority	419	420	451
90.00	Outlays	382	420	443

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

Object Classification (in millions of dollars)

Identification code 86-0143-0-1-999				
	1996 actual	1997 est.	1998 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	223	222	217
11.3	Other than full-time permanent	4	4	4
11.5	Other personnel compensation	5	5	5
11.9	Total personnel compensation	232	231	226
12.1	Civilian personnel benefits	49	49	47
13.0	Benefits for former personnel	1	1	1
21.0	Travel and transportation of persons	6	7	11
22.0	Transportation of things .....	.....	3	2
23.1	Rental payments to GSA	32	33	34
23.3	Communications, utilities, and miscellaneous charges	10	13	15
24.0	Printing and reproduction	3	3	3
25.1	Advisory and assistance services	13	10	25
25.2	Other services	2	2	2
25.3	Purchases of goods and services from Government accounts	54	53	71
25.4	Operation and maintenance of facilities	6	6	6
25.7	Operation and maintenance of equipment .....	.....	1	.....
26.0	Supplies and materials	3	3	3
31.0	Equipment	6	4	4
42.0	Insurance claims and indemnities .....	.....	1	1
99.0	Subtotal, direct obligations	417	420	451
99.0	Reimbursable obligations	546	557	555
99.9	Total obligations	963	977	1,006

Personnel Summary

Identification code 86-0143-0-1-999				
	1996 actual	1997 est.	1998 est.	
Direct:				
Total compensable workyears:				
1001	Full-time equivalent employment	4,565	4,491	4,443
1005	Full-time equivalent of overtime and holiday hours	24	24	25
Reimbursable:				
Total compensable workyears:				
2001	Full-time equivalent employment	5,977	5,956	5,518
2005	Full-time equivalent of overtime and holiday hours	32	32	31

OFFICE OF INSPECTOR GENERAL
(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out [the provisions of] the Inspector General Act of 1978, as amended, [\$52,850,000] \$57,850,000, of which \$11,283,000 shall be provided from the various funds of the Federal Housing Administration and [\$5,000,000] \$10,000,000 shall be provided from the amount earmarked for Operation Safe Home in the Drug Elimination Grants for Low Income Housing Account. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997.)

Program and Financing (in millions of dollars)

Identification code 86-0189-0-1-451				
	1996 actual	1997 est.	1998 est.	
Obligations by program activity:				
00.01	Direct program	36	37	37
01.01	Reimbursable program	12	16	21
10.00	Total obligations	48	53	58
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	49	53	58
23.95	New obligations	-48	-53	-58
New budget authority (gross), detail:				
Current:				
40.00	Appropriation	37	37	37
Permanent:				
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	12	16	21
70.00	Total new budget authority (gross)	49	53	58
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance:			
	Appropriation	10	18	18
73.10	New obligations	48	53	58
73.20	Total outlays (gross)	-40	-53	-58
74.40	Unpaid obligations, end of year: Obligated balance:			
	Appropriation	18	18	18
Outlays (gross), detail:				
86.90	Outlays from new current authority	23	28	28
86.93	Outlays from current balances	5	9	9
86.97	Outlays from new permanent authority	12	16	21
87.00	Total outlays (gross)	40	53	58
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-12	-16	-21
Net budget authority and outlays:				
89.00	Budget authority	37	37	37
90.00	Outlays	28	37	37

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

Object Classification (in millions of dollars)

Identification code 86-0189-0-1-451				
	1996 actual	1997 est.	1998 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	20	21	21
11.5	Other personnel compensation	2	2	2
11.9	Total personnel compensation	22	23	23
12.1	Civilian personnel benefits	5	5	5
21.0	Travel and transportation of persons	2	3	3
23.1	Rental payments to GSA	4	3	3
25.1	Advisory and assistance services	1	1	1
25.2	Other services .....	.....	1	1
25.3	Purchases of goods and services from Government accounts	1	1	1
25.7	Operation and maintenance of equipment	1	.....	.....
99.0	Subtotal, direct obligations	36	37	37
99.0	Reimbursable obligations	12	16	21

General and special funds—Continued

**OFFICE OF INSPECTOR GENERAL—Continued
(INCLUDING TRANSFER OF FUNDS)—Continued**

Object Classification (in millions of dollars)—Continued

Identification code 86-0189-0-1-451	1996 actual	1997 est.	1998 est.
99.9 Total obligations	48	53	58

Personnel Summary

Identification code 86-0189-0-1-451	1996 actual	1997 est.	1998 est.
Direct:			
Total compensable workyears:			
1001 Full-time equivalent employment	372	376	367
1005 Full-time equivalent of overtime and holiday hours	1	1	1
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	120	167	214

**OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT
SALARIES AND EXPENSES**

For carrying out the Federal Housing Enterprise Financial Safety and Soundness Act of 1992, **[\$15,500,000]** including not to exceed \$3,000 for official reception and representation expenses, \$16,312,000, to remain available until expended, from the Federal Housing Enterprise Oversight Fund: *Provided, That [such amounts shall be collected by the Director as authorized by section 1316(a) and (b) of such Act and deposited in the Fund under section 1316(f).] not to exceed such amount shall be available from the General Fund of the Treasury to the extent necessary to incur obligations and make expenditures pending the receipt of collections to the Fund: Provided further, That the General Fund amount shall be reduced as collections are received during the fiscal year so as to result in a final appropriation from the General Fund estimated at not more than \$0. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997.)*

Unavailable Collections (in millions of dollars)

Identification code 86-5272-0-2-371	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, start of year	2	2	2
Receipts:			
02.01 Office of federal housing enterprise oversight	13	16	16
04.00 Total: Balances and collections	15	18	18
Appropriation:			
05.01 Office of federal housing enterprise oversight	-15	-16	-16
07.99 Total balance, end of year	2	2	2

Program and Financing (in millions of dollars)

Identification code 86-5272-0-2-371	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations	15	16	16
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	2		
22.00 New budget authority (gross)	15	16	16
22.30 Unobligated balance expiring	-2		
23.90 Total budgetary resources available for obligation	15	16	16
23.95 New obligations	-15	-16	-16
24.40 Unobligated balance available, end of year:			
Uninvested balance			
New budget authority (gross), detail:			
40.20 Appropriation (special fund, definite)	15	16	16
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	6	7	6
73.10 New obligations	15	16	16

73.20 Total outlays (gross)	-14	-16	-16
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	7	6	6
Outlays (gross), detail:			
86.90 Outlays from new current authority	14	16	16
Net budget authority and outlays:			
89.00 Budget authority	15	16	16
90.00 Outlays	14	16	16

This appropriation funds the Office of Federal Housing Enterprise Oversight (the Office), which was established in 1992 to regulate the financial safety and soundness of the two housing Government Sponsored Enterprises (GSEs)—the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. The Office was authorized in the Federal Housing Enterprise Safety and Soundness Act of 1992, which also instituted a risk-based capital standard for the GSEs, and gave the regulator enhanced authority to enforce those standards. The office is also required by statute to conduct on-site annual examinations at the GSEs to determine the condition of each enterprise for the purpose of ensuring their financial safety and soundness.

Object Classification (in millions of dollars)

Identification code 86-5272-0-2-371	1996 actual	1997 est.	1998 est.
11.1 Personnel compensation: Personnel Compensation	6	7	7
12.1 Civilian personnel benefits	2	2	2
23.1 Rental payments to GSA	2	2	2
25.2 Other services	5	5	5
99.9 Total obligations	15	16	16

Personnel Summary

Identification code 86-5272-0-2-371	1996 actual	1997 est.	1998 est.
1001 Total compensable workyears: Full-time equivalent employment	66	78	78

Intragovernmental funds:

WORKING CAPITAL FUND

Program and Financing (in millions of dollars)

Identification code 86-4586-0-4-451	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Operating expenses: Data processing services	196	217	257
00.03 Capital investment: Data processing services	2	2	2
10.00 Total obligations	198	219	259
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance	31	32	33
22.00 New budget authority (gross)	198	219	259
22.10 Resources available from recoveries of prior year obligations	1	1	
23.90 Total budgetary resources available for obligation	230	252	292
23.95 New obligations	-198	-219	-259
24.90 Unobligated balance available, end of year: Fund balance	32	33	33
New budget authority (gross), detail:			
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	183	219	259
68.10 Change in orders on hand from Federal sources	14		
68.15 Adjustment to orders on hand from Federal sources	1		
68.90 Spending authority from offsetting collections (total)	198	219	259
70.00 Total new budget authority (gross)	198	219	259

Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.90	Obligated balance: Fund balance	-1	-3
72.95	Orders on hand from Federal sources	10	24
72.99	Total unpaid obligations, start of year	9	21
73.10	New obligations	198	219
73.20	Total outlays (gross)	-185	-219
73.45	Adjustments in unexpired accounts	-1	-1
Unpaid obligations, end of year:			
Obligated balance:			
74.40	Appropriation		
74.90	Fund balance	-3	-3
74.95	Orders on hand from Federal sources	24	24
74.99	Total unpaid obligations, end of year	21	21
Outlays (gross), detail:			
86.97	Outlays from new permanent authority	185	219
Offsets:			
Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources	-183	-219
88.95	Change in orders on hand from Federal sources	-14	
88.96	Adjustment to orders on hand from Federal sources	-1	
Net budget authority and outlays:			
89.00	Budget authority		
90.00	Outlays	2	

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

Object Classification (in millions of dollars)

Identification code 86-4586-0-4-451	1996 actual	1997 est.	1998 est.
11.1 Personnel compensation: Full-time permanent	18	18	19
12.1 Civilian personnel benefits	3	4	4
21.0 Travel and transportation of persons	1	1	1
23.3 Communications, utilities, and miscellaneous charges	45	53	50
25.2 Other services	94	125	169
26.0 Supplies and materials	5	3	1
31.0 Equipment	32	15	15
99.9 Total obligations	198	219	259

Personnel Summary

Identification code 86-4586-0-4-451	1996 actual	1997 est.	1998 est.
2001 Total compensable workyears: Full-time equivalent employment	301	330	330

ADMINISTRATIVE PROVISIONS

SEC. 201. EXTENDERS.—(a) PUBLIC HOUSING FUNDING FLEXIBILITY.—Section 201(a)(2) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 is amended by striking ["1996"] "1997" and inserting ["1997"] "1998".

(b) ONE-FOR-ONE REPLACEMENT OF PUBLIC AND INDIAN HOUSING.—Section 1002(d) of Public Law 104-19 is amended by striking ["before September 30, 1996"] "1997" and inserting ["on or before September 30, 1997"] "1998".

(c) PUBLIC AND ASSISTED HOUSING RENTS, INCOME ADJUSTMENTS, AND PREFERENCES.—(1)(A) Section 402(a) of The Balanced Budget Downpayment Act, I is amended—

(i) by striking ["effective for fiscal year 1996 and no later than October 30, 1995" and inserting "and subsection (f) of this section, effective for"] fiscal year 1997[";"], and inserting "fiscal year 1998."

(ii) in paragraphs (1), (2), and (4), by striking "not less than \$25, and may require a minimum monthly rent of"; and

(iii) in paragraph (3), by striking "not less than \$25 for the unit, and may require a minimum monthly rent of".

(B) Section 230 of Public Law 104-134 is hereby repealed.】

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

(d) APPLICABILITY TO IHAS.—In accordance with section 201(b)(2) of the United States Housing Act of 1937, the amendments made by subsections (a), (b), and (c) shall apply to public housing developed or operated pursuant to a contract between the Secretary of Housing and Urban Development and an Indian housing authority.

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

(f) SECTION 8 FAIR MARKET RENTALS [AND DELAY IN REISSUANCE].—(1) The first sentence of section 403(a) of the Balanced Budget Downpayment Act, I, is amended by striking ["1996"] "1997" and inserting ["1997"] "1998".

【(2) Section 403(c) of such Act is amended—

(A) by striking "fiscal year 1996" and inserting "fiscal years 1996 and 1997"; and

(B) by inserting before the semicolon the following: "for assistance made available during fiscal year 1996 and October 1, 1997 for assistance made available during fiscal year 1997".】

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

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

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

【(1) in the third sentence by inserting ", fiscal year 1996 prior to April 26, 1996, and fiscal year 1997" after "1995";

(2) in the fourth sentence, by striking "For" and inserting "Except for assistance under the certificate program, for";

(3) after the fourth sentence, by inserting the following new sentence: "In the case of assistance under the certificate program, 0.01 shall be subtracted from the amount of the annual adjustment factor (except that the factor shall not be reduced to less than 1.0), and the adjusted rent shall not exceed the rent for a comparable unassisted unit of similar quality, type, and age in the market area."; and

(4) in the last sentence, by—

(A) striking "sentence" and inserting "two sentences"; and

(B) inserting ", fiscal year 1996 prior to April 26, 1996, and fiscal year 1997" after "1995".】

SEC. 202. SECTION 8 ADMINISTRATIVE FEES.—Section 202(a)(1)(A) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, is amended by—

(1) striking "7.5 percent" and inserting "7.65 percent";

(2) striking "a program of" and inserting "one or more such programs totaling"; and

(3) inserting before the final period, "of such total units." The amendments made by this section shall take effect on October 1, 1997. 【ADMINISTRATIVE FEES.—Notwithstanding section 8(q) of the United States Housing Act of 1937, as amended—

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

(1)(A) For fiscal year 1997, the fee for each month for which a dwelling unit is covered by an assistance contract shall be 7.5 percent of the base amount, adjusted as provided herein, in the case of an agency that, on an annual basis, is administering a program of no more than 600 units, and 7 percent of the base amount, adjusted as provided herein, for each additional unit above 600.

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

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

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

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

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

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

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

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

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

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

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

(3) extraordinary costs approved by the Secretary.]

[SEC. 203. SINGLE FAMILY ASSIGNMENT PROGRAM.—Section 407(c) of the Balanced Budget Downpayment Act, I (12 U.S.C. 1710 note), is amended by striking “October 1, 1996” and inserting “October 1, 1997”.]

[SEC. 204. FLEXIBLE AUTHORITY.—During fiscal year 1997 and fiscal years thereafter, the Secretary may manage and dispose of multifamily properties owned by the Secretary and multifamily mortgages held by the Secretary on such terms and conditions as the Secretary may determine, notwithstanding any other provision of law.]

[SEC. 205. USE OF AVAILABLE FUNDING FOR HOMEOWNERSHIP.—Up to \$20,000,000 of amounts of unobligated balances that are or become available from the Nehemiah Housing Opportunity Grant program, repealed under section 289(b) of the Cranston-Gonzalez National Affordable Housing Act, Public Law 101-625, shall be available for use for activities relating to promotion and implementation of homeownership in targeted geographic areas, as determined by the Secretary. Any grant or assistance made under this section shall be made in accordance with section 102 of the Department of Housing and Urban Development Reform Act of 1989 on a competitive basis.]

[SEC. 206. DEBT FORGIVENESS.—The Secretary of Housing and Urban Development shall cancel the indebtedness of the Greene County Rural Health Center relating to a loan received under the Public Facility Loan program to establish the health center (Loan #Mis-22-PFL0096). The Greene County Rural Health Center is hereby relieved of all liability to the Federal Government for such loan and any fees and charges payable in connection with such loan.]

[SEC. 207. FLEXIBLE SUBSIDY FUND.—From the fund established by section 236(g) of the National Housing Act, as amended, all uncommitted balances of excess rental charges as of September 30, 1996, and any collection during fiscal year 1997, shall be transferred, as authorized under such section, to the fund authorized under section 201(j) of the Housing and Community Development Amendments of 1978, as amended.]

[SEC. 208. RENTAL HOUSING ASSISTANCE.—The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 236 of the National Housing Act (12 U.S.C. 1715z-1) is reduced in fiscal year 1997 by not more than \$2,000,000 in uncommitted balances of authorizations provided for this purpose in appropriations Acts.]

[SEC. 209. D.C. MODERNIZATION FUNDING.—Notwithstanding the provisions of section 14(k)(5)(D) of the United States Housing Act of 1937, the withheld modernization funds that became credited in fiscal years 1993, 1994, and 1995, due to the troubled status of the former Department of Public and Assisted Housing of the District of Columbia, shall be made available without diminution to its successor, the District of Columbia Housing Authority, at such time between the effective date of this Act and the end of fiscal year 1998 as the District of Columbia Housing Authority is no longer deemed “mod-troubled” under section 6(j)(2)(A)(i) of such Act; after fiscal year 1998, the District of Columbia Housing Authority shall become sub-

ject to the provisions of section 14(k)(5)(D) of such Act should it remain mod-troubled.]

SEC. [210. (a)] 203. FINANCING ADJUSTMENT FACTORS.—Fifty per centum of the amounts of budget authority, or in lieu thereof 50 per centum of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Public Law 100-628, 102 Stat. 3224, 3268) shall be rescinded, or in the case of cash, shall be remitted to the Treasury, and such amounts of budget authority or cash recaptured and not rescinded or remitted to the Treasury shall be used by State housing finance agencies or local governments or local housing agencies with projects approved by the Secretary of Housing and Urban Development for which settlement occurred after January 1, 1992, in accordance with such section.

[(b) In addition to amounts otherwise provided by this Act, \$464,442 is appropriated to the Department of Housing and Urban Development for payment to the Utah Housing Finance Agency, in lieu of amounts lost to such agency in bond refinancings during 1994, for its use in accordance with subsection (a).]

SEC. 204. SECTION 8 CONTRACT RENEWALS.—Section 405(a) of the Balanced Budget Downpayment Act, I is amended by inserting at the end the following new sentences:

“Notwithstanding the preceding sentence, upon the expiration of a contract with rent levels that exceed the section 8 Existing Fair Market Rents, if the Secretary determines that (i) the primary financing or mortgage insurance for the multifamily housing project that is covered by that expiring contract was provided by a public agency and the financing does not involve mortgage insurance under the National Housing Act, or (ii) the project is a section 202 project or a section 515 project, the Secretary may, at the request of the owner and, in the case of projects under clause (i), the public agency, provide assistance under section 8 at rent levels that are equal to those under the expiring contract as of the date on which the contract expires, which assistance shall be in accordance with terms and conditions prescribed by the Secretary.”

[SEC. 211. SECTION 8 CONTRACT RENEWAL AUTHORITY.—(a) DEFINITIONS.—For purposes of this section—

(1) the term “expiring contract” means a contract for project-based assistance under section 8 of the United States Housing Act of 1937 that expires during fiscal year 1997;

(2) the term “family” has the same meaning as in section 3(b) of the United States Housing Act of 1937;

(3) the term “multifamily housing project” means a property consisting of more than 4 dwelling units that is covered in whole or in part by a contract for project-based assistance under section 8 of the United States Housing Act of 1937;

(4) the term “owner” has the same meaning as in section 8(f) of the United States Housing Act of 1937;

(5) the term “project-based assistance” means rental assistance under section 8 of the United States Housing Act of 1937 that is attached to a multifamily housing project;

(6) the term “public agency” means a State housing finance agency, a local housing agency, or other agency with a public purpose and status;

(7) the term “Secretary” means the Secretary of Housing and Urban Development; and

(8) the term “tenant-based assistance” has the same meaning as in section 8(f) of the United States Housing Act of 1937.

(b) SECTION 8 CONTRACT RENEWAL AUTHORITY.—

(1) IN GENERAL.—Notwithstanding section 405(a) of the Balanced Budget Downpayment Act, I, upon the request of the owner of a multifamily housing project that is covered by an expiring contract, the Secretary shall use amounts made available for the renewal of assistance under section 8 of the United States Housing Act of 1937 to renew the expiring contract as project-based assistance for a period of not more than one year, at rent levels that are equal to those under the expiring contract as of the date on which the contract expires: *Provided*, That those rent levels do not exceed 120 percent of the fair market rent for the market area in which the project is located. For an FHA-insured multifamily housing project with an expiring contract at rent levels that exceed 120 percent of the fair market rent for the market area, the Secretary shall provide, at the request of the owner, section 8 project-based assistance, for a period of not more than one year, at rent levels that do not exceed 120 percent of the fair market rent.

(2) EXEMPTION FOR STATE AND LOCAL HOUSING AGENCY PROJECTS.—Notwithstanding paragraph (1), upon the expiration of a contract with rent levels that exceed the percentage described in that paragraph, if the Secretary determines that the primary financing or mortgage insurance for the multifamily housing project that is covered by that expiring contract was provided by a public agency, the Secretary shall, at the request of the owner and the public agency, renew the expiring contract—

(A) for a period of not more than one year; and

(B) at rent levels that are equal to those under the expiring contract as of the date on which the contract expires.

(3) SECTION 202, SECTION 811, AND SECTION 515 PROJECTS.—Notwithstanding paragraph (1), for section 202 projects, section 811 projects and section 515 projects, upon the expiration of a section 8 contract, the Secretary shall, at the request of the owner, renew the expiring contract—

(A) for a period of not more than one year; and

(B) at rent levels that are equal to those under the expiring contract as of the date on which the contract expires.

(4) OTHER CONTRACTS.—

(A) PARTICIPATION IN DEMONSTRATION.—For a contract covering an FHA-insured multifamily housing project that expires during fiscal year 1997 with rent levels that exceed the percentage described in paragraph (1) and after notice to the tenants, the Secretary shall, at the request of the owner of the project and after notice to the tenants, include that multifamily housing project in the demonstration program under section 212 of this Act. The Secretary shall ensure that a multifamily housing project with an expiring contract in fiscal year 1997 shall be allowed to be included in the demonstration.

(B) EFFECT OF MATERIAL ADVERSE ACTIONS AND OMISSIONS.—Notwithstanding paragraph (1) or any other provision of law, the Secretary shall not renew an expiring contract if the Secretary determines that the owner of the multifamily housing project has engaged in material adverse financial or managerial actions or omissions with regard to the project (or with regard to other similar projects if the Secretary determines that such actions or omissions constitute a pattern of mismanagement that would warrant suspension or debarment by the Secretary).

(C) TRANSFER OF PROPERTY.—For properties disqualified from the demonstration program because of actions by an owner or purchaser in accordance with subparagraph (B), the Secretary shall establish procedures to facilitate the voluntary sale or transfer of the property, with a preference for tenant organizations and tenant-endorsed community-based nonprofit and public agency purchasers meeting such reasonable qualifications as may be established by the Secretary. The Secretary may include the transfer of section 8 project-based assistance.

(5) TENANT PROTECTIONS.—Any family residing in an assisted unit in a multifamily housing project that is covered by an expiring contract that is not renewed, shall be offered tenant-based assistance before the date on which the contract expires or is not renewed.】

【SEC. 212. FHA MULTIFAMILY DEMONSTRATION AUTHORITY.—

(a) IN GENERAL.—

(1) REPEAL.—

(A) IN GENERAL.—Section 210 of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 1996 (110 Stat. 1321) is repealed.

(B) EXCEPTION.—Notwithstanding the repeal under subparagraph (A), amounts made available under section 210(f) the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 1996 shall remain available for the demonstration program under this section through the end of fiscal year 1997.

(2) SAVINGS PROVISIONS.—Nothing in this section shall be construed to affect any commitment entered into before the date of enactment of this Act under the demonstration program under section 210 of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 1996.

(3) DEFINITIONS.—For purposes of this section—

(A) the term “demonstration program” means the program established under subsection (b);

(B) the term “expiring contract” means a contract for project-based assistance under section 8 of the United States Housing Act of 1937 that expires during fiscal year 1997;

(C) the term “family” has the same meaning as in section 3(b) of the United States Housing Act of 1937;

(D) the term “multifamily housing project” means a property consisting of more than 4 dwelling units that is covered in whole or in part by a contract for project-based assistance;

(E) the term “owner” has the same meaning as in section 8(f) of the United States Housing Act of 1937;

(F) the term “project-based assistance” means rental assistance under section 8 of the United States Housing Act of 1937 that is attached to a multifamily housing project;

(G) the term “Secretary” means the Secretary of Housing and Urban Development; and

(H) the term “tenant-based assistance” has the same meaning as in section 8(f) of the United States Housing Act of 1937.

(b) DEMONSTRATION AUTHORITY.—

(1) IN GENERAL.—Subject to the funding limitation in subsection (l), the Secretary shall administer a demonstration program with respect to multifamily projects—

(A) whose owners agree to participate;

(B) with rents on units assisted under section 8 of the United States Housing Act of 1937 that are, in the aggregate, in excess of 120 percent of the fair market rent of the market area in which the project is located; and

(C) the mortgages of which are insured under the National Housing Act.

(2) PURPOSE.—The demonstration program shall be designed to obtain as much information as is feasible on the economic viability and rehabilitation needs of the multifamily housing projects in the demonstration, to test various approaches for restructuring mortgages to reduce the financial risk to the FHA Insurance Fund while reducing the cost of section 8 subsidies, and to test the feasibility and desirability of—

(A) ensuring, to the maximum extent practicable, that the debt service and operating expenses, including adequate reserves, attributable to such multifamily projects can be supported at the comparable market rent with or without mortgage insurance under the National Housing Act and with or without additional section 8 rental subsidies;

(B) utilizing section 8 rental assistance, while taking into account the capital needs of the projects and the need for adequate rental assistance to support the low- and very low-income families residing in such projects; and

(C) preserving low-income rental housing affordability and availability while reducing the long-term cost of section 8 rental assistance.

(c) GOALS.—

(1) IN GENERAL.—The Secretary shall carry out the demonstration program in a manner that will protect the financial interests of the Federal Government through debt restructuring and subsidy reduction and, in the least costly fashion, address the goals of—

(A) maintaining existing affordable housing stock in a decent, safe, and sanitary condition;

(B) minimizing the involuntary displacement of tenants;

(C) taking into account housing market conditions;

(D) encouraging responsible ownership and management of property;

(E) minimizing any adverse income tax impact on property owners; and

(F) minimizing any adverse impacts on residential neighborhoods and local communities.

(2) BALANCE OF COMPETING GOALS.—In determining the manner in which a mortgage is to be restructured or a subsidy reduced under this subsection, the Secretary may balance competing goals relating to individual projects in a manner that will further the purposes of this section.

(d) PARTICIPATION ARRANGEMENTS.—

(1) IN GENERAL.—In carrying out the demonstration program, the Secretary may enter into participation arrangements with designees, under which the Secretary may provide for the assumption by designees (by delegation, by contract, or otherwise) of some or all of the functions, obligations, responsibilities and benefits of the Secretary.

(2) DESIGNEES.—In entering into any arrangement under this subsection, the Secretary shall select state housing finance agencies, housing agencies or nonprofits (separately or in conjunction with each other) to act as designees to the extent such agencies are determined to be qualified by the Secretary. In locations where there is no qualified State housing finance agency, housing agency or nonprofit to act as a designee, the Secretary may act as a designee. Each participation arrangement entered into under this

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

subsection shall include a designee as the primary partner. Any organization selected by the Secretary under this section shall have a long-term record of service in providing low-income housing and meet standards of fiscal responsibility, as determined by the Secretary.

(3) **DESIGNEE PARTNERSHIPS.**—For purposes of any participation arrangement under this subsection, designees are encouraged to develop partnerships with each other, and to contract or subcontract with other entities, including—

- (A) public housing agencies;
- (B) financial institutions;
- (C) mortgage servicers;
- (D) nonprofit and for-profit housing organizations;
- (E) the Federal National Mortgage Association;
- (F) the Federal Home Loan Mortgage Corporation;
- (G) Federal Home Loan Banks; and
- (H) other State or local mortgage insurance companies or bank lending consortia.

(e) **LONG-TERM AFFORDABILITY.**—

(1) **IN GENERAL.**—After the renewal of a section 8 contract pursuant to a restructuring under this section, the owner shall accept each offer to renew the section 8 contract, for a period of 20 years from the date of the renewal under the demonstration, if the offer to renew is on terms and conditions, as agreed to by the Secretary or designee and the owner under a restructuring.

(2) **AFFORDABILITY REQUIREMENTS.**—Except as otherwise provided by the Secretary, in exchange for any mortgage restructuring under this section, a project shall remain affordable for a period of not less than 20 years. Affordability requirements shall be determined in accordance with guidelines established by the Secretary or designee. The Secretary or designee may waive these requirements for good cause.

(f) **PROCEDURES.**—

(1) **NOTICE OF PARTICIPATION IN DEMONSTRATION.**—Not later than 45 days before the date of expiration of an expiring contract (or such later date, as determined by the Secretary, for good cause), the owner of the multifamily housing project covered by that expiring contract shall notify the Secretary or designee and the residents of the owner's intent to participate in the demonstration program.

(2) **DEMONSTRATION CONTRACT.**—Upon receipt of a notice under paragraph (1), the owner and the Secretary or designee shall enter into a demonstration contract, which shall provide for initial section 8 project-based rents at the same rent levels as those under the expiring contract or, if practical, the budget-based rent to cover debt service, reasonable operating expenses (including reasonable and appropriate services), and a reasonable return to the owner, as determined solely by the Secretary. The demonstration contract shall be for the minimum term necessary for the rents and mortgages of the multifamily housing project to be restructured under the demonstration program, but shall not be for a period of time to exceed 180 days, unless extended for good cause by the Secretary.

(g) **PROJECT-BASED SECTION 8.**—The Secretary shall renew all expiring contracts under the demonstration as section 8 project-based contracts, for a period of time not to exceed one year, unless otherwise provided under subsection (h).

(h) **DEMONSTRATION ACTIONS.**—

(1) **DEMONSTRATION ACTIONS.**—For purposes of carrying out the demonstration program, and in order to ensure that contract rights are not abrogated, subject to such third party consents as are necessary (if any), including consent by the Government National Mortgage Association if it owns a mortgage insured by the Secretary, consent by an issuer under the mortgage-backed securities program of the Association, subject to the responsibilities of the issuer to its security holders and the Association under such program, and consent by parties to any contractual agreement which the Secretary proposes to modify or discontinue, the Secretary or, except with respect to subparagraph (B), designee, subject to the funding limitation in subsection (l), shall take not less than one of the actions specified in subparagraphs (G), (H), and (I) and may take any of the following actions:

(A) **REMOVAL OF RESTRICTIONS.**—

(i) **IN GENERAL.**—Consistent with the purposes of this section, subject to the agreement of the owner of the project and after consultation with the tenants of the project, the Secretary or

designee may remove, relinquish, extinguish, modify, or agree to the removal of any mortgage, regulatory agreement, project-based assistance contract, use agreement, or restriction that had been imposed or required by the Secretary, including restrictions on distributions of income which the Secretary or designee determines would interfere with the ability of the project to operate without above-market rents.

(ii) **ACCUMULATED RESIDUAL RECEIPTS.**—The Secretary or designee may require an owner of a property assisted under the section 8 new construction/substantial rehabilitation program under the United States Housing Act of 1937 to apply any accumulated residual receipts toward effecting the purposes of this section.

(B) **REINSURANCE.**—With respect to not more than 5,000 units within the demonstration during fiscal year 1997, the Secretary may enter into contracts to purchase reinsurance, or enter into participations or otherwise transfer economic interest in contracts of insurance or in the premiums paid, or due to be paid, on such insurance, on such terms and conditions as the Secretary may determine. Any contract entered into under this paragraph shall require that any associated units be maintained as low-income units for the life of the mortgage, unless waived by the Secretary for good cause.

(C) **PARTICIPATION BY THIRD PARTIES.**—The Secretary or designee may enter into such agreements, provide such concessions, incur such costs, make such grants (including grants to cover all or a portion of the rehabilitation costs for a project) and other payments, and provide other valuable consideration as may reasonably be necessary for owners, lenders, servicers, third parties, and other entities to participate in the demonstration program. The Secretary may establish performance incentives for designees.

(D) **SECTION 8 ADMINISTRATIVE FEES.**—Notwithstanding any other provision of law, the Secretary may make fees available from the section 8 contract renewal appropriation to a designee for contract administration under section 8 of the United States Housing Act of 1937 for purposes of any contract restructured or renewed under the demonstration program.

(E) **FULL OR PARTIAL PAYMENT OF CLAIM.**—Notwithstanding any other provision of law, the Secretary may make a full payment of claim or partial payment of claim prior to default.

(F) **CREDIT ENHANCEMENT.**—

(i) **IN GENERAL.**—The Secretary or designee may provide FHA multifamily mortgage insurance, reinsurance, or other credit enhancement alternatives, including retaining the existing FHA mortgage insurance on a restructured first mortgage at market value or using the multifamily risk-sharing mortgage programs, as provided under section 542 of the Housing and Community Development Act of 1992. Any limitations on the number of units available for mortgage insurance under section 542 shall not apply to insurance issued for purposes of the demonstration program.

(ii) **MAXIMUM PERCENTAGE.**—During fiscal year 1997, not more than 25 percent of the units in multifamily housing projects with expiring contracts in the demonstration, in the aggregate, may be restructured without FHA insurance, unless otherwise agreed to by the owner of a project.

(iii) **CREDIT SUBSIDY.**—Any credit subsidy costs of providing mortgage insurance shall be paid from amounts made available under subsection (l).

(G) **MORTGAGE RESTRUCTURING.**—

(i) **IN GENERAL.**—The Secretary or designee may restructure mortgages to provide a restructured first mortgage to cover debt service and operating expenses (including a reasonable rate of return to the owner) at the market rent, and a second mortgage equal to the difference between the restructured first mortgage and the mortgage balance of the eligible multifamily housing project at the time of restructuring.

(ii) **CREDIT SUBSIDY.**—Any credit subsidy costs of providing a second mortgage shall be paid from amounts made available under subsection (l).

(H) **DEBT FORGIVENESS.**—The Secretary or designee, for good cause and at the request of the owner of a multifamily housing project, may forgive at the time of the restructuring of a mortgage any portion of a debt on the project that exceeds the market value of the project.

(I) **BUDGET-BASED RENTS.**—The Secretary or designee may renew an expiring contract, including a contract for a project

in which operating costs exceed comparable market rents, for a period of not more than one year, at a budget-based rent that covers debt service, reasonable operating expenses (including all reasonable and appropriate services), and a reasonable rate of return to the owner, as determined solely by the Secretary, provided that the contract does not exceed the rent levels under the expiring contract. The Secretary may establish a preference under the demonstration program for budget-based rents for unique housing projects, such as projects designated for occupancy by elderly families and projects in rural areas.

(J) SECTION 8 TENANT-BASED ASSISTANCE.—For not more than 10 percent of units in multifamily housing projects that have had their mortgages restructured in any fiscal year under the demonstration, the Secretary or designee may provide, with the agreement of an owner and in consultation with the tenants of the housing, section 8 tenant-based assistance for some or all of the assisted units in a multifamily housing project in lieu of section 8 project-based assistance. Section 8 tenant-based assistance may only be provided where the Secretary determines and certifies that there is adequate available and affordable housing within the local area and that tenants will be able to use the section 8 tenant-based assistance successfully.

(2) OFFER AND ACCEPTANCE.—Notwithstanding any other provision of law, an owner of a project in the demonstration must accept any reasonable offer made by the Secretary or a designee under this subsection. An owner may appeal the reasonableness of any offer to the Secretary and the Secretary shall respond within 30 days of the date of appeal with a final offer. If the final offer is not acceptable, the owner may opt out of the program.

(i) COMMUNITY AND TENANT INPUT.—In carrying out this section, the Secretary shall develop procedures to provide appropriate and timely notice, including an opportunity for comment and timely access to all relevant information, to officials of the unit of general local government affected, the community in which the project is situated, and the tenants of the project.

(j) TRANSFER OF PROPERTY.—The Secretary shall establish procedures to facilitate the voluntary sale or transfer of multifamily housing projects under the demonstration to tenant organizations and tenant-endorsed community-based nonprofit and public agency purchasers meeting such reasonable qualifications as may be established by the Secretary.

(k) LIMITATION ON DEMONSTRATION AUTHORITY.—The Secretary shall carry out the demonstration program with respect to mortgages not to exceed 50,000 units.

(l) FUNDING.—In addition to the \$30,000,000 made available under section 210 of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 1996 (110 Stat. 1321), for the costs (including any credit subsidy costs associated with providing direct loans or mortgage insurance) of modifying and restructuring loans held or guaranteed by the Federal Housing Administration, as authorized under this section, \$10,000,000 is hereby appropriated, to remain available until September 30, 1998.

(m) REPORT TO CONGRESS.—

(1) IN GENERAL.—

(A) QUARTERLY REPORTS.—Not less than every 3 months, the Secretary shall submit to the Congress a report describing and assessing the status of the projects in the demonstration program.

(B) FINAL REPORT.—Not later than 6 months after the end of the demonstration program, the Secretary shall submit to the Congress a final report on the demonstration program.

(2) CONTENTS.—Each report submitted under paragraph (1)(A) shall include a description of—

(A) each restructuring proposal submitted by an owner of a multifamily housing project, including a description of the physical, financial, tenancy, and market characteristics of the project;

(B) the Secretary's evaluation and reasons for each multifamily housing project selected or rejected for participation in the demonstration program;

(C) the costs to the FHA General Insurance and Special Risk Insurance funds;

(D) the subsidy costs provided before and after restructuring;

(E) the actions undertaken in the demonstration program, including the third-party arrangements made; and

(F) the demonstration program's impact on the owners of the projects, including any tax consequences.

(3) CONTENTS OF FINAL REPORT.—The report submitted under paragraph (1)(B) shall include—

(A) the required contents under paragraph (2); and (B) any findings and recommendations for legislative action.】

【SEC. 213. HAWAIIAN HOME LANDS.—Section 282 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12832) is amended by adding at the end the following new sentence: "The Secretary may waive this section in connection with the use of funds made available under this title on lands set aside under the Hawaiian Homes Commission Act, 1920 (42 Stat. 108)."]

【SEC. 214. USES OF CERTAIN ASSISTED HOUSING AMOUNTS.—(a) Transfer Authority.—The Secretary may transfer recaptured section 8 amounts from the Annual Contributions for Assisted Housing account under Public Law 104-134 (approved April 26, 1996; 110 Stat. 1321, 1321-265) and prior laws to the accounts and for the purposes set forth in subsection (b). The amounts transferred under this section shall be made available for use as prescribed under this section notwithstanding section 8(bb) of the United States Housing Act of 1937.

(b) RECEIVING ACCOUNTS.—

(1) PREVENTION OF RESIDENT DISPLACEMENT.—The Secretary may transfer to the Prevention of Resident Displacement account an amount up to \$50,000,000, in addition to amounts in such account, that may be used to extend, under existing terms and conditions, existing project-based section 8 contracts in effect before a Plan of Action was approved, so that these contracts expire 5 years from the date on which funds were obligated for the Plan of Action approved under the Low-Income Housing Preservation and Resident Homeownership Act of 1990 or the Emergency Low Income Housing Preservation Act of 1987. The Secretary shall transfer all amounts that the Secretary determines to be necessary for fiscal year 1997 for the purposes of this paragraph before transferring any amounts under any other paragraph in this subsection.

(2) HOPWA.—The Secretary may transfer to the Housing Opportunities for Persons with AIDS account up to \$25,000,000, for use in addition to amounts appropriated in such account.】

【SEC. 215. REQUIREMENT FOR HUD TO MAINTAIN PUBLIC NOTICE AND COMMENT RULEMAKING.—The Secretary of Housing and Urban Development shall maintain all current requirements under part 10 of the Department of Housing and Urban Development's regulations (24 CFR part 10) with respect to the Department's policies and procedures for the promulgation and issuance of rules, including the use of public participation in the rulemaking process.】

【SEC. 216. COMMUNITY DEVELOPMENT BLOCK GRANTS.—Section 102(a)(6)(D) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(6)(D)) is amended—

(1) in clause (iv), by striking "or" at the end;

(2) in clause (v), by striking the period at the end and inserting "; or"; and

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

"(vi) has entered into a local cooperation agreement with a metropolitan city that received assistance under section 106 because of such classification, and has elected under paragraph (4) to have its population included with the population of the county for the purposes of qualifying as an urban county, except that to qualify as an urban county under this clause, the county must—

"(I) have a combined population of not less than 210,000, excluding any metropolitan city located in the county that is not relinquishing its metropolitan city classification, according to the 1990 decennial census of the Bureau of the Census of the Department of Commerce;

"(II) including any metropolitan cities located in the county, have had a decrease in population of 10,061 from 1992 to 1994, according to the estimates of the Bureau of the Census of the Department of Commerce; and

"(III) have had a Federal naval installation that was more than 100 years old closed by action of the Base Closure and Realignment Commission appointed for 1993 under the Base Closure and Realignment Act of 1990, directly resulting in a loss of employment by more than 7,000 Federal Government civilian employees and more than 15,000 active duty military personnel, which naval installation was located within one mile of an enterprise community designated by the Secretary pursuant to section 1391 of the Internal Revenue Code of 1986, which enterprise community has a population of not less than 20,000, according to the 1990 decennial census of the Bureau of the Census of the Department of Commerce."】

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

[SEC. 217. FAIR HOUSING AND FREE SPEECH.—None of the amounts made available under this Act may be used during fiscal year 1997 to investigate or prosecute under the Fair Housing Act any otherwise lawful activity engaged in by one or more persons, including the filing or maintaining of a nonfrivolous legal action, that is engaged in solely for the purpose of achieving or preventing action by a government official or entity, or a court of competent jurisdiction.]

[SEC. 218. ACCOUNT TRANSITION.—The amounts of obligated balances in appropriations accounts, as set forth in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 and prior Acts that are recaptured hereafter, to the extent not governed by the specific language in an account or provision in this Act, shall be held in reserve subject to reprogramming, notwithstanding any other provision of law.]

[SEC. 219. TREATMENT OF CERTAIN PROPERTIES.—Notwithstanding any other provision of law, rehabilitation activities undertaken in projects using the Low-Income Housing Tax Credit allocated to developments in the city of New Brunswick, New Jersey, in 1991, are deemed to have met the requirements for rehabilitation in accordance with clause (ii) of the third sentence of section 8(d)(2)(A) of the United States Housing Act of 1937, as in effect before the date of the enactment of this Act.]

[SEC. 220. AMENDMENT RELATING TO COMMUNITY DEVELOPMENT ASSISTANCE.—Section 105(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(8)) is amended by striking "through 1997" and inserting "through 1998".]

[SEC. 221. SECTION 236 PROGRAM AMENDMENTS.—(a) Section 236(f)(1) of the National Housing Act (12 U.S.C. 1715z-1), as amended by section 405(d)(1) of The Balanced Budget Downpayment Act, I, and by section 228(a) of The Balanced Budget Downpayment Act, II, is amended—

(1) in the second sentence, by striking "the lower of (i)";

(2) in the second sentence, by striking "or (ii) the fair market rental established under section 8(c) of the United States Housing Act of 1937 for the market area in which the housing is located, or (iii) the actual rent (as determined by the Secretary) paid for a comparable unit in comparable unassisted housing in the market area in which the housing assisted under this section is located,"; and

(3) by inserting after the second sentence the following: "However, in the case of a project which contains more than 5,000

units, is subject to an interest reduction payments contract, and is financed under a State or local program, the Secretary may reduce the rental charge ceiling, but in no case shall the rent be below basic rent. For plans of action approved for Capital Grants under the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRHA) or the Emergency Low Income Housing Preservation Act of 1987 (ELIHPA), the rental charge for each dwelling unit shall be at the basic rental charge or such greater amount, not exceeding the lower of (i) the fair market rental charge determined pursuant to this paragraph, or (ii) the actual rent paid for a comparable unit in comparable unassisted housing in the market area in which the housing assisted under this section is located, as represents 30 percent of the tenant's adjusted income, but in no case shall the rent be below basic rent."

(b) Section 236(f) of the National Housing Act is amended by adding the following new paragraph at the end:

"(7) The Secretary shall determine whether and under what conditions the provisions of this subsection shall apply to mortgages sold by the Secretary on a negotiated basis."

(c) Section 236(g) of the National Housing Act is amended to read as follows:

"The project owner shall, as required by the Secretary, accumulate, safeguard, and periodically pay the Secretary or such other entity as determined by the Secretary and upon such terms and conditions as the Secretary deems appropriate, all rental charges collected on a unit-by-unit basis in excess of the basic rental charges. Unless otherwise directed by the Secretary, such excess charges shall be credited to a reserve fund to be used by the Secretary to make additional assistance payments as provided in paragraph (3) of subsection (f). However, a project owner with a mortgage project use if authorized by the Secretary and upon such terms and conditions insured under this section may retain some or all of such excess charges for project use if authorized by the Secretary and upon such terms and conditions as established by the Secretary.".]

SEC. 205. TRANSFERS BETWEEN APPROPRIATIONS.—*Not to exceed 2 percent of any appropriation or earmarked amount made available for the current fiscal year in this Act may be transferred between such appropriations or earmarked amounts, but no such appropriations or earmarked amounts shall be increased or decreased by more than 2 percent by any such transfers. (Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997.)*

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

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

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

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

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

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

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

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

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

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

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

PUBLIC AND INDIAN HOUSING

Federal Funds

General and special funds:

HOUSING CERTIFICATE FUND

(INCLUDING TRANSFERS OF FUNDS)

For activities and assistance to prevent the involuntary displacement of low-income families, the elderly and the disabled because of the loss of affordable housing stock, expiration of subsidy contracts (other than contracts for which amounts are provided under another heading in this Act) or expiration of use restrictions, or other changes in housing assistance arrangements, and for other purposes, **[\$9,373,000,000] \$8,981,187,705**, to remain available until expended: *Provided*, That of the total amount provided under this heading, **[\$8,180,000,000] \$7,190,645,675** shall be for assistance under the United States Housing Act of 1937 (42 U.S.C. 1437) for use in connection with expiring or terminating section 8 subsidy contracts, **[for enhanced vouchers as provided under the "Preserving Existing Housing Investment" account in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (Public Law 104-204),]** and contracts entered into pursuant to section 441 of the Stewart B. McKinney Homeless Assistance Act: *Provided further*, That the Secretary may determine not to apply section 8(o)(6)(B) of the Act to housing vouchers during fiscal year **[1998] 1999**: *Provided further*, That of the total amount provided under this heading, **[\$850,000,000] \$1,337,000,000** shall be for amendments to section 8 contracts other than contracts for projects developed under section 202 of the Housing Act of 1959, as amended: *Provided further*, That of the total amount provided under this heading, **[\$343,000,000]** shall be for section 8 rental assistance under the United States Housing Act of 1937 including assistance to relocate residents of properties: (1) that are owned by the Secretary and being disposed of; or (2) that are discontinuing section 8 project-based assistance; for the conversion of section 23 projects to assistance under section 8; for funds to carry out the family unification program; and for the relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency: *Provided further*, That of the total amount made available in the preceding proviso, \$40,000,000 shall be made available to nonelderly disabled families affected by the designation of a public housing development under section 7 of such Act, the establishment of preferences in accordance with section 651 of the Housing and Community Development Act of 1992 (42 U.S.C. 13611), or the restriction of occupancy to elderly families in accordance with section 658 of such Act, and to the extent the Secretary determines that such amount is not needed to fund applications for such affected families, to other nonelderly disabled families: *Provided further*, That the amount made available under the fifth proviso under the heading "Prevention of Resident Displacement" in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, Public Law 104-204, shall also be made available to nonelderly disabled families affected by the restriction of occupancy to elderly families in accordance with section 658 of the Housing and Community Development Act of 1992: *Provided further*, That to the extent the Secretary determines that the amount made available under the fifth proviso under the heading "Prevention of Resident Displacement" in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, Public Law 104-204, is not needed to fund applications for affected families described in the fifth proviso, or in the preceding proviso under this heading in this Act, the amount not needed shall be made available to other nonelderly disabled fami-

General and special funds—Continued

HOUSING CERTIFICATE FUND—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

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

Program and Financing (in millions of dollars)

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

90.00 Outlays	193	4,780	6,394
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The funds requested will support the following activities for 1999:

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

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

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

Public and Indian Housing

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

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

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

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

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

Housing

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

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

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

WELFARE TO WORK HOUSING VOUCHERS

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

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

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

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

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

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

General and special funds—Continued

WELFARE TO WORK HOUSING VOUCHERS—Continued

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

SECTION 8 RESERVE PRESERVATION ACCOUNT

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

Program and Financing (in millions of dollars)

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

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

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

[(INCLUDING RESCISSION AND TRANSFER OF FUNDS)]

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

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

Program and Financing (in millions of dollars)

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

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

Status of Contract Authority (in millions of dollars)

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

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

Low-income housing (section 8).—Included within the section 8 category was incremental rental assistance in the form of housing certificates and housing vouchers; Public Housing and Housing Relocation/Replacement opt-out units; Housing Opportunities for Persons with AIDS; section 23 conversions; and loan management and property disposition activities.

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

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

This account provided funding for a wide range of housing assistance through the Low-Income Housing (Section 8), Housing for the Elderly and Disabled, and the Public and Indian Housing programs. In addition, various housing-related programs were carried out through funding provided under this account.

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

PRESERVING EXISTING-HOUSING INVESTMENT

Program and Financing (in millions of dollars)

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

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

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

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

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

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

Net budget authority and outlays:				
89.00	Budget authority		5,753	
90.00	Outlays		1,483	

Object Classification (in millions of dollars)

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

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

PUBLIC HOUSING CAPITAL FUND

(INCLUDING TRANSFERS OF FUNDS)

For the Public Housing Capital Fund Program for modernization of existing public housing projects as authorized under section 14 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437), **[\$2,500,000,000]** \$2,550,000,000, to remain available until expended: *Provided*, That of the total amount, **[\$30,000,000]** up to \$100,000,000 shall be for carrying out activities under section 6(j) of such Act and technical assistance for the inspection of public housing units, contract expertise, and training and technical assistance directly or indirectly, under grants, contracts, or cooperative agreements, to assist in the oversight and management of public housing

General and special funds—Continued

PUBLIC HOUSING CAPITAL FUND—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

(whether or not the housing is being modernized with assistance under this proviso) or tenant-based assistance, including, but not limited to, an annual resident survey, data collection and analysis, training and technical assistance by or to officials and employees of the Department and of public housing agencies and to residents in connection with the public housing [program] programs and for lease adjustments to section 23 projects: [Provided further, That of the amount available under this heading, up to \$5,000,000 shall be for the Tenant Opportunity Program:] Provided further, That all balances, as of September 30, [1997] 1998, of funds heretofore provided [(other than for Indian families) for the development or acquisition costs of public housing, for modernization of existing public housing projects, for public housing amendments, for public housing modernization and development technical assistance, for lease adjustments under the section 23 program, and for the Family Investment Centers program,] for section 673 public housing service coordinators shall be transferred to and merged with amounts made available under this heading. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

Program and Financing (in millions of dollars)

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

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

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

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

PUBLIC HOUSING OPERATING FUND

[(INCLUDING TRANSFERS OF FUNDS)]

For payments to public housing agencies for operating subsidies for low-income housing projects as authorized by section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g), [\$2,900,000,000] \$2,818,000,000, to remain available until expended[: Provided, That all balances outstanding, as of September 30, 1997, of funds heretofore provided (other than for Indian families) for payments to public housing agencies for operating subsidies for low-income housing projects, shall be transferred to and merged with amounts made available under this heading]. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

Program and Financing (in millions of dollars)

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

Operating subsidies are provided to public housing authorities (PHAs) to assist in funding the operation and maintenance expenses of public housing units in accordance with Section 9 of the United States Housing Act of 1937, as amended. Annual subsidy requirements are calculated on the basis of the Performance Funding System (PFS) formula. It is anticipated that sufficient funds will be available to provide 100 percent of PFS requirements in 1999.

Pursuant to P.L. 105-65, all balances of operating subsidy funding that were provided under the Preserving Existing Housing Investment account in 1997 were transferred to this account.

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

[(INCLUDING TRANSFER OF FUNDS)]

For grants to public housing agencies and tribally designated housing entities for use in eliminating crime in public housing projects authorized by 42 U.S.C. 11901-11908, for grants for federally assisted low-income housing authorized by 42 U.S.C. 11909, and for drug information clearinghouse services authorized by 42 U.S.C. 11921-

11925, \$310,000,000, to remain available until expended, of which \$10,000,000 shall be for grants, technical assistance, contracts and other assistance, training, and program assessment and execution for or on behalf of public housing agencies, resident organizations, and Indian tribes and their tribally designated housing entities (including the cost of necessary travel for participants in such training); \$10,000,000 shall be used in connection with efforts to combat violent crime in public and assisted housing under the Operation Safe Home program administered by the Inspector General of the Department of Housing and Urban Development; \$10,000,000 shall be provided to the Office of Inspector General for Operation Safe Home; and \$20,000,000 shall be available for a program named the New Approach Anti-Drug program which will provide competitive grants to entities managing or operating public housing developments, federally assisted multifamily housing developments, or other multifamily housing developments for low-income families supported by non-Federal governmental entities or similar housing developments supported by nonprofit private sources in order to provide or augment security (including personnel costs), to assist in the investigation and/or prosecution of drug-related criminal activity in and around such developments, and to provide assistance for the development of capital improvements at such developments directly relating to the security of such developments: *Provided*, That grants for the New Approach Anti-Drug program shall be made on a competitive basis as specified in section 102 of the Department of Housing and Urban Development Reform Act of 1989: *Provided further*, That the term "drug-related crime", as defined in 42 U.S.C. 11905(2), shall also include other types of crime as determined by the Secretary: *Provided further*, That, notwithstanding section 5130(c) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11909(c)), the Secretary may determine not to use any such funds to provide public housing youth sports grants. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 86-0197-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Direct program	78	591	310
10.00 Total obligations (object class 41.0)	78	591	310
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	68	281	
22.00 New budget authority (gross)	290	310	310
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	359	591	310
23.95 New obligations	-78	-591	-310
24.40 Unobligated balance available, end of year:			
Uninvested	281		
New budget authority (gross), detail:			
40.00 Appropriation	290	310	310
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	516	302	605
73.10 New obligations	78	591	310
73.20 Total outlays (gross)	-291	-288	-273
73.45 Adjustments in unexpired accounts	-1		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	302	605	642
Outlays (gross), detail:			
86.93 Outlays from current balances	291	288	273
Net budget authority and outlays:			
89.00 Budget authority	290	310	310
90.00 Outlays	291	288	273

The \$310 million requested for this program in 1999 includes funding for technical assistance for drug elimination, operation safe home activities and the new approach anti-drug program.

The Public Housing Drug Elimination Grants program has been authorized since 1988, and provides funds to Public

Housing Authorities (PHAs) and Tribally Designated Housing Entities (TDHEs) for their anti-drug, anti-crime efforts. To combat the concentration of crime in and around public housing, staff and residents use these resources to increase police coverage and security as well as to provide alternative activities to residents. Eligible activities include reimbursing local law enforcement for additional services, security contracts, investigators, and training residents for volunteer resident programs. Recent appropriation acts have expanded the definition of crime beyond drug-related patrols, physical changes to enhance security, drug prevention, and intervention and treatment; thus allowing housing authorities greater scope in targeting crime and developing successful alternatives.

Of the \$310 million requested in 1999, \$243.8 million will be targeted to PHA and TDHE grants and clearinghouse information services. In addition, \$50 million will be available to HUD for: (1) technical assistance, training, and information dissemination; (2) Operation Safe Home; and, (3) the New Approach Anti-Drug program. An additional \$16.2 million is estimated to be available for other Federally assisted low-income housing grants.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)

For grants to public housing agencies for assisting in the demolition of obsolete public housing projects or portions thereof, the revitalization (where appropriate) of sites (including remaining public housing units) on which such projects are located, replacement housing which will avoid or lessen concentrations of very low-income families, and tenant-based assistance in accordance with section 8 of the United States Housing Act of 1937; and for providing replacement housing and assisting tenants displaced by the demolition, \$550,000,000, to remain available until expended, of which the Secretary may use up to \$10,000,000 for technical assistance and contract expertise, to be provided directly or indirectly by grants, contracts or cooperative agreements, including training and cost of necessary travel for participants in such training, by or to officials and employees of the Department and of public housing agencies and to residents: *Provided*, That [of the amount made available under this heading, \$26,000,000 shall be made available, including up to \$10,000,000 for Heritage House in Kansas City, Missouri, for the demolition of obsolete elderly public housing projects and the replacement, where appropriate, and revitalization of the elderly public housing as new communities for the elderly designed to meet the special needs and physical requirements of the elderly: *Provided further*, That no funds appropriated under this heading shall be used for any purpose that is not provided for herein, in the United States Housing Act of 1937, in the Appropriations Acts for the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies, for the fiscal years 1993, 1994, 1995, and 1997, and the Omnibus Consolidated Rescissions and Appropriations Act of 1996] *for purposes of environmental review pursuant to the National Environment Policy Act of 1969, a grant under this head or under prior appropriations Acts for this head shall be treated as assistance under title I of the United States Housing Act of 1937 and shall be subject to the regulations issued by the Secretary to implement section 26 of such Act: Provided further*, That none of such funds shall be used directly or indirectly by granting competitive advantage in awards to settle litigation or pay judgments, unless expressly permitted herein. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 86-0218-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Direct program	391	604	550
10.00 Total obligations (object class 41.0)	391	604	550
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	539	698	644
22.00 New budget authority (gross)	550	550	550

General and special funds—Continued

**REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING
(HOPE VI)—Continued**

Program and Financing (in millions of dollars)—Continued

Identification code 86-0218-0-1-604	1997 actual	1998 est.	1999 est.
23.90 Total budgetary resources available for obligation	1,089	1,248	1,194
23.95 New obligations	-391	-604	-550
24.40 Unobligated balance available, end of year:			
Uninvested	698	644	644
New budget authority (gross), detail:			
40.00 Appropriation	550	550	550
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	1,377	1,563	1,761
73.10 New obligations	391	604	550
73.20 Total outlays (gross)	-205	-405	-524
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	1,563	1,761	1,787
Outlays (gross), detail:			
86.93 Outlays from current balances	205	405	524
Net budget authority and outlays:			
89.00 Budget authority	550	550	550
90.00 Outlays	205	405	524

This program utilizes Federal resources to rehabilitate and restore severely distressed public housing projects, thereby expanding the supply of decent, safe, and affordable housing for low-income renters. The funds may also be used for project demolition, hard replacement units, as well as tenant-based rental assistance.

[NATIVE AMERICAN] INDIAN HOUSING BLOCK GRANTS

[(INCLUDING TRANSFER OF FUNDS)]

For the [Native American] Indian Housing Block Grants program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 (Public Law 104-330), \$600,000,000, to remain available until expended, of which [\$5,000,000] up to \$6,000,000 shall be used to support the inspection of Indian housing units, contract expertise, training, and technical assistance in the oversight and management of Indian housing and tenant-based assistance, including up to [\$200,000] \$300,000 for related travel: *Provided*, That of the amount provided under this heading, \$5,000,000 shall be made available for the cost of guaranteed notes and other obligations, as authorized by title VI of the Native American Housing Assistance and Self-Determination Act of 1996: *Provided further*, That such costs, including the costs of modifying such notes and other obligations, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize the total principal amount of any notes and other obligations, any part of which is to be guaranteed, not to exceed \$217,000,000: *Provided further*, That the funds made available in the first proviso are for a demonstration on ways to enhance economic growth, to increase access to private capital, and to encourage the investment and participation of traditional financial institutions in tribal and other Native American areas: *Provided further*, That all balances outstanding as of September 30, 1997, previously appropriated under the headings "Annual Contributions for Assisted Housing", "Development of Additional New Subsidized Housing", "Preserving Existing Housing Investment", "HOME Investment Partnerships Program", "Emergency Shelter Grants Program", and "Homeless Assistance Funds", identified for Indian Housing Authorities and other agencies primarily serving Indians or Indian areas, shall be transferred to and merged with amounts made available under this heading. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 86-0313-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Indian Housing Block Grants		703	600
00.02 Title VI Indian Federal Guarantees		4	
10.00 Total obligations (object class 41.0)		707	600
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		600	600
22.21 Unobligated balance transferred to other accounts		-1	
22.22 Unobligated balance transferred from other accounts		108	
23.90 Total budgetary resources available for obligation		707	600
23.95 New obligations		-707	-600
New budget authority (gross), detail:			
40.00 Appropriation		600	600
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested			2,400
73.10 New obligations		707	600
73.20 Total outlays (gross)		-81	-240
73.31 Obligated balance transferred to other accounts		-3	
73.32 Obligated balance transferred from other accounts		1,777	
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested		2,400	2,760
Outlays (gross), detail:			
86.90 Outlays from new current authority		71	70
86.93 Outlays from current balances		10	170
87.00 Total outlays (gross)		81	240
Net budget authority and outlays:			
89.00 Budget authority		600	600
90.00 Outlays		81	240

Title I of the Native American Housing Assistance and Self-Determination Act of 1996 (P.L. 104-330) authorized the Native American Housing Block Grants program. This program provides an allocation of funds on a formula basis to Indian tribes and their tribally designated housing entities to help them address housing needs within their communities. Indian tribes use performance measures and benchmarks that are consistent with the national goals of the program but can base these measures on the needs and priorities they establish in their own Indian housing plan.

Pursuant to P.L. 105-65, all balances previously appropriated under Annual Contributions for Assisted Housing, Development of Additional New Subsidized Housing, Preserving Existing Housing Investment, HOME Investment Partnerships Program, Emergency Shelter Grants Program, and Homeless Assistance Funds identified for Indian Housing Authorities and other agencies primarily serving Indians or Indian areas were transferred to this account.

Public enterprise funds:

LOW-RENT PUBLIC HOUSING—LOANS AND OTHER EXPENSES

Program and Financing (in millions of dollars)

Identification code 86-4098-0-3-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Capital investment: Loans to public housing agencies and Indian housing authorities	82	60	50
10.00 Total obligations (object class 33.0)	82	60	50
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	13	3	3
22.00 New budget authority (gross)	152	130	121
22.60 Redemption of debt	-80	-70	-71

23.90	Total budgetary resources available for obligation	85	63	53
23.95	New obligations	-82	-60	-50
24.40	Unobligated balance available, end of year:			
	Uninvested	3	3	3

New budget authority (gross), detail:

67.15	Authority to borrow (indefinite)	85	60	50
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	67	70	71
70.00	Total new budget authority (gross)	152	130	121

Change in unpaid obligations:

72.40	Unpaid obligations, start of year: Obligated balance:			
	Uninvested	1,176	1,068	964
73.10	New obligations	82	60	50
73.20	Total outlays (gross)	-189	-164	-149
74.40	Unpaid obligations, end of year: Obligated balance:			
	Uninvested	1,068	964	865

Outlays (gross), detail:

86.97	Outlays from new permanent authority	67	60	50
86.98	Outlays from permanent balances	122	104	99
87.00	Total outlays (gross)	189	164	149

Offsets:

Against gross budget authority and outlays:

 Offsetting collections (cash) from:

88.00	Federal sources	-65	-70	-71
88.40	Non-Federal sources	-2		
88.90	Total, offsetting collections (cash)	-67	-70	-71

Net budget authority and outlays:

89.00	Budget authority	85	60	50
90.00	Outlays	122	94	78

Status of Direct Loans (in millions of dollars)

Identification code 86-4098-0-3-604		1997 actual	1998 est.	1999 est.
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	1,627	1,562	1,492
1251	Repayments: Repayments and prepayments	-65	-70	-71
1290	Outstanding, end of year	1,562	1,492	1,421

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4098-0-3-604		1997 actual	1998 est.	1999 est.
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	3,861	3,586	3,306
2251	Repayments and prepayments	-275	-280	-280
2290	Outstanding, end of year	3,586	3,306	3,026
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	3,586	3,306	3,026

The Low-Rent Public Housing Loan Fund provides direct Federal loans to fund remaining Public Housing Agency and Indian Housing Authority construction, acquisition, and modernization activities reserved under the Annual Contributions appropriation through 1986. These loans are made from borrowings from the Treasury. Under legislation enacted during 1986 (Public Law 99-272), the borrowings from the Treasury are forgiven at the end of each fiscal year and the loans to PHAs/IHAs are forgiven as construction, acquisition, and modernization activities are completed. Under the provisions of this legislation, \$85 million of borrowings from the Treasury were forgiven in 1997, an estimated \$60 million will be borrowed from the Treasury and forgiven in 1998, and an estimated \$50 million will be borrowed from the Treasury and forgiven in 1999.

Since 1987, new reservations of capital funds for construction, acquisition, and modernization activities have been provided directly from the Annual Contributions and Public Housing Capital Fund appropriations.

Operating results.—The actual and estimated net operating income for 1996, 1997, 1998, and 1999 follows:

Statement of Operations (in millions of dollars)

Identification code 86-4098-0-3-604		1996 actual	1997 actual	1998 est.	1999 est.
0101	Revenue	112	108	104	100
0102	Expense	-127	-99	-95	-91
0109	Net income or loss (-)	-15	9	9	9

Balance Sheet (in millions of dollars)

Identification code 86-4098-0-3-604		1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:					
Federal assets:					
1101	Fund balances with Treasury	1,189	1,072	968	854
Investments in US securities:					
1106	Receivables, net	1,726	1,656	1,585	1,513
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1601	Direct loans, gross	45	45	35	24
1602	Interest receivable	3	6	3	3
1603	Allowance for estimated uncollectible loans and interest (-)	-12	-13	-12	-12
1604	Direct loans and interest receivable, net	36	38	26	15
1699	Value of assets related to direct loans	36	38	26	15
1999	Total assets	2,951	2,766	2,579	2,382
LIABILITIES:					
Federal liabilities:					
2102	Interest payable	198	189	181	173
2104	Resources payable to Treasury	1,627	1,561	1,491	1,420
2207	Non-Federal liabilities: Other	1	1	1	1
2999	Total liabilities	1,826	1,751	1,673	1,594
NET POSITION:					
3100	Appropriated capital	1,076	972	866	757
3300	Cumulative results of operations	49	43	40	31
3999	Total net position	1,125	1,015	906	788
4999	Total liabilities and net position	2,951	2,766	2,579	2,382

Credit accounts:

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

For the cost of guaranteed loans, as authorized by section 184 of the Housing and Community Development Act of 1992 (106 Stat. 3739), **[\$5,000,000] \$6,000,000**, to remain available until expended: *Provided*, That such costs, including the costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed **[\$73,800,000] \$68,881,000**.

In addition, for administrative expenses to carry out the guaranteed loan program, up to \$400,000, which shall be transferred to and merged with the appropriation for departmental salaries and expenses, to be used only for the administrative costs of these guarantees. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

Program and Financing (in millions of dollars)

Identification code 86-0223-0-1-371		1997 actual	1998 est.	1999 est.
Obligations by program activity:				
00.01	Direct program	4	5	6
10.00	Total obligations (object class 41.0)	4	5	6
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	4	5	6
23.95	New obligations	-4	-5	-6
24.40	Unobligated balance available, end of year:			
	Uninvested	1		

Credit accounts—Continued

**INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT—
Continued**

Program and Financing (in millions of dollars)—Continued

Identification code 86-0223-0-1-371	1997 actual	1998 est.	1999 est.
New budget authority (gross), detail:			
40.00 Appropriation	3	5	6
50.00 Reappropriation	1		
70.00 Total new budget authority (gross)	4	5	6
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	5	6	8
73.10 New obligations	4	5	6
73.20 Total outlays (gross)	-1	-3	-3
73.40 Adjustments in expired accounts	-2		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	6	8	11
Outlays (gross), detail:			
86.90 Outlays from new current authority	1	1	1
86.93 Outlays from current balances		2	3
87.00 Total outlays (gross)	1	3	3
Net budget authority and outlays:			
89.00 Budget authority	4	5	6
90.00 Outlays	1	3	3

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 86-0223-0-1-371	1997 actual	1998 est.	1999 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Loan guarantee levels	47	62	69
2159 Total loan guarantee levels	47	62	69
Guaranteed loan subsidy (in percent):			
2320 Subsidy rate	8.13	8.13	8.13
2329 Weighted average subsidy rate	8.13	8.13	8.13
Guaranteed loan subsidy budget authority:			
2330 Subsidy budget authority	4	5	6
2339 Total subsidy budget authority	4	5	6
Guaranteed loan subsidy outlays:			
2340 Subsidy outlays	1	3	3
2349 Total subsidy outlays	1	3	3

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the loan guarantees committed in 1992 and beyond (including modifications of guarantees that resulted from obligations in any year). The subsidy amounts are estimated on a net present value basis. The administrative expenses are shown on a cash basis.

This program provides access to sources of private financing for Indian families, Indian tribes and their tribally designated housing entities who otherwise could not acquire housing financing because of the unique legal status of Indian trust land.

It is anticipated that the funding requested for 1999 will support 420 loans.

INDIAN HOUSING LOAN GUARANTEE FUND FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4104-0-3-604	1997 actual	1998 est.	1999 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	1	2	5

22.00 New financing authority (gross)	1	3	3
23.90 Total budgetary resources available for obligation	2	5	8
24.40 Unobligated balance available, end of year:			
Uninvested	2	5	8

New financing authority (gross), detail:

68.00 Spending authority from offsetting collections (gross):			
Federal sources	1	3	3

Offsets:

Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources:			
Payments from program account	-1	-3	-3

Net financing authority and financing disbursements:

89.00 Financing authority			
90.00 Financing disbursements	-1	-3	-3

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4104-0-3-604	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	53	62	69
2112 Uncommitted loan guarantee limitation	-6		
2150 Total guaranteed loan commitments	47	62	69
2199 Guaranteed amount of guaranteed loan commitments	47	62	69
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	6	17	37
2231 Disbursements of new guaranteed loans	11	20	34
2290 Outstanding, end of year	17	37	71
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	17	37	71

As required by the Federal Credit Reform Act of 1990, this nonbudgetary account records all cash flows to and from the Government resulting from the loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from obligations in any year). The amounts in this account are a means of financing and not included in the budget totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

Balance Sheet (in millions of dollars)

Identification code 86-4104-0-3-604	1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	2	2	3	4
1106 Investments in US securities:				
Receivables, net	1			
1999 Total assets	3	2	3	4
LIABILITIES:				
2204 Non-Federal liabilities: Liabilities for loan guarantees	1	2	3	3
2999 Total liabilities	1	2	3	3
NET POSITION:				
3100 Appropriated capital	2			
3999 Total net position	2			
4999 Total liabilities and net position	3	2	3	3

**TITLE VI INDIAN FEDERAL GUARANTEES PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)**

For the cost of guaranteed loans, \$5,000,000, to remain available until expended, as authorized by title VI of the Native American Housing Assistance and Self-Determination Act of 1996: Provided,

That such costs, including the costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended; Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$43,636,000. In addition, for administrative expenses to carry out the guaranteed loan program, up to \$200,000, which shall be transferred to and merged with the appropriation for departmental salaries and expenses, to be used only for the administrative costs of these guarantees; Provided further, That all balances, as of September 30, 1998, of funds previously provided for the cost of guaranteed notes and other obligations under the heading, "Indian Housing Block Grants," shall be transferred to and merged with amounts made available under this heading.

Title VI of the Native American Housing Assistance and Self-Determination Act of 1996 (P.L. 104-330) authorized the Federal Guarantees for Financing for Tribal Housing Activities. This program provides for the guarantee of notes or other obligations issued by Indian tribes or tribally designated housing entities for the purposes of financing affordable housing activities described in section 202 of the Act. In 1998, \$5,000,000 was set aside for this program under the Indian Housing Block Grants appropriation. The 1999 budget proposes a separate appropriation for this program.

Program and Financing (in millions of dollars)

Identification code 86-0322-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Title VI Indian Federal loan guarantees			6
10.00 Total obligations (object class 41.0)			6
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested			1
22.00 New budget authority (gross)			5
22.22 Unobligated balance transferred from other accounts		1	
23.90 Total budgetary resources available for obligation		1	6
23.95 New obligations			-6
24.40 Unobligated balance available, end of year:			
Uninvested		1	
New budget authority (gross), detail:			
40.00 Appropriation			5
Change in unpaid obligations:			
73.10 New obligations			6
73.20 Total outlays (gross)			-1
73.32 Obligated balance transferred from other accounts		3	
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested		3	5
Outlays (gross), detail:			
86.90 Outlays from new current authority			1
Net budget authority and outlays:			
89.00 Budget authority			5
90.00 Outlays			1
Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)			
Identification code 86-0322-0-1-604	1997 actual	1998 est.	1999 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Loan guarantee levels			44
2159 Total loan guarantee levels			44
Guaranteed loan subsidy (in percent):			
2320 Subsidy rate			11.00
2329 Weighted average subsidy rate			11.00
Guaranteed loan subsidy budget authority:			
2330 Subsidy budget authority			5
2339 Total subsidy budget authority			5
Guaranteed loan subsidy outlays:			
2340 Subsidy outlays			1
2349 Total subsidy outlays			1

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the loan guarantees committed in 1998 and beyond (including modifications of guarantees that resulted from obligations in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

TITLE VI INDIAN FEDERAL GUARANTEES FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4244-0-3-604	1997 actual	1998 est.	1999 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested			4
22.00 New financing authority (gross)		4	5
23.90 Total budgetary resources available for obligation		4	9
24.40 Unobligated balance available, end of year:			
Uninvested		4	9
New financing authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)		4	5
Offsets:			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources		-4	-5
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements		-4	-5

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4244-0-3-604	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders		45	44
2112 Uncommitted loan guarantee limitation			
2150 Total guaranteed loan commitments		45	44
2199 Guaranteed amount of guaranteed loan commitments		45	44
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year			11
2231 Disbursements of new guaranteed loans		11	11
2290 Outstanding, end of year		11	22
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year		11	22

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

Balance Sheet (in millions of dollars)

Identification code 86-4244-0-3-604	1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury			4	5

Credit accounts—Continued

**TITLE VI INDIAN FEDERAL GUARANTEES FINANCING ACCOUNT—
Continued**

Balance Sheet (in millions of dollars)—Continued

Identification code 86-4244-0-3-604	1996 actual	1997 actual	1998 est.	1999 est.
Investments in US securities:				
1106 Receivables, net				
1999 Total assets			4	5
LIABILITIES:				
2204 Non-Federal liabilities: Liabilities for loan guarantees				
2999 Total liabilities				
NET POSITION:				
3100 Appropriated capital			4	5
3999 Total net position			4	5
4999 Total liabilities and net position			4	5

Outlays (gross), detail:				
86.90	Outlays from new current authority	4	4	5
86.93	Outlays from current balances	126	164	171
87.00	Total outlays (gross)	130	168	176
Net budget authority and outlays:				
89.00	Budget authority	196	204	225
90.00	Outlays	130	168	176

The Housing Opportunities for Persons with AIDS program was established as a separate account in 1997. All of the balances from prior appropriations for this program have been transferred to and merged with this account, and it is now accounted for on an obligational basis. The purpose of the program is to provide States and localities with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with HIV/AIDS and their families.

States and metropolitan areas receive 90 percent of the funds by formula based on the incidence of HIV/AIDS in their jurisdictions. The remaining 10 percent is awarded competitively to States, local governments, and private nonprofit entities for projects of national significance. Awards are also made to States and local governments for projects in jurisdictions which do not qualify for a formula allocation.

COMMUNITY PLANNING AND DEVELOPMENT

Federal Funds

General and special funds:

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

For carrying out the Housing Opportunities for Persons with AIDS program, as authorized by the AIDS Housing Opportunity Act (42 U.S.C. 12901), **[\$204,000,000] \$225,000,000**, to remain available until expended: *Provided, That up to 1 percent of such funds shall be available to the Secretary for technical assistance:* *Provided, That of the amount made available under this heading for non-formula allocation, the Secretary may designate, on a noncompetitive basis, one or more nonprofit organizations that provide meals delivered to homebound persons with acquired immunodeficiency syndrome or a related disease to receive grants, not exceeding \$250,000 for any grant, and the Secretary shall assess the efficacy of providing such assistance to such persons.* (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

Program and Financing (in millions of dollars)

Identification code 86-0308-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Housing for AIDS victims	201	240	225
10.00 Total obligations (object class 41.0)	201	240	225
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested		36	
22.00 New budget authority (gross)	196	204	225
22.22 Unobligated balance transferred from other accounts	41		
23.90 Total budgetary resources available for obligation	237	240	225
23.95 New obligations	-201	-240	-225
24.40 Unobligated balance available, end of year:			
Uninvested	36		
New budget authority (gross), detail:			
40.00 Appropriation	171	204	225
42.00 Transferred from other accounts	25		
43.00 Appropriation (total)	196	204	225
70.00 Total new budget authority (gross)	196	204	225
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested		439	511
73.10 New obligations	201	240	225
73.20 Total outlays (gross)	-130	-168	-176
73.32 Obligated balance transferred from other accounts	368		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	439	511	560

COMMUNITY DEVELOPMENT BLOCK GRANTS

(INCLUDING TRANSFERS OF FUNDS)

For grants to States and units of general local government and for related expenses, not otherwise provided for, to carry out a community development grants program as authorized by title I of the Housing and Community Development Act of 1974, as amended (the "Act" herein) (42 U.S.C. 5301), **[\$4,675,000,000] \$4,725,000,000**, to remain available until September 30, **[2000] 2001: Provided, That \$67,000,000 shall be for grants to Indian tribes notwithstanding section 106(a)(1) of such Act; \$2,100,000 shall be available as a grant to the Housing Assistance Council; \$1,500,000 shall be available as a grant to the National American Indian Housing Council; \$32,000,000 \$50,000,000 shall be for grants pursuant to section 107 of such Act; \$7,500,000 shall be for the Community Outreach Partnership program; \$16,700,000 shall be for grants pursuant to section 11 of the Housing Opportunity Program Extension Act of 1996 (Public Law 104-120)] \$20,000,000 shall be provided to Habitat for Humanity: *Provided further, That not to exceed 20 percent of any grant made with funds appropriated herein (other than [a grant made available under the preceding proviso to the Housing Assistance Council or the National American Indian Housing Council, or] a grant using funds under section 107(b)(3) of the Housing and Community Development Act of 1974, as amended) shall be expended for "Planning and Management Development" and "Administration" as defined in regulations promulgated by the Department.***

[Of the amount made available under this heading, \$15,000,000 shall be made available for "Capacity Building for Community Development and Affordable Housing", as authorized by section 4 of the HUD Demonstration Act of 1993 (Public Law 103-120), as in effect immediately before June 12, 1997, with not less than \$5,000,000 of the funding to be used in rural areas, including tribal areas.]

Of the amount provided under this heading, the Secretary of Housing and Urban Development may use up to \$55,000,000 for a public and assisted housing self-sufficiency program, of which [up to \$5,000,000 may be used for the Moving to Work Demonstration, and] at least \$7,000,000 shall be used for grants for service coordinators and congregate services for the elderly and disabled: *Provided, That for self-sufficiency activities, the Secretary may make grants to public housing agencies (including Indian tribes and their tribally designated housing entities), nonprofit corporations, and other appropriate entities for a supportive services program to assist residents of public and assisted housing, former residents of such housing receiving tenant-based assistance under section 8 of such Act (42 U.S.C. 1437f), and other low-income families and individuals: *Provided further, That the program shall provide supportive services, principally for the benefit of public housing residents, to the elderly and the disabled, and to families with children where the head of household would benefit from the receipt of supportive services and is working,**

seeking work, or is preparing for work by participating in job training or educational programs: *Provided further*, That the supportive services may include congregate services for the elderly and disabled, service coordinators, and coordinated education, training, and other supportive services, including [academic] *Case management* skills training, job search assistance, assistance related to retaining employment, vocational and entrepreneurship development and support programs[,] *such as* transportation, and child care: *Provided further*, That the Secretary shall require applications to demonstrate firm commitments of funding or services from other sources: *Provided further*, That the Secretary shall select public and Indian housing agencies to receive assistance under this heading on a competitive basis, taking into account the quality of the proposed program, including any innovative approaches, the extent of the proposed coordination of supportive services, the extent of commitments of funding or services from other sources, the extent to which the proposed program includes reasonably achievable, quantifiable goals for measuring performance under the program over a three-year period, the extent of success an agency has had in carrying out other comparable initiatives, and other appropriate criteria established by the Secretary (except that this proviso shall not apply to renewal of grants for service coordinators and congregate services for the elderly and disabled).

[Of the amount made available under this heading, notwithstanding any other provision of law, \$35,000,000 shall be available for YouthBuild program activities authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as amended, and such activities shall be an eligible activity with respect to any funds made available under this heading. Local YouthBuild programs that demonstrate an ability to leverage private and nonprofit funding shall be given a priority for YouthBuild funding.]

[Of the amount made available under this heading, \$25,000,000 shall be available for the Secretary, in consultation with the Secretary of Agriculture, to make grants, not to exceed \$4,000,000 each, for rural and tribal areas, including at least one Native American area in Alaska and one rural area in each of the States of Iowa and Missouri, to test comprehensive approaches to developing a job base through economic development, developing affordable low- and moderate-income rental and homeownership housing, and increasing the investment of both private and nonprofit capital.]

[Of the amount made available under this heading, \$138,000,000 shall be available for the Economic Development Initiative (EDI) to finance a variety of efforts, including \$100,000,000 for making grants for targeted economic investments in accordance with the terms and conditions specified for such grants in the conference report and the joint explanatory statement of the committee of conference accompanying this Act.]

[Of the amount made available under this heading, notwithstanding any other provision of law, \$60,000,000 shall be available for the lead-based paint hazard reduction program as authorized under sections 1011 and 1053 of the Residential Lead-Based Hazard Reduction Act of 1992.]

[Of the amount made available under this heading, \$25,000,000, including \$15,000,000 for the County of San Bernardino, California, shall be used for neighborhood initiatives that are utilized to improve the conditions of distressed and blighted areas and neighborhoods, and to determine whether housing benefits can be integrated more effectively with welfare reform initiatives.]

Of the amount made available under this heading, \$100,000,000 shall be for Regional Connections, for grants to facilitate existing and new coordinated regional approaches to economic growth, housing, and community development, and to encourage and stimulate the development of coordinated regional strategies that promote economic empowerment of a region's low- and moderate-income residents: Provided, That such grants shall be made to entities eligible under title I of the Housing and Community Development Act of 1974, for activities which may be assisted under section 105 of such Act.

For the cost of guaranteed loans, \$29,000,000, as authorized by section 108 of the Housing and Community Development Act of 1974: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$1,261,000,000, notwithstanding any aggregate limitation on outstanding obligations guaranteed in section 108(k) of the Housing and Community Development Act of 1974. In addition, for administrative expenses to carry out the guaranteed loan pro-

gram, \$1,000,000, which shall be transferred to and merged with the appropriation for departmental salaries and expenses.

[Of the \$500,000,000 made available under the heading "Community Development Block Grants Fund" in the 1997 Emergency Supplemental Appropriations Act for Recovery from Natural Disasters, and for Overseas Peacekeeping Efforts, Including Those in Bosnia (Public Law 105-18), not more than \$3,500,000 shall be made available for the non-Federal cost-share for a levee project at Devils Lake, North Dakota: *Provided*, That the Secretary of Housing and Urban Development shall provide the State of North Dakota with a waiver to allow the use of its annual Community Development Block Grant allocation for use in funding the non-Federal cost-share for a levee project at Devils Lake, North Dakota: *Provided further*, That notwithstanding any other provision of law, the Secretary is prohibited from providing waivers, other than those provided herein, for funds in excess of \$100,000 in emergency Community Development Block Grants funds for the non-Federal cost-share of projects funded by the Secretary of the Army through the Corps of Engineers.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code: 86-0162-0-1-451	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Community development	4,804	5,701	4,725
10.00 Total obligations (object class 41.0)	4,804	5,701	4,725
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	726	777	
22.00 New budget authority (gross)	4,854	4,924	4,725
22.10 Resources available from recoveries of prior year obligations	2		
22.30 Unobligated balance expiring	-1		
23.90 Total budgetary resources available for obligation	5,581	5,701	4,725
23.95 New obligations	-4,804	-5,701	-4,725
24.40 Unobligated balance available, end of year:			
Uninvested	777		
New budget authority (gross), detail:			
40.00 Appropriation	4,600	4,675	4,725
40.15 Appropriation (emergency)	250	250	
40.79 Line item veto cancellation		-1	
42.00 Transferred from other accounts	4		
43.00 Appropriation (total)	4,854	4,924	4,725
70.00 Total new budget authority (gross)	4,854	4,924	4,725
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	8,512	8,793	9,505
73.10 New obligations	4,804	5,701	4,725
73.20 Total outlays (gross)	-4,517	-4,989	-4,959
73.40 Adjustments in expired accounts	-4		
73.45 Adjustments in unexpired accounts	-2		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	8,793	9,505	9,271
Outlays (gross), detail:			
86.90 Outlays from new current authority	194	98	95
86.93 Outlays from current balances	4,323	4,891	4,864
87.00 Total outlays (gross)	4,517	4,989	4,959
Net budget authority and outlays:			
89.00 Budget authority	4,854	4,924	4,725
90.00 Outlays	4,517	4,989	4,959

Title I of the Housing and Community Development Act of 1974, as amended, authorizes the Secretary to make grants to units of general local government and States to fund local community development programs.

Funds are allocated to Indian tribes and, on an entitlement basis, to metropolitan cities and urban counties which receive their grants using the higher of two objective formulas. States and small cities are also allocated a portion of the available funds. The proposed level of funding for CDBG and the Sec-

General and special funds—Continued

COMMUNITY DEVELOPMENT BLOCK GRANTS—Continued
(INCLUDING TRANSFERS OF FUNDS)—Continued

tion 108 Loan Guarantee Program will support an estimated 276,000 jobs. These funds will also help to rehabilitate 171,100 housing units.

Section 107 Grants include funding for Insular Areas, technical assistance, Historically Black Colleges and Universities, management information systems support, and the Community Development Work Study and Community Outreach Partnership programs.

Habitat for Humanity International would use this funding to undertake innovative homeownership opportunities through the provision of self-help housing, under which a homeowner would contribute a significant amount of sweat equity toward the construction of the new dwelling. These decent, safe and sanitary nonluxury dwellings must be made available to eligible homeowners at prices below prevailing market prices. Eligible activities include land acquisition (including financing and closing costs) and infrastructure improvement (installing, extending, constructing, rehabilitating or otherwise improving utilities and other infrastructure).

The 1999 request includes funding of \$55 million for the Resident Opportunity and Supportive Services (ROSS) program. Formerly called the Economic Development and Supportive Services (EDSS) and Tenant Opportunity Program (TOP) programs, ROSS is intended to fuse the objectives of the two predecessor programs. The program will also address the expanded needs among residents and housing authorities brought upon by welfare reform legislation that sets time limits on how long recipients can receive welfare assistance. Principally for the benefit of public housing residents, ROSS grants are intended to assist the elderly and disabled, and families with children where the head of the household is working, seeking work, or participating in job training or educational programs. Eligible services under ROSS include academic skills training, residential management, microenterprise and small business development and start-ups, and social service support programs.

The Regional Connections initiative will make funds available to States and localities to develop and implement strategic plans that address key regional issues facing the nation's metropolitan areas and rural communities. The initiative will help communities address the significant demographic and economic shifts that are taking place in metropolitan regions by encouraging regional strategies that emphasize coordinated metropolitan economic growth and regional solutions to a range of environmental and social equity issues.

The initiative will enable communities to address one or more of the following topics: regional economic development strategies, that tap the competitive advantage or location efficiency of the inner city; sustainable growth or compact development strategies; regional job training and access to work initiatives; regional affordable housing strategies; or, other regional concerns identified by communities themselves. Proposed outcomes include: strengthened partnerships between city and suburban governments and their private sector partners; enhanced regional coordination of Federal resources and planning requirements; expanded use of HUD's existing Consolidated Planning process; and, increased community capacity to implement more comprehensive, regional solutions to local problems.

Funds for this initiative will be distributed by competition and are intended to: (1) maximize local innovation and creativity; (2) maximize participation by local partners, including multiple jurisdictions and private sector and community stakeholders; and, (3) maximize and enhance coordination with existing planning and regional development efforts. HUD will undertake this initiative in close cooperation with other

Federal agencies and will utilize the expertise of an Advisory Board of distinguished urban planners, economists and regional experts to implement the program.

ECONOMIC DEVELOPMENT INITIATIVE

For grants for the Economic Development Initiative (EDI), as authorized by section 108(q) of the Housing and Community Development Act of 1974, to finance a variety of economic development efforts, \$400,000,000, to remain available until expended.

Program and Financing (in millions of dollars)

Identification code 86-0173-0-1-451	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Economic development			400
10.00 Total obligations (object class 41.0)			400
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			400
23.95 New obligations			-400
New budget authority (gross), detail:			
40.00 Appropriation			400
Change in unpaid obligations:			
73.10 New obligations			400
73.20 Total outlays (gross)			-8
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested			392
Outlays (gross), detail:			
86.90 Outlays from new current authority			8
Net budget authority and outlays:			
89.00 Budget authority			400
90.00 Outlays			8

Funding requested for the Economic Development Initiative (EDI)/Community Empowerment Fund (CEF) will support the financing for a variety of economic development efforts, in tandem with the existing Section 108 guaranteed loan program, to facilitate and encourage use of the Section 108 Program by State and local governments. The purpose of the EDI program is to help communities enhance the security of the Section 108 guaranteed loans and to improve the viability of projects financed with these loans.

The EDI/CEF financing will support new jobs, thereby assisting former welfare recipients to successfully move from welfare to work. It will be used in conjunction with Section 108 Loan Guarantees to support a variety of employment-generating investments, including: (1) revolving loan funds for business expansion or modernization; (2) startup funds for new, small- and medium-sized businesses; (3) preservation and expansion of new and existing industrial facilities; (4) neighborhood-based commercial revitalization efforts; and, (5) regional economic strategies. The 1999 request of \$400 million will leverage an estimated \$2 billion in private sector loans and will support an estimated 280,000 jobs when projects are completed.

The EDI/CEF grants will include mechanisms to: (1) assist state and local governments to standardize the underwriting and documentation of loans to businesses in distressed areas; (2) expand credit for economic and community development lending; (3) augment communities' underwriting and loan servicing capacity; and, (4) use funds more efficiently for credit enhancement. These mechanisms will help reduce risk to the communities' and States' CDBG program funds and remove the impediments to the use of Section 108.

In 1998, Congress provided \$138 million for EDI, including \$100 million for Congressionally earmarked projects. The Administration has objected repeatedly to the inclusion of earmarked projects in Appropriations Acts. The Administration

urges the Congress to permit a merit selection process for all communities for EDI grants in 1999.

[EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES] URBAN EMPOWERMENT ZONES

[For planning grants, technical assistance, contracts and other assistance, and training in connection with Empowerment Zones and Enterprise Communities, designated by the Secretary of Housing and Urban Development, to continue efforts to stimulate economic opportunity in America's distressed communities, \$5,000,000, to remain available until expended.] (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

Program and Financing (in millions of dollars)

Identification code 86-0315-0-1-451	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Develop urban sites		5	
10.00 Total obligations (object class 41.0)		5	
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		5	
23.95 New obligations		-5	
New budget authority (gross), detail:			
40.00 Appropriation		5	
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested			5
73.10 New obligations		5	
73.20 Total outlays (gross)			-2
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested		5	3
Outlays (gross), detail:			
86.93 Outlays from current balances			2
Net budget authority and outlays:			
89.00 Budget authority		5	
90.00 Outlays			2

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	1997 actual	1998 est.	1999 est.
Budget Authority		5	
Outlays			2
Legislative proposal, subject to PAYGO:			
Budget Authority			150
Outlays			3
Total:			
Budget Authority		5	150
Outlays			5

The goal of the Empowerment Zone (EZ) initiative is to revitalize city neighborhoods in a way that will retain and attract middle-class residents and provide employment opportunities that will move people from welfare to work. Grant funds will allow the 15 new urban EZs that were authorized by the Taxpayer Relief Act of 1997, in accordance with their strategic plans, to create economic opportunity in America's distressed communities, with a special emphasis on stimulating job creation linked to welfare reform. Flexible grant funds will be used to integrate human capital needs with economic development initiatives.

Funding will be available for a broad range of activities aimed at assisting residents, businesses and organizations in urban EZs, including: community policing; health care; neighborhood development; brownfields clean-up and redevelopment; support for financing of capital projects; education; work force preparation and job creation efforts linked to welfare reform; repayment of debt financing by municipal bonds;

financing of projects in conjunction with the Section 108 loan guarantee program and other economic development projects; support for project-based rental assistance; and, financing other housing activities.

Preliminary reports indicate that the Round I EZ's are stimulating billions of dollars in private investment, reviving inner city neighborhoods once given up for dead, and supporting jobs and helping families move from welfare to work. The second round will build on these successes.

**URBAN EMPOWERMENT ZONES
(Legislative proposal, subject to PAYGO)**

Program and Financing (in millions of dollars)

Identification code 86-0315-4-1-451	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Urban empowerment zones			150
10.00 Total obligations (object class 41.0)			150
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			150
23.95 New obligations			-150
New budget authority (gross), detail:			
40.00 Appropriation			150
Change in unpaid obligations:			
73.10 New obligations			150
73.20 Total outlays (gross)			-3
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested			147
Outlays (gross), detail:			
86.90 Outlays from new current authority			3
Net budget authority and outlays:			
89.00 Budget authority			150
90.00 Outlays			3

In 1999, the Administration is proposing mandating funding of \$150 million a year (for 10 years) for this program.

BROWNFIELDS REDEVELOPMENT

For Economic Development Grants, as authorized by section 108(q) of the Housing and Community Development Act of 1974, as amended, for Brownfields redevelopment projects, **[\$25,000,000]** \$50,000,000, to remain available until expended: *Provided*, That the Secretary of Housing and Urban Development shall make these grants available on a competitive basis as specified in section 102 of the Department of Housing and Urban Development Reform Act of 1989. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

Program and Financing (in millions of dollars)

Identification code 86-0314-0-1-451	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Cleanup and develop contaminated sites		25	50
10.00 Total obligations (object class 41.0)		25	50
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		25	50
23.95 New obligations		-25	-50
New budget authority (gross), detail:			
40.00 Appropriation		25	50
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested			24
73.10 New obligations		25	50
73.20 Total outlays (gross)		-1	-10
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested		24	64

General and special funds—Continued

BROWNFIELDS REDEVELOPMENT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-0314-0-1-451	1997 actual	1998 est.	1999 est.
Outlays (gross), detail:			
86.90 Outlays from new current authority		1	1
86.93 Outlays from current balances			9
87.00 Total outlays (gross)		1	10
Net budget authority and outlays:			
89.00 Budget authority		25	50
90.00 Outlays		1	10

The Brownfields Redevelopment program was first provided an initial appropriation of \$25 million in 1998. The \$50 million request for FY 1999 represents an acceleration of the President's commitment to help communities clean up and redevelop the approximately 450,000 brownfields sites nationwide. This level of funding is expected to leverage \$200 million in Section 108 loan guarantee commitments, which will support more than 28,000 jobs.

This program provides competitive economic development grants in conjunction with Section 108 loan guarantees for qualified brownfield projects. Eligible communities will be invited to submit proposals to return contaminated sites to productive and employment-generating uses, with an emphasis on creating substantial numbers of jobs for lower-income people in physically and economically distressed neighborhoods.

Grants will be made in accordance with section 108(q) selection criteria and such other criteria deemed appropriate for brownfield projects, including the extent to which an applicant is currently operating a brownfields program and is working with appropriate environmental regulatory agencies. Priority would be given to those projects that are located in designated Empowerment Zones or Enterprise Communities.

HOMEOWNERSHIP ZONES

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-0323-2-1-451	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Develop homeownership			25
10.00 Total obligations (object class 41.0)			25
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			25
23.95 New obligations			-25
New budget authority (gross), detail:			
40.00 Appropriation			25
Change in unpaid obligations:			
73.10 New obligations			25
73.20 Total outlays (gross)			-1
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested			24
Outlays (gross), detail:			
86.90 Outlays from new current authority			1
Net budget authority and outlays:			
89.00 Budget authority			25
90.00 Outlays			1

The 1999 request includes \$25 million for Homeownership Zones in 1999. This level of funding would support approxi-

mately five zones at an average of \$5 million each, and would create 1,500 new homeowners. The Homeownership Zones program will provide flexible grants on a competitive basis to local governments for large-scale redevelopment of abandoned neighborhoods to create viable communities of mixed income homebuyers. Applications will be evaluated on specific criteria, such as the degree to which the proposed activities meet the goal of the program, the financial soundness of the proposals, level of economic distress of the area to be served, and the capacity of applicants to carry out the proposal. Funds will be used to create new housing opportunities in distressed areas. Eligible activities will include: property acquisition; housing construction; housing rehabilitation; demolition; site preparation; homeownership counseling; relocation; housing marketing; activities to further fair housing; and, other activities essential to homeownership.

YOUTHBUILD PROGRAM

For the Hope for Youth: Youthbuild program, authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as amended, \$45,000,000, to remain available until expended.

Program and Financing (in millions of dollars)

Identification code 86-0219-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Youth training	3		45
10.00 Total obligations (object class 41.0)	3		45
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year: Uninvested	3		
22.00 New budget authority (gross)			45
23.90 Total budgetary resources available for obligation	3		45
23.95 New obligations	-3		-45
New budget authority (gross), detail:			
40.00 Appropriation			45
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested	43	13	5
73.10 New obligations	3		45
73.20 Total outlays (gross)	-32	-8	-5
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested	13	5	45
Outlays (gross), detail:			
86.93 Outlays from current balances	32	8	5
Net budget authority and outlays:			
89.00 Budget authority			45
90.00 Outlays	32	8	5

This program provides resources to educate, train, and provide stipends for economically disadvantaged young adults through their participation in the construction and rehabilitation of housing for low-income and homeless persons. The program has expanded the supply of affordable housing and, at the same time, has enabled high school dropouts to obtain the education and employment skills necessary to achieve self-sufficiency. The 1999 request will provide 5,000-6,000 young people with skills they need to get jobs and will provide 750-800 families with homes in distressed communities.

For 1996 through 1998, funding for the Youthbuild program was included in the Community Development Block Grants account.

HOME INVESTMENT PARTNERSHIPS PROGRAM

[INCLUDING TRANSFER OF FUNDS]

For the HOME investment partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101-625), as amended, **[\$1,500,000,000]** \$1,883,000,000, to remain available until expended: *Provided, That \$1,550,000,000 shall be for grants under the HOME Investment Partnerships Program.[:]* **[Provided, That]** including up to \$7,000,000 **[shall be available]** for the development and operation of integrated community development management information systems $[:$ *Provided further, That*], and including \$25,000,000 **[shall be available]** for Housing Counseling under section 106 of the Housing and Urban Development Act of **[1968: Provided further, That up to \$10,000,000 shall be available to carry out a demonstration program in which the Secretary makes grants to up to three organizations exempt from Federal taxation under section 501(c)(3) of the Internal Revenue Code, selected on a competitive basis, to demonstrate methods of expanding homeownership opportunities for low-income borrowers through expanding the secondary market for non-conforming home mortgage loans to low-wealth borrowers: Provided further, That grantees for such demonstration program shall have experience in working with lenders who make non-conforming loans to low-income borrowers, have experience in expanding the secondary market for such loans, have demonstrated success in carrying out such activities including raising non-Federal grants and capital on concessionary terms for the purpose of expanding the secondary market for loans in the previous two years in amounts equal to or exceeding the amount awarded to such organization under this paragraph, and have demonstrated the ability to provide data on the performance of such loans sufficient to allow for future analysis of the investment risk of such loans]** 1986: *Provided further, That \$159,000,000 shall be available for housing for the elderly under a formula block grant program, including funds for capital advance contracts and project rental assistance: Provided further, That \$50,000,000 shall be used to provide tenant-based assistance for the elderly under section 8(o) of the United States Housing Act of 1937: Provided further, That \$174,000,000 shall be available for a grant program, including amendments to capital advance contracts and project rental assistance, for housing for persons with disabilities, of which at least 25 percent will be designated by the Secretary for tenant-based assistance for persons with disabilities under section 8(o) of the United States Housing Act of 1937. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998; additional authorizing legislation required.)*

Program and Financing (in millions of dollars)

Identification code 86-0205-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 HOME grants	1,373	1,697	1,550
00.02 Elderly program			109
00.03 Disabled program			174
00.04 Elderly vouchers			50
10.00 Total obligations (object class 41.0)	1,373	1,697	1,883
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year: Uninvested	182	210	
22.00 New budget authority (gross)	1,400	1,500	1,883
22.10 Resources available from recoveries of prior year obligations	1		
22.21 Unobligated balance transferred to other accounts		-13	
23.90 Total budgetary resources available for obligation	1,583	1,697	1,883
23.95 New obligations	-1,373	-1,697	-1,883
24.40 Unobligated balance available, end of year: Uninvested	210		
New budget authority (gross), detail:			
40.00 Appropriation	1,400	1,500	1,883
Change in unpaid obligations:			
74.40 Unpaid obligations, start of year: Obligated balance: Uninvested	3,350	3,511	3,614
73.10 New obligations	1,373	1,697	1,883
73.20 Total outlays (gross)	-1,211	-1,559	-1,525
73.31 Obligated balance transferred to other accounts		-35	
73.45 Adjustments in unexpired accounts	-1		

74.40 Unpaid obligations, end of year: Obligated balance: Uninvested	3,511	3,614	3,972
Outlays (gross), detail:			
86.90 Outlays from new current authority		30	31
86.93 Outlays from current balances	1,211	1,529	1,494
87.00 Total outlays (gross)	1,211	1,559	1,525
Net budget authority and outlays:			
89.00 Budget authority	1,400	1,500	1,883
90.00 Outlays	1,211	1,559	1,525

The HOME Investment Partnership program is authorized by the National Affordable Housing Act (P.L. 101-625). This program provides assistance to States and units of local government, through formula allocation, for the purpose of expanding the supply and affordability of housing. Eligible activities include acquisition, rehabilitation, and new construction of housing and tenant-based rental assistance. The 1999 request of \$1.550 billion will result in the production of 78,500 units of affordable housing through new construction, rehabilitation, or acquisition. In addition, tenant-based rental assistance will be provided for 11,200 units.

Funding is included for a new component of the HOME program, integrating housing assistance for the elderly and disabled into the HOME account. The consolidated program will include project-based assistance through the current non-profit delivery system. For the elderly, a total of \$159 million is proposed, including \$50 million to fund an estimated 8,839 section 8 vouchers and 1,938 new units for the elderly. For persons with disabilities, \$174 million is proposed, of which at least 25 percent shall be used for tenant-based rental assistance in order to provide 3,118 units for the disabled.

The HOME request also includes up to \$7 million to continue to develop, implement and refine integrated community development management information systems in order to establish a national database of local programs. Funding for technical assistance is also included.

HOMELESS ASSISTANCE GRANTS

[For the emergency shelter grants program (as authorized under subtitle B of title IV of the Stewart B. McKinney Homeless Assistance Act, as amended); the supportive housing program (as authorized under subtitle C of title IV of such Act); the section 8 moderate rehabilitation single room occupancy program (as authorized under the United States Housing Act of 1937, as amended) to assist homeless individuals pursuant to section 441 of the Stewart B. McKinney Homeless Assistance Act; and the shelter plus care program (as authorized under subtitle F of title IV of such Act), \$823,000,000, to remain available until expended.]

For grants to States, units of general government, nonprofit organizations, or public housing authorities, and for related expenses not otherwise provided for, to carry out a comprehensive homeless assistance program that emphasizes performance, \$1,150,000,000, to remain available until expended, of which \$192,000,000 shall be for section 8 rental assistance under the United States Housing Act of 1937 (42 U.S.C. 1437): Provided, That up to one percent of the funds provided shall be available to the Secretary for technical assistance: Provided further, That the Secretary may determine not to apply section 8(o)(6)(B) of the Act to housing vouchers funded under this account heading during fiscal year 1999. (Additional authorizing legislation required.) (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

Program and Financing (in millions of dollars)

Identification code 86-0192-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Homeless assistance grants	758	1,778	958
00.02 Homeless vouchers			192
10.00 Total obligations (object class 41.0)	758	1,778	1,150

General and special funds—Continued

HOMELESS ASSISTANCE GRANTS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-0192-0-1-604	1997 actual	1998 est.	1999 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	888	955	
22.00 New budget authority (gross)	823	823	1,150
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	1,712	1,778	1,150
23.95 New obligations	-758	-1,778	-1,150
24.40 Unobligated balance available, end of year:			
Uninvested	955		
New budget authority (gross), detail:			
40.00 Appropriation	823	823	1,150
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	857	1,294	2,461
73.10 New obligations	758	1,778	1,150
73.20 Total outlays (gross)	-319	-609	-798
73.31 Obligated balance transferred to other accounts		-2	
73.45 Adjustments in unexpired accounts	-1		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	1,294	2,461	2,813
Outlays (gross), detail:			
86.90 Outlays from new current authority	41	41	67
86.93 Outlays from current balances	278	568	731
87.00 Total outlays (gross)	319	609	798
Net budget authority and outlays:			
89.00 Budget authority	823	823	1,150
90.00 Outlays	319	609	798

The Homeless Assistance Grants program consolidates the activities of HUD's six McKinney homeless assistance programs—Shelter Plus Care, Supportive Housing, Emergency Shelter Grants, Section 8 Single Room Occupancy, Rural Homeless Grants and Safe Havens—as well as those of the Innovative Homeless Initiatives Demonstration program. This consolidation enables localities to continue to shape and implement comprehensive, flexible, coordinated “continuum of care” approaches to solving rather than institutionalizing homelessness. In fact, over the last four years, many communities have made great strides in developing holistic continuum of care approaches to solving homelessness. A community-based process is required as part of the application process. Communities are required to include in their applications performance measures that contain specific goals that would accrue from the community's efforts, and are required to demonstrate tangible results on an annual basis. Requested funding would be available for a wide range of activities to assist homeless persons and prevent future homelessness. The 1999 request will provide between 125,000–140,000 transitional and 59,000–62,500 permanent housing beds.

Funding is also requested for technical assistance to provide needed assistance to grantees in resolving problems that hinder successful project completion and implementation.

Funding for incremental housing vouchers will be used to provide permanent housing vouchers for up to 34,000 families or individuals who have achieved a sufficient level of independence to move to permanent housing linked to services. These vouchers will offer the ongoing assistance so desperately needed to help move homeless people into the housing mainstream when they are ready to do so. These vouchers are intended for homeless individuals and families who would otherwise have the most difficult time in securing permanent housing resources, as determined through the approved Continuum of Care strategy. Helping them secure permanent

housing will allow HUD to assist even more homeless persons through existing emergency and transitional programs.

URBAN DEVELOPMENT ACTION GRANTS

Program and Financing (in millions of dollars)

Identification code 86-0170-0-1-451	1997 actual	1998 est.	1999 est.
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	-4		
22.10 Resources available from recoveries of prior year obligations	4		
23.90 Total budgetary resources available for obligation			
New budget authority (gross), detail:			
41.00 Transferred to other accounts	-4		
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	136	102	52
73.20 Total outlays (gross)	-30	-50	-30
73.45 Adjustments in unexpired accounts	-4		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	102	52	22
Outlays (gross), detail:			
86.93 Outlays from current balances	30	50	30
Net budget authority and outlays:			
89.00 Budget authority	-4		
90.00 Outlays	30	50	30

Title I of the Housing and Community Development Act of 1974, as amended, authorized grants to distressed cities and distressed urban counties to fund economic development projects. The program was terminated in 1990.

CAPACITY BUILDING FOR COMMUNITY DEVELOPMENT AND AFFORDABLE HOUSING

Program and Financing (in millions of dollars)

Identification code 86-0222-0-1-451	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Build capacity of community development organizations		30	
10.00 Total obligations (object class 41.0)		30	
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested		30	
22.00 New budget authority (gross)	30		
23.90 Total budgetary resources available for obligation	30	30	
23.95 New obligations		-30	
24.40 Unobligated balance available, end of year:			
Uninvested	30		
New budget authority (gross), detail:			
42.00 Transferred from other accounts	30		
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	13	5	23
73.10 New obligations		30	
73.20 Total outlays (gross)	-8	-12	-15
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	5	23	8
Outlays (gross), detail:			
86.93 Outlays from current balances	8	12	15
Net budget authority and outlays:			
89.00 Budget authority	30		
90.00 Outlays	8	12	15

As authorized by section 4 of the HUD Demonstration Act of 1993, this program provides funding to the National Community Development Initiative to build the capacity of community-based development corporations and housing development organizations, and to assist such corporations and organizations to carry out community development and affordable housing activities. Funding for this program was provided under the Annual Contributions for Assisted Housing account in 1996. Public Law 105-18 amended authorizing legislation to include additional eligible recipients and provided funding for this program through a transfer from the Homeownership and Opportunity for People Everywhere Grants account in 1997. Public Law 105-65 provided funding for this program under the Community Development Block Grant Account in 1998. No funding is being requested for 1999.

EMERGENCY SHELTER GRANTS PROGRAM

Program and Financing (in millions of dollars)

Identification code 86-0181-0-1-604	1997 actual	1998 est.	1999 est.
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	6	2	
73.20 Total outlays (gross)	-4	-2	
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	2		
Outlays (gross), detail:			
86.93 Outlays from current balances	4	2	
Net budget authority and outlays:			
89.00 Budget authority			-6
90.00 Outlays	4	2	

Title IV, subtitle B, of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77) authorizes the Secretary to make Emergency Shelter Grants to States and units of local government to provide emergency shelter and other support for the homeless. Since 1995, this assistance has been funded under the Homeless Assistance Grants account.

SUPPORTIVE HOUSING PROGRAM

[Of the funds made available under this heading in Public Law 102-389 and prior laws for the Supportive Housing Demonstration Program, as authorized by the Stewart B. McKinney Homeless Assistance Act, \$6,000,000 of funds recaptured during fiscal year 1998 shall be rescinded.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 86-0188-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Homelessness prevention	15	19	
10.00 Total obligations (object class 41.0)	15	19	
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	31	19	
22.00 New budget authority (gross)		-6	
22.10 Resources available from recoveries of prior year obligations	3	6	
23.90 Total budgetary resources available for obligation	34	19	
23.95 New obligations	-15	-19	
24.40 Unobligated balance available, end of year:			
Uninvested	19		
New budget authority (gross), detail:			
40.36 Unobligated balance rescinded		-6	

Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	462	315	182
73.10 New obligations	15	19	
73.20 Total outlays (gross)	-159	-146	-112
73.45 Adjustments in unexpired accounts	-3	-6	
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	315	182	70
Outlays (gross), detail:			
86.93 Outlays from current balances	159	146	112
Net budget authority and outlays:			
89.00 Budget authority		-6	
90.00 Outlays	159	146	112

Title IV, subtitle C, of the Stewart B. McKinney Homeless Assistance Act authorizes assistance to promote the development of supportive housing and services, especially for: deinstitutionalized homeless individuals; homeless families with children; homeless individuals with mental disabilities; and other persons including those with AIDS. Such assistance is available for the acquisition, rehabilitation, construction, or leasing of structures to be used for homeless persons as well as to pay for operating costs and supportive services.

Since 1995, this type of assistance has been funded under the Homeless Assistance Grants account.

Public Law 105-65 included a \$6 million rescission of funding, recaptured in 1998, for approved projects from prior years which were either not undertaken or utilized less funding than was originally obligated.

SUPPLEMENTAL ASSISTANCE FOR FACILITIES TO ASSIST THE HOMELESS

Program and Financing (in millions of dollars)

Identification code 86-0187-0-1-451	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Homelessness prevention		1	
10.00 Total obligations (object class 41.0)		1	
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	1	1	
23.95 New obligations		-1	
24.40 Unobligated balance available, end of year:			
Uninvested	1		
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	3	1	
73.10 New obligations		1	
73.20 Total outlays (gross)	-2	-2	
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	1		
Outlays (gross), detail:			
86.93 Outlays from current balances	2	2	
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	2	2	

Title IV, subtitle D, of the Stewart B. McKinney Homeless Assistance Act authorized the Supplemental Assistance for Facilities To Assist the Homeless program (SAFAH) to provide comprehensive assistance for particularly innovative programs or alternative methods of meeting the immediate and long-term needs of the homeless. The authority for the SAFAH program was terminated by section 1403 of the Housing and Community Development Act of 1992.

General and special funds—Continued

SHELTER PLUS CARE

[Of the funds made available under this heading in Public Law 102-389 and prior laws for the Shelter Plus Care program, as authorized by the Stewart B. McKinney Homeless Assistance Act, \$4,000,000 of funds recaptured during fiscal year 1998 shall be rescinded.] (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

Program and Financing (in millions of dollars)

Identification code 86-0204-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Homelessness prevention	8	10	
10.00 Total obligations (object class 41.0)	8	10	
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	16	10	
22.00 New budget authority (gross)		-4	
22.10 Resources available from recoveries of prior year obligations	2	4	
23.90 Total budgetary resources available for obligation	18	10	
23.95 New obligations	-8	-10	
24.40 Unobligated balance available, end of year:			
Uninvested	10		
New budget authority (gross), detail:			
40.36 Unobligated balance rescinded		-4	
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	419	367	326
73.10 New obligations	8	10	
73.20 Total outlays (gross)	-58	-47	-49
73.45 Adjustments in unexpired accounts	-2	-4	
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	367	326	277
Outlays (gross), detail:			
86.93 Outlays from current balances	58	47	49
Net budget authority and outlays:			
89.00 Budget authority		-4	
90.00 Outlays	58	47	49

Title IV, subtitle F, of the Stewart B. McKinney Homeless Assistance Act authorizes the Secretary to provide rental assistance to persons with disabilities. Supportive services at least equal in value to the aggregate rental assistance must also be provided by grant recipients using other Federal, State, local and private resources. Eligible recipients include States and units of general local government.

Since 1995, this type of assistance has been funded under the Homeless Assistance Grants account.

Public Law 105-65 included a \$4 million rescission of funding, recaptured in 1998, for approved projects from prior years which were either not undertaken or utilized less funding than was originally obligated.

INNOVATIVE HOMELESS INITIATIVES DEMONSTRATION PROGRAM

Program and Financing (in millions of dollars)

Identification code 86-0221-0-1-604	1997 actual	1998 est.	1999 est.
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	58	37	20
73.20 Total outlays (gross)	-21	-17	-14
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	37	20	6
Outlays (gross), detail:			
86.93 Outlays from current balances	21	17	14

Net budget authority and outlays:

89.00 Budget authority			
90.00 Outlays	21	17	14

Section 2 of the HUD Demonstration Act of 1993 authorized assistance for projects intended to provide a continuum of care for homeless persons and for innovative programs to assist homeless persons. Eligible recipients included States, units of local government, Indian tribes, and nonprofit organizations. Authorization for this program expired at the end of 1994.

Public enterprise funds:

REVOLVING FUND (LIQUIDATING PROGRAMS)

Program and Financing (in millions of dollars)

Identification code 86-4015-0-3-451	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
09.01 Loan servicing	5	7	7
09.02 Maintenance of acquired security and collateral		6	6
09.03 Administrative expenses	1	1	1
10.00 Total obligations	6	14	14
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	97	103	89
22.00 New budget authority (gross)	71	60	55
22.10 Resources available from recoveries of prior year obligations	1		
22.40 Capital transfer to general fund	-60	-60	-55
23.90 Total budgetary resources available for obligation	109	103	89
23.95 New obligations	-6	-14	-14
24.40 Unobligated balance available, end of year:			
Uninvested	103	89	75
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	71	60	55
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	27	19	9
73.10 New obligations	6	14	14
73.20 Total outlays (gross)	-14	-24	-23
73.45 Adjustments in unexpired accounts	-1		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	19	9	
Outlays (gross), detail:			
86.98 Outlays from permanent balances	14	24	23
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-71	-60	-55
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-57	-36	-32

Status of Direct Loans (in millions of dollars)

Identification code 86-4015-0-3-451	1997 actual	1998 est.	1999 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	328	271	231
1251 Repayments: Repayments and prepayments	-52	-40	-40
1263 Write-offs for default: Direct loans	-5		
1290 Outstanding, end of year	271	231	191

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4015-0-3-451	1997 actual	1998 est.	1999 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	3	2	1

2251	Repayments and prepayments	-1	-1	-1
2290	Outstanding, end of year	2	1	
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	2	1	

The Revolving fund (liquidating programs) was established by the Independent Offices Appropriation Act of 1955 for the efficient liquidation of assets acquired under a number of housing and urban development programs.

Statement of Operations (in millions of dollars)

Identification code 86-4015-0-3-451	1996 actual	1997 actual	1998 est.	1999 est.
0101 Revenue	31	15	14	13
0102 Expense	-18	-12	-11	-10
0109 Net income or loss (-)	13	3	3	3

Balance Sheet (in millions of dollars)

Identification code 86-4015-0-3-451	1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	125	121	115	110
Non-Federal assets:				
1206 Receivables, net	4	3	2	2
1207 Advances and prepayments	1			
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	331	274	233	193
1602 Interest receivable	18	18	18	18
1603 Allowance for estimated uncollectible loans and interest (-)	-25	-24	-20	-18
1604 Direct loans and interest receivable, net	324	268	231	193
1606 Foreclosed property	1	1		
1699 Value of assets related to direct loans	325	269	231	193
1999 Total assets	454	394	348	305
LIABILITIES:				
Non-Federal liabilities:				
2201 Accounts payable				
2207 Other	9	8	7	6
2999 Total liabilities	9	8	7	6
NET POSITION:				
3100 Appropriated capital	28	25	23	21
3200 Invested capital	301	172	126	83
3300 Cumulative results of operations	116	189	192	195
3999 Total net position	445	386	341	299
4999 Total liabilities and net position	454	394	348	305

Object Classification (in millions of dollars)

Identification code 86-4015-0-3-451	1997 actual	1998 est.	1999 est.
25.2 Other services	1	6	6
32.0 Land and structures	5	8	8
99.9 Total obligations	6	14	14

Credit accounts:

COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-0198-0-1-451	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.02 Community development loan guarantee credit subsidy	6	29	29
00.09 Administrative expense	1	1	1

10.00	Total obligations (object class 33.0)	7	30	30
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	32	30	30
22.30	Unobligated balance expiring	-25		
23.90	Total budgetary resources available for obligation	7	30	30
23.95	New obligations	-7	-30	-30

New budget authority (gross), detail:

40.00	Appropriation	32	30	30
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Change in unpaid obligations:

72.40	Unpaid obligations, start of year: Obligated balance:			
	Uninvested	9	13	27
73.10	New obligations	7	30	30
73.20	Total outlays (gross)	-3	-16	-17
74.40	Unpaid obligations, end of year: Obligated balance:			
	Uninvested	13	27	40

Outlays (gross), detail:

86.90	Outlays from new current authority	1	5	5
86.93	Outlays from current balances	2	11	14
87.00	Total outlays (gross)	3	16	17

Net budget authority and outlays:

89.00	Budget authority	32	30	30
90.00	Outlays	3	16	17

Guaranteed Loans.—The Community Development Block Grant program includes a guaranteed loan provision (Section 108). A commitment level of \$1.3 billion is proposed for the Community Development Loan Guarantees (Section 108) program for 1999. The credit subsidy/administrative cost estimate for the guaranteed loan program is \$30 million in 1999.

Section 108 loan guarantees are used by entitlement and nonentitlement communities (assisted by their State), to cover the cost of: acquiring real property; rehabilitating publicly owned real property; housing rehabilitation; and, certain other economic development activities. In addition, Section 108 has, in some cases, been used to finance the construction of housing by nonprofit organizations.

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 86-0198-0-1-451	1997 actual	1998 est.	1999 est.	
Guaranteed loan levels supportable by subsidy budget authority:				
2150	Loan guarantee levels	1,380	1,261	1,261
2159	Total loan guarantee levels	1,380	1,261	1,261
Guaranteed loan subsidy (in percent):				
2320	Subsidy rate	2.30	2.30	2.30
2329	Weighted average subsidy rate	2.30	2.30	2.30
Guaranteed loan subsidy budget authority:				
2330	Subsidy budget authority	31	29	29
2339	Total subsidy budget authority	31	29	29
Guaranteed loan subsidy outlays:				
2340	Subsidy outlays	2	15	16
2349	Total subsidy outlays	2	15	16
Administrative expense data:				
3510	Budget authority	1	1	1
3590	Outlays from new authority	1	1	1

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the loan guarantees committed in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Credit accounts—Continued

COMMUNITY DEVELOPMENT LOAN GUARANTEES FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4096-0-3-451	1997 actual	1998 est.	1999 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested		2	18
22.00 New financing authority (gross)	2	16	18
23.90 Total budgetary resources available for obligation	2	18	36
24.40 Unobligated balance available, end of year:			
Uninvested	2	18	36
New financing authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	2	16	18
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-2	-15	-16
88.25 Interest on uninvested funds		-1	-2
88.90 Total, offsetting collections (cash)	-2	-16	-18
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements	-2	-16	-18

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4096-0-3-451	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders		1,261	1,261
2112 Uncommitted loan guarantee limitation	-1,111		
2150 Total guaranteed loan commitments	278	1,261	1,261
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	633	775	1,640
2231 Disbursements of new guaranteed loans	189	1,000	1,000
2251 Repayments and prepayments	-47	-135	-200
2290 Outstanding, end of year	775	1,640	2,440
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	775	1,640	2,440

Guaranteed loans.—The Community Development Loan Guarantees program provides a mechanism for the Federal guarantee of private loans. There is an accompanying liquidating account which shows activity for Federal Financing Bank (FFB) direct loan activity, obligated prior to July 1, 1986. Also following is a status of privately financed guaranteed loan commitments made prior to 1992.

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

COMMUNITY DEVELOPMENT LOAN GUARANTEES LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4097-0-3-451	1997 actual	1998 est.	1999 est.
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	3	4	4
22.60 Redemption of debt	-3	-4	-4
23.90 Total budgetary resources available for obligation			
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	3	4	4
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	147	147	147
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	147	147	147
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-3	-4	-4
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-3	-4	-4

Status of Direct Loans (in millions of dollars)

Identification code 86-4097-0-3-451	1997 actual	1998 est.	1999 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	39	36	32
1251 Repayments: Repayments and prepayments	-3	-4	-4
1290 Outstanding, end of year	36	32	28

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4097-0-3-451	1997 actual	1998 est.	1999 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	243	198	175
2231 Disbursements of new guaranteed loans		10	10
2251 Repayments and prepayments	-45	-33	-30
2290 Outstanding, end of year	198	175	155
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	198	175	155

As required by the Federal Credit Reform Act of 1990, this account records all cash flows to and from the Government resulting from Federal Financing Bank (FFB) direct loans for which loan guarantees were committed prior to 1992. This account is shown on a cash basis.

Guaranteed loans.—Guaranteed loan assistance under the Community Development Loan Guarantees program is provided to eligible communities to finance economic development activities, housing rehabilitation, public facilities, acquisition of real property, rehabilitation of publicly owned real property, and certain related expenses. In the past, the FFB financed these guaranteed loans. The Consolidated Omnibus Budget Reconciliation Act of 1985 required private financing of all loan guarantees committed after July 1, 1986. FFB will continue disbursing loans for commitments approved prior to July 1, 1986. The activity shown in the above account reflects privately financed guaranteed loans for which commitments were made prior to 1992.

HOME LOAN GUARANTEE PROGRAM ACCOUNT
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-0175-2-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Housing loan credit subsidy			11
10.00 Total obligations (object class 33.0)			11
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			11
23.95 New obligations			-11
New budget authority (gross), detail:			
40.00 Appropriation			11
Change in unpaid obligations:			
73.10 New obligations			11
73.20 Total outlays (gross)			-3
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested			8
Outlays (gross), detail:			
86.90 Outlays from new current authority			3
Net budget authority and outlays:			
89.00 Budget authority			11
90.00 Outlays			3

The HOME Loan Guarantee program will complement the existing HOME program. The proposal will authorize loan guarantees for up to five times a Participating Jurisdiction's latest HOME allocation, and will enable the jurisdictions to formulate and implement neighborhood strategies to build or rehabilitate large numbers of units as a single undertaking within a short period of time. A loan guarantee option would greatly magnify the impact of HOME Federal housing dollars.

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 86-0175-2-1-604	1997 actual	1998 est.	1999 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Loan guarantee levels			100
2159 Total loan guarantee levels			100
Guaranteed loan subsidy (in percent):			
2320 Subsidy rate			11.00
2329 Weighted average subsidy rate			11.00
Guaranteed loan subsidy budget authority:			
2330 Subsidy budget authority			11
2339 Total subsidy budget authority			11
Guaranteed loan subsidy outlays:			
2340 Subsidy outlays			3
2349 Total subsidy outlays			3

HOME LOAN GUARANTEE FINANCING ACCOUNT
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-4245-2-3-604	1997 actual	1998 est.	1999 est.
Budgetary resources available for obligation:			
22.00 New financing authority (gross)			3
24.40 Unobligated balance available, end of year:			
Uninvested			3
New financing authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)			3

Offsets:

Against gross financing authority and financing disbursements:			
88.00	Offsetting collections (cash) from: Federal sources		-3

Net financing authority and financing disbursements:

89.00	Financing authority		
90.00	Financing disbursements		-3

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4245-2-3-604	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on commitments:			
2111	Limitation on guaranteed loans made by private lenders		100
2150	Total guaranteed loan commitments		100
Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year		
2231	Disbursements of new guaranteed loans		27
2251	Repayments and prepayments		
2290	Outstanding, end of year		27
Memorandum:			
2299	Guaranteed amount of guaranteed loans outstanding, end of year		27

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

HOUSING PROGRAMS

Federal Funds

General and special funds:

DEVELOPMENT OF ADDITIONAL NEW SUBSIDIZED HOUSING

Program and Financing (in millions of dollars)

Identification code 86-0310-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01	Direct program	190	
10.00	Total obligations (object class 41.0)	190	
Budgetary resources available for obligation:			
21.40	Unobligated balance available, start of year:		
Uninvested			849
22.00	New budget authority (gross)	1,039	
22.21	Unobligated balance transferred to other accounts		-849
23.90	Total budgetary resources available for obligation	1,039	
23.95	New obligations	-190	
24.40	Unobligated balance available, end of year:		
Uninvested			849
New budget authority (gross), detail:			
40.00	Appropriation	1,039	
Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance:		
Uninvested			188
73.10	New obligations	190	
73.20	Total outlays (gross)	-2	
73.31	Obligated balance transferred to other accounts		-188
74.40	Unpaid obligations, end of year: Obligated balance:		
Uninvested			188

General and special funds—Continued

DEVELOPMENT OF ADDITIONAL NEW SUBSIDIZED HOUSING—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-0310-0-1-604	1997 actual	1998 est.	1999 est.
Outlays (gross), detail:			
86.90 Outlays from new current authority	2		
Net budget authority and outlays:			
89.00 Budget authority	1,039		
90.00 Outlays	2		

In 1997, elderly, disabled and Indian housing development were funded in this program. Pursuant to P.L. 105-65, all balances for elderly and disabled housing were transferred to the Housing for Special Populations program and all balances for Indian housing development were transferred to the Indian Housing Block Grants program.

**HOUSING FOR SPECIAL POPULATIONS
(INCLUDING TRANSFERS OF FUNDS)**

[For assistance for the purchase, construction, acquisition, or development of additional public and subsidized housing units for low-income families under the United States Housing Act of 1937, as amended (42 U.S.C. 1437), not otherwise provided for, \$839,000,000, to remain available until expended: *Provided*, That of the total amount provided under this heading, \$645,000,000 shall be for capital advances, including amendments to capital advance contracts, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance, and amendments to contracts for project rental assistance, for the elderly under section 202(c)(2) of the Housing Act of 1959, and for supportive services associated with the housing; and \$194,000,000 shall be for capital advances, including amendments to capital advance contracts, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act, for project rental assistance, for amendments to contracts for project rental assistance, and supportive services associated with the housing for persons with disabilities as authorized by section 811 of such Act: *Provided further*, That the Secretary may designate up to 25 percent of the amounts earmarked under this paragraph for section 811 of such Act for tenant-based assistance, as authorized under that section, including such authority as may be waived under the next proviso, which assistance is five years in duration: *Provided further*, That the Secretary may waive any provision of section 202 of the Housing Act of 1959 and section 811 of the Cranston-Gonzalez National Affordable Housing Act (including the provisions governing the terms and conditions of project rental assistance and tenant-based assistance) that the Secretary determines is not necessary to achieve the objectives of these programs, or that otherwise impedes the ability to develop, operate or administer projects assisted under these programs, and may make provision for alternative conditions or terms where appropriate: *Provided further*, That all balances, as of September 30, 1997, remaining in either the "Annual Contributions for Assisted Housing" account or the "Development of Additional New Subsidized Housing" account for capital advances, including amendments to capital advances, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for the elderly, under section 202(c)(2) of such Act, shall be transferred to and merged with the amounts for those purposes under this heading; and, all balances, as of September 30, 1997, remaining in either the "Annual Contributions for Assisted Housing" account or the "Development of Additional New Subsidized Housing" account for capital advances, including amendments to capital advances, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act, and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for persons with disabilities, as authorized under section 811 of such Act, shall be transferred to and merged with the amounts for those purposes under this heading.] (*Departments*

of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

Program and Financing (in millions of dollars)

Identification code 86-0320-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Direct program		1,640	
10.00 Total obligations (object class 41.0)		1,640	
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		839	
22.22 Unobligated balance transferred from other accounts		801	
23.90 Total budgetary resources available for obligation		1,640	
23.95 New obligations		-1,640	
New budget authority (gross), detail:			
40.00 Appropriation		839	
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested			6,498
73.10 New obligations		1,640	
73.20 Total outlays (gross)		-650	-759
73.32 Obligated balance transferred from other accounts		5,508	
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested		6,498	5,739
Outlays (gross), detail:			
86.93 Outlays from current balances		650	759
Net budget authority and outlays:			
89.00 Budget authority		839	
90.00 Outlays		650	759

This account consolidates activity under the Section 202 Housing for the Elderly Program and the Section 811 Housing for the Disabled Program. Program activity prior to 1997 was reflected in the Annual Contributions for Assisted Housing account. Renewal of prior year contracts is reflected in the Housing Certificate Fund.

For 1999, funding is being requested for assistance on behalf of the elderly and disabled as a new component of the HOME Investment Partnerships Program. Language is being proposed to transfer the obligated and unobligated balances from Housing for Special Populations to the HOME Investment Partnerships account.

OTHER ASSISTED HOUSING PROGRAMS

RENTAL HOUSING ASSISTANCE

[(RESCISSION)]

[The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 236 of the National Housing Act (12 U.S.C. 1715z-1) is reduced in fiscal year 1998 by not more than \$7,350,000 in uncommitted balances of authorizations provided for this purpose in appropriation Acts: *Provided*, That up to \$125,000,000 of recaptured budget authority shall be canceled.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)*

Program and Financing (in millions of dollars)

Identification code 86-0206-0-1-999	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Rent supplement	14	9	7
00.02 Homeownership and rental housing assistance (Sections 235 and 236)	19	70	60
00.03 College housing debt service	2		
00.04 IRP Rehab Grants		26	727
10.00 Total obligations (object class 41.0)	35	105	794

Budgetary resources available for obligation:				
Unobligated balance available, start of year:				
21.40	Uninvested	15	8	9
21.49	Contract authority (available)	978	970	1,250
21.99	Total unobligated balance, start of year	993	978	1,259
22.00	New budget authority (gross)	-152	-125	
22.10	Resources available from recoveries of prior year obligations	8,642	512	1,018
22.75	Balance of contract authority withdrawn	-8,472		
23.90	Total budgetary resources available for obligation	1,011	1,365	2,277
23.95	New obligations	-35	-105	-794
Unobligated balance available, end of year:				
24.40	Uninvested	8	9	9
24.49	Contract authority (available)	970	1,250	1,474
24.99	Total unobligated balance, end of year	978	1,259	1,483

New budget authority (gross), detail:				
Current:				
Unobligated balance rescinded:				
40.36	Preservation prepayment rescission	-150		
40.36	Multifamily enforcement rescission		-125	
40.36	Other unobligated balances rescinded	-2		
43.00	Appropriation (total)	-152	-125	
Permanent:				
60.05	Appropriation (indefinite)	741	18	18
60.49	Portion applied to liquidate contract authority	-741	-18	-18
63.00	Appropriation (total)			
70.00	Total new budget authority (gross)	-152	-125	

Change in unpaid obligations:				
Unpaid obligations, start of year:				
Obligated balance:				
72.40	Administrative commitment (reserved)	140	127	129
72.49	Contract authority	21,687	12,338	11,176
72.99	Total unpaid obligations, start of year	21,827	12,465	11,305
73.10	New obligations	35	105	794
73.20	Total outlays (gross)	-755	-754	-676
73.45	Adjustments in unexpired accounts	-8,642	-512	-1,018
Unpaid obligations, end of year:				
Obligated balance:				
74.40	Administrative commitment reserved	127	129	130
74.49	Contract authority	12,338	11,176	10,275
74.99	Total unpaid obligations, end of year	12,465	11,305	10,405

Outlays (gross), detail:				
86.93	Outlays from current balances	755	754	676
Net budget authority and outlays:				
89.00	Budget authority	-152	-125	
90.00	Outlays	755	754	676

Status of Contract Authority (in millions of dollars)				
Identification code 86-0206-0-1-999				
0100	Balance, start of year	22,665	13,308	12,426
Contract authority:				
0200	Contract authority	-152	-125	
0400	Appropriation to liquidate contract authority	-741	-18	-18
0600	Balance of contract authority withdrawn	-8,472		
0700	Balance, end of year	13,308	12,426	11,749

OTHER ASSISTED HOUSING

Summary of Administrative Commitments

(In millions of dollars)

	1997 actual	1998 est.	1999 est.
Assistance contracts:			
Rent supplement	14	9	7
Homeownership and rental housing assistance (sections 235 and 236)	19	70	60
College Housing	2		
IRP Rehab Grants		26	727
Administrative commitments, start of year	16	16	16
Administrative commitments, end of year	-16	-16	-16
Total obligations	35	105	794

The Other Assisted Housing Account contains the programs listed below:

Rent supplement.—Rent supplement assistance payments will continue to be made on behalf of qualified low-income tenants in approximately 20,000 units which have not converted to section 8.

Section 235.—The Housing and Urban-Rural Recovery Act of 1983 (Public Law 98-181) authorized a restructured section 235 (Homeownership Assistance) program based on a 10-year interest reduction subsidy. This replaced earlier versions of the program, the original and the revised versions. All were below interest rate mortgages for single family homes.

Section 236.—The Housing and Urban Development Act of 1968, as amended, authorizes the section 236 Rental Housing Assistance Program which subsidizes the monthly mortgage payment that an owner of a rental or cooperative project is required to make. This interest subsidy reduces rents for lower income tenants.

IRP Rehab Grants.—Title V of the 1998 Appropriations Act (P.L. 105-65) establishes a program of rehabilitation grants for owners of projects eligible for the program of multifamily portfolio re-engineering. An estimated \$727 million of such grants are expected in 1999.

The table below reflects the consolidated outlay total for: the Annual Contributions for Assisted Housing account; the Housing Certificate Fund; the Public Housing Capital Fund; the Section 8 Reserve Preservation account; and the Other Assisted Housing account, for 1997, 1998, and 1999.

SUMMARY OF OUTLAYS¹

(In millions of dollars)

	1997 actual	1998 est.	1999 est.
Subsidized housing programs, total	21,323	21,213	21,066
Low-income housing assistance (sec. 8)	20,568	16,649	16,881
Public housing capital fund		3,810	3,509
Rent supplement	56	58	59
Homeownership assistance (sec. 235)	79	79	70
Rental housing assistance (sec. 236)	604	601	531
College housing grants	16	16	16

¹ Includes outlays for contract renewals.

HOMEOWNERSHIP AND OPPORTUNITY FOR PEOPLE EVERYWHERE
GRANTS (HOPE GRANTS)

Program and Financing (in millions of dollars)

Identification code 86-0196-0-1-604	1997 actual	1998 est.	1999 est.
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Obligations by program activity:			
00.01	Hope 1	1	3
00.02	Hope 2		5
00.03	Hope 3	1	3
10.00	Total obligations (object class 41.0)	2	11

Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
Uninvested:			
21.40	Uncommitted	34	10
21.40	Administratively committed	4	1
21.99	Total unobligated balance, start of year	38	11
22.00	New budget authority (gross)	-30	
22.10	Resources available from recoveries of prior year obligations	5	
23.90	Total budgetary resources available for obligation	13	11
23.95	New obligations	-2	-11
Unobligated balance available, end of year:			
Uninvested:			
24.40	Uncommitted	10	
24.40	Administratively committed	1	
24.99	Total unobligated balance, end of year	11	

New budget authority (gross), detail:			
41.00	Transferred to other accounts	-30	

General and special funds—Continued

**HOMEOWNERSHIP AND OPPORTUNITY FOR PEOPLE EVERYWHERE
GRANTS (HOPE GRANTS)—Continued**

Program and Financing (in millions of dollars)—Continued

Identification code 86-0196-0-1-604	1997 actual	1998 est.	1999 est.
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	185	132	92
73.10 New obligations	2	11	
73.20 Total outlays (gross)	-49	-51	-42
73.45 Adjustments in unexpired accounts	-5		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	132	92	50
Outlays (gross), detail:			
86.93 Outlays from current balances	49	51	42
Net budget authority and outlays:			
89.00 Budget authority	-30		
90.00 Outlays	49	51	42

The Homeownership and Opportunity for People Everywhere Program provided affordable homeownership opportunities for low-income families. Units were converted to homeownership from public and Indian housing properties in HOPE 1, from FHA-insured and Government-held multifamily properties in HOPE 2, and from Government-owned or -held single family properties in HOPE 3. HOPE Grants were used for property acquisition, rehabilitation, mortgage subsidies, security measures, and technical assistance. In addition, grants have been devoted to counseling and training of residents, and other activities intended to help them become economically self-sufficient homeowners. No funding is being requested for 1999. This schedule reflects the liquidation of prior year balances.

CONGREGATE SERVICES

Program and Financing (in millions of dollars)

Identification code 86-0178-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	1		
Budgetary resources available for obligation:			
23.95 New obligations	-1		
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	30	22	15
73.10 New obligations	1		
73.20 Total outlays (gross)	-7	-7	-7
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	22	15	7
Outlays (gross), detail:			
86.93 Outlays from current balances	7	7	7
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	7	7	7

Under the Congregate Services program, HUD contracted directly with local public housing agencies and section 202 housing for the elderly or disabled sponsors to supply support services, including meals and other services. Funding for this activity will be requested in the supportive services set-aside within the Community Development Block Grant account for 1999. This schedule reflects the liquidation of prior year balances from the separately appropriated Congregate Services Program.

HOUSING COUNSELING ASSISTANCE

Program and Financing (in millions of dollars)

Identification code 86-0156-0-1-506	1997 actual	1998 est.	1999 est.
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	6	2	
73.20 Total outlays (gross)	-3	-2	
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	2		
Outlays (gross), detail:			
86.93 Outlays from current balances	3	2	
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	3	2	

The Housing Counseling Assistance program provides comprehensive housing counseling services to eligible homeowners and tenants, including pre-purchase, default and renter counseling.

In 1997, housing counseling was appropriated as a \$15 million set-aside in the HOME Investment Partnerships Program. The program was funded at \$20 million in 1998. The Budget proposes Housing Counseling as a \$25 million HOME set-aside for 1999.

SECTION 8 MODERATE REHABILITATION

SINGLE ROOM OCCUPANCY

Program and Financing (in millions of dollars)

Identification code 86-0195-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Homelessness prevention	20	86	
10.00 Total obligations (object class 41.0)	20	86	
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	106	86	
23.95 New obligations	-20	-86	
24.40 Unobligated balance available, end of year:			
Uninvested	86		
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	382	376	404
73.10 New obligations	20	86	
73.20 Total outlays (gross)	-25	-58	-56
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	376	404	348
Outlays (gross), detail:			
86.93 Outlays from current balances	25	58	56
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	25	58	56

Section 8 assistance for single room occupancy dwellings is authorized by Title IV, subtitle E, of the Stewart B. McKinney Homeless Assistance Act, as amended by the Housing and Community Development Act of 1992. Since 1995, these activities have been funded in the Homeless Assistance Grants account.

CAPITAL GRANTS/CAPITAL LOANS PRESERVATION ACCOUNT

[At the discretion of the Secretary, to reimburse owners, nonprofits, and tenant groups for which plans of action were submitted with regard to eligible properties under the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPHA) or the

Emergency Low Income Housing Preservation Act of 1987 (ELIHPA) prior to the effective date of this Act, but were not executed for lack of available funds, with such reimbursement available only for documented costs directly applicable to the preparation of the plan of action or any purchase agreement as determined by the Secretary, on terms and conditions to be established by the Secretary, \$10,000,000 shall be made available.】 (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

Program and Financing (in millions of dollars)			
Identification code 86-0231-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
10.00 Total obligations (object class 25.2)		10	
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		10	
23.95 New obligations		-10	
New budget authority (gross), detail:			
40.00 Appropriation		10	
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested			6
73.10 New obligations		10	
73.20 Total outlays (gross)		-4	-6
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested		6	
Outlays (gross), detail:			
86.90 Outlays from new current authority		4	
86.93 Outlays from current balances			6
87.00 Total outlays (gross)		4	6
Net budget authority and outlays:			
89.00 Budget authority		10	
90.00 Outlays		4	6

Funds were provided in 1998 to permit the Secretary, at his discretion, to reimburse groups who submitted plans of action under the preservation program that were not funded. As this is a non-recurring cost, no additional funds are requested for this activity.

MANUFACTURED HOME INSPECTION AND MONITORING

Unavailable Collections (in millions of dollars)

Identification code 86-5271-0-2-376	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year			
Receipts:			
02.01 Manufactured home inspection and monitoring	14	16	17
Appropriation:			
05.01 Manufactured home inspection and monitoring	-14	-16	-17
07.99 Total balance, end of year			

Program and Financing (in millions of dollars)

Identification code 86-5271-0-2-376	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Transfer to salaries and expenses	1	1	1
00.02 Other program costs	13	14	15
10.00 Total obligations (object class 25.2)	14	15	16
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	9	9	10
22.00 New budget authority (gross)	14	16	17
23.90 Total budgetary resources available for obligation	23	25	27
23.95 New obligations	-14	-15	-16
24.40 Unobligated balance available, end of year:			
Uninvested	9	10	11

New budget authority (gross), detail:			
60.25 Appropriation (special fund, indefinite)	14	16	17
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	2	3	3
73.10 New obligations	14	15	16
73.20 Total outlays (gross)	-13	-13	-15
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	3	3	3
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	13	13	15
Net budget authority and outlays:			
89.00 Budget authority	14	16	17
90.00 Outlays	13	13	15

Section 620 of the National Manufactured Housing Construction and Safety Standards Act of 1974, as amended, authorizes enforcement of appropriate construction standards for the construction, design and performance of manufactured homes to assure their quality, durability, and safety. All manufactured homes produced since the standards took effect on June 15, 1976 must comply with Federal construction and safety standards. The States are actively encouraged to participate in the program under compliance plans approved by HUD.

A fee is charged to the manufacturers for each manufactured home produced to cover the costs of the monitoring and enforcement activities by HUD and its contract agents. Fees are deposited in a special fund administered by the Department, and a portion of the fee receipts are transferred to the salaries and expenses account to defray the direct administrative expenses of the program. In 1997, an estimated 403,000 manufactured homes and 600,000 transportable sections were produced.

INTERSTATE LAND SALES

Unavailable Collections (in millions of dollars)

Identification code 86-5270-0-2-376	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year	1		
Receipts:			
02.01 Interstate land sales		1	1
04.00 Total: Balances and collections	1	1	1
Appropriation:			
05.01 Interstate land sales	-1	-1	-1
07.99 Total balance, end of year			

Program and Financing (in millions of dollars)

Identification code 86-5270-0-2-376	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
10.00 Total obligations (object class 25.2)		1	1
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	1	1	1
23.95 New obligations		-1	-1
New budget authority (gross), detail:			
60.25 Appropriation (special fund, indefinite)	1	1	1
Change in unpaid obligations:			
73.10 New obligations		1	1
73.20 Total outlays (gross)	-1	-1	-1
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	1	1	1
Net budget authority and outlays:			
89.00 Budget authority	1	1	1
90.00 Outlays		1	1

General and special funds—Continued

INTERSTATE LAND SALES—Continued

The Interstate Land Sales Full Disclosure Act provides protection to the public with respect to purchases or leases of subdivision lots. Statements of record must be filed with the Secretary before subdivisions with 100 or more lots may be sold in interstate commerce, except when the subdivision is eligible for exemption.

The Secretary is authorized to charge a fee, to be paid by the developer when filing a statement of record. The fee receipts are permanently appropriated and have helped finance a portion of the direct administrative expenses incurred in program operations.

The estimated annual program activity level will continue at 1,700 filings, approximately the same level as in recent years.

Public enterprise funds:

RENTAL HOUSING ASSISTANCE FUND

Program and Financing (in millions of dollars)

Identification code 86-4041-0-3-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
09.00 Reimbursable program	52	47	42
10.00 Total obligations (object class 25.2)	52	47	42
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	1	1	1
22.00 New budget authority (gross)	52	47	42
23.90 Total budgetary resources available for obligation	53	48	43
23.95 New obligations	-52	-47	-42
24.40 Unobligated balance available, end of year:			
Uninvested	1	1	1
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	52	47	42
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	8	22	
73.10 New obligations	52	47	42
73.20 Total outlays (gross)	-37	-69	-42
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	22		
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	37	47	42
86.98 Outlays from permanent balances		22	
87.00 Total outlays (gross)	37	69	42
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-52	-47	-42
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-14	22	

The Housing and Urban Development Act of 1968 authorized the Secretary to establish a revolving fund into which rental collections in excess of the established basic rents for units in section 236 subsidized projects would be deposited.

The Housing and Community Development Amendment of 1978 authorized the Secretary, subject to approval in appropriation acts, to transfer excess rent collections received after 1978 to the Troubled Projects Operating Subsidy program, renamed the Flexible Subsidy Fund. Prior to that time, collections were used for paying tax and utility increases in section

236 projects. The Housing and Community Development Act of 1980 amended the 1978 Act by authorizing the transfer of excess rent collections regardless of when collected. This Budget proposes that the resources from the Rental Housing Assistance Fund continue to be transferred to the Flexible Subsidy Fund.

Statement of Operations (in millions of dollars)

Identification code 86-4041-0-3-604	1996 actual	1997 actual	1998 est.	1999 est.
0101 Revenue	53	55	47	42
0102 Expense	-53	-53	-47	-42
0109 Net income or loss (-)		2		

Balance Sheet (in millions of dollars)

Identification code 86-4041-0-3-604	1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	8	22	1	1
1206 Non-Federal assets: Receivables, net	7	9		
1999 Total assets	15	31	1	1
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	4	17		
2105 Other	3	5		
2999 Total liabilities	7	22		
NET POSITION:				
3300 Cumulative results of operations	7	9	1	1
3999 Total net position	7	9	1	1
4999 Total liabilities and net position	14	31	1	1

**FLEXIBLE SUBSIDY FUND
(TRANSFER OF FUNDS)**

From the Rental Housing Assistance Fund, all uncommitted balances of excess rental charges as of September 30, [1997] 1998, and any collections made during fiscal year [1998] 1999, shall be transferred to the Flexible Subsidy Fund, as authorized by section 236(g) of the National Housing Act, as amended. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 86-4044-0-3-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
09.00 Reimbursable program	14	19	43
10.00 Total obligations (object class 41.0)	14	19	43
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
21.40 Uninvested	103	73	114
21.41 U.S. Securities: Par value	39	106	106
21.99 Total unobligated balance, start of year	142	179	220
22.00 New budget authority (gross)	52	60	21
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	195	239	241
23.95 New obligations	-14	-19	-43
Unobligated balance available, end of year:			
24.40 Uninvested	73	114	90
24.41 U.S. Securities: Par value	106	106	106
24.99 Total unobligated balance, end of year	179	220	196
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	52	60	21
Change in unpaid obligations:			
72.41 Unpaid obligations, start of year: Obligated balance:			
U.S. Securities: Par value	101	44	1

73.10	New obligations	14	19	43
73.20	Total outlays (gross)	-71	-62	-33
73.45	Adjustments in unexpired accounts	-1		
74.41	Unpaid obligations, end of year: Obligated balance:			
	U.S. Securities: Par value	44	1	11
Outlays (gross), detail:				
86.98	Outlays from permanent balances	71	62	33
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-38	-47	-7
88.20	Interest on U.S. securities	-9	-9	-10
88.40	Non-Federal sources	-5	-4	-4
88.90	Total, offsetting collections (cash)	-52	-60	-21
88.95	Change in orders on hand from Federal sources			
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	18	2	12

Status of Direct Loans (in millions of dollars)

Identification code 86-4044-0-3-604	1997 actual	1998 est.	1999 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	676	744	802
1231	Disbursements: Direct loan disbursements	71	62	33
1251	Repayments: Repayments and prepayments	-3	-4	-4
1290	Outstanding, end of year	744	802	831

The Flexible Subsidy Fund assisted financially troubled subsidized projects under certain FHA authorities. The subsidies were intended to prevent potential losses to the FHA fund resulting from project insolvency and to preserve these projects as a viable source of housing for low and moderate-income tenants. Priority was given to projects with Federal insurance-in-force and then to those with mortgages that had been assigned to the Department of Housing and Urban Development.

A portion of Flexible Subsidy capital improvement loans were used, along with incentives available in the Emergency Low-Income Housing Preservation program, to extend affordability requirements for projects eligible to prepay mortgages.

The budget assumes that the account will continue to serve as a repository of excess rental charges appropriated from the Rental Housing Assistance Fund. Since 1996, these resources have not been used for new reservations but they continue to offset Flexible Subsidy outlays and other discretionary expenditures.

Summary of Administrative Commitments

(In millions of dollars)

Program by activities:	1997 actual	1998 est.	1999 est.
Capital investments:			
Flexible subsidy reservations	19	43	
Administrative commitments, start of year	15	19	43
Administrative commitments, end of year	-19	-43	
Capital investment—obligations	15	19	43

Statement of Operations (in millions of dollars)

Identification code 86-4044-0-3-604	1996 actual	1997 actual	1998 est.	1999 est.
0101	Revenue	66	65	60
0102	Expense	-64	-81	-62
0109	Net income or loss (-)	2	-16	-2

Balance Sheet (in millions of dollars)

Identification code 86-4044-0-3-604	1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:				
Federal assets:				
1101	Fund balances with Treasury	120	92	88

Investments in US securities:				
1102	Treasury securities, par	140	150	150
1106	Receivables, net	4	9	
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601	Direct loans, gross	676	743	802
1603	Allowance for estimated uncollectible loans and interest (-)	-536	-607	-654
1699	Value of assets related to direct loans	140	136	148
1901	Other Federal assets: Other assets	4		
1999	Total assets	408	387	386
LIABILITIES:				
2201	Non-Federal liabilities: Accounts payable	1		
2999	Total liabilities	1		
NET POSITION:				
3100	Appropriated capital	217	217	217
3300	Cumulative results of operations	191	169	168
3999	Total net position	408	386	385
4999	Total liabilities and net position	409	386	385

HOMEOWNERSHIP ASSISTANCE FUND

Program and Financing (in millions of dollars)

Identification code 86-4043-0-3-604	1997 actual	1998 est.	1999 est.
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
21.40	Uninvested	1	3
21.41	U.S. Securities: Par value	18	18
21.49	Contract authority	60	61
21.99	Total unobligated balance, start of year	79	82
22.00	New budget authority (gross)	2	2
22.22	Unobligated balance transferred from other accounts	2	
23.90	Total budgetary resources available for obligation	83	84
Unobligated balance available, end of year:			
24.40	Uninvested	3	3
24.41	U.S. Securities: Par value	18	18
24.49	Contract authority	61	61
24.99	Total unobligated balance, end of year	82	82
New budget authority (gross), detail:			
68.00	Spending authority from offsetting collections (gross):		
	Offsetting collections (cash)	2	2
Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Uninvested	-1	-1
74.40	Unpaid obligations, end of year: Obligated balance:		
	Uninvested	-1	-1
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00	Federal sources: Interest on U.S. securities		
88.40	Non-Federal sources	-2	-2
88.90	Total, offsetting collections (cash)	-2	-2
Net budget authority and outlays:			
89.00	Budget authority		
90.00	Outlays	-2	-2

Status of Contract Authority (in millions of dollars)

Identification code 86-4043-0-3-604	1997 actual	1998 est.	1999 est.
0100	Balance, start of year	60	61
0700	Balance, end of year	61	61

The Homeownership Assistance Fund was established by the Housing and Urban-Rural Recovery Act of 1983. It provided for the receipt of recaptures of budget authority, cash,

Public enterprise funds—Continued

HOMEOWNERSHIP ASSISTANCE FUND—Continued

and interest earnings under the restructured section 235 program. The funds were authorized to be used, to the extent approved in Appropriation Acts, by the Secretary to provide additional section 235 assistance payments for mortgagors who are unable to assume the full payment due under the mortgage after the termination of the original 10-year assistance payments contract.

Statement of Operations (in millions of dollars)

Identification code 86-4043-0-3-604	1996 actual	1997 actual	1998 est.	1999 est.
0101 Revenue	2	1	1	1
0102 Expense				
0109 Net income or loss (-)	2	1	1	1

Balance Sheet (in millions of dollars)

Identification code 86-4043-0-3-604	1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	1	3	3	3
Investments in US securities:				
1102 Treasury securities, par	18	18	18	18
1106 Receivables, net		1	1	1
1999 Total assets	19	22	22	22
NET POSITION:				
3100 Appropriated capital		12	12	12
3300 Cumulative results of operations	19	9	9	9
3999 Total net position	19	21	21	21
4999 Total liabilities and net position	19	21	21	21

NEHEMIAH HOUSING OPPORTUNITY FUND

Program and Financing (in millions of dollars)

Identification code 86-4071-0-3-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
09.00 Reimbursable program		21	
10.00 Total obligations (object class 33.0)		21	
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	21	21	
23.95 New obligations		-21	
24.40 Unobligated balance available, end of year:			
Uninvested	21		
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	10	7	20
73.10 New obligations		21	
73.20 Total outlays (gross)	-3	-8	-4
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	7	20	16
Outlays (gross), detail:			
86.93 Outlays from current balances	3	8	4
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	3	8	4

The Nehemiah grants program was authorized by the Housing and Community Development Act of 1987 to provide loans to eligible families to assist in the purchase of new or substantially rehabilitated units. This schedule reflects the liquidation of remaining reserved and obligated balances.

Credit accounts:

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

During fiscal year [1998] 1999, commitments to guarantee loans to carry out the purposes of section 203(b) of the National Housing Act, as amended, shall not exceed a loan principal of \$110,000,000,000.

During fiscal year [1998] 1999, obligations to make direct loans to carry out the purposes of section 204(g) of the National Housing Act, as amended, shall not exceed [\$200,000,000] \$50,000,000. *Provided*, That the foregoing amount shall be for loans to nonprofit and governmental entities in connection with sales of single family real properties owned by the Secretary and formerly insured under the Mutual Mortgage Insurance Fund.

For administrative expenses necessary to carry out the guaranteed and direct loan program, [\$338,421,000] \$328,888,000, to be derived from the FHA-mutual mortgage insurance guaranteed loans receipt account, of which not to exceed [\$326,309,000] \$324,866,000 shall be transferred to the appropriation for departmental salaries and expenses; and of which not to exceed [\$12,112,000] \$4,022,000 shall be transferred to the appropriation for the Office of Inspector General.

In addition, for non-overhead administrative expenses necessary to carry out the Mutual Mortgage Insurance guaranteed and direct loan program, \$200,000,000, to be derived from the FHA-mutual mortgage insurance guaranteed loan receipt account. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

Unavailable Collections (in millions of dollars)

Identification code 86-0183-0-1-371	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year			
Receipts:			
02.01 FHA Mutual Mortgage Insurance Guaranteed Loan, negative subsidies	351	338	529
Appropriation:			
05.01 FHA mutual mortgage insurance program account	-351	-338	-529
07.99 Total balance, end of year			

Program and Financing (in millions of dollars)

Identification code 86-0183-0-1-371	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.09 Other administrative expenses, FHA			200
00.10 Administrative expenses, salaries & expenses transfer	351	338	329
10.00 Total obligations	351	338	529
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	351	338	529
23.95 New obligations	-351	-338	-529
New budget authority (gross), detail:			
40.25 Appropriation (special fund, definite)	351	338	529
Change in unpaid obligations:			
73.10 New obligations	351	338	529
73.20 Total outlays (gross)	-351	-338	-529
Outlays (gross), detail:			
86.90 Outlays from new current authority	351	338	529
Net budget authority and outlays:			
89.00 Budget authority	351	338	529
90.00 Outlays	351	338	529

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 86-0183-0-1-371	1997 actual	1998 est.	1999 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Direct loan levels	200	200	50
1159 Total direct loan levels	200	200	50

Guaranteed loan levels supportable by subsidy budget authority:				
2150	MMI Fund, Section 203(b)	75,432	82,260	83,494
2150	Standby commitment authority	34,568	27,740	26,506
2159	Total loan guarantee levels	110,000	110,000	110,000
Guaranteed loan subsidy (in percent):				
2320	Subsidy rate	-2.88	-2.99	-2.62
2329	Weighted average subsidy rate	-2.88	-2.99	-2.62
Guaranteed loan subsidy budget authority:				
2330	MMI Section 203(b) negative subsidy	-1,392	-1,653	-1,594
2330	Subsidy budget authority—reestimate	-340		
2330	Subsidy—Note Sales	-448	-128	
2330	Indirect modification Assignment Reform	-56		
2339	Total subsidy budget authority	-2,236	-1,781	-1,594
Guaranteed loan subsidy outlays:				
2340	Subsidy outlays	-2,236	-1,781	-1,594
2349	Total subsidy outlays	-2,236	-1,781	-1,594

The Federal Housing Administration provides mortgage insurance to encourage lenders to make credit available to expand homeownership, and to predominantly serve borrowers that the conventional market does not adequately provide for including: first-time homebuyers; minorities; lower-income families; and, residents of underserved areas (central cities and rural areas). Currently, the maximum mortgage amount for FHA-insured one-family loans is set at 95 percent of area median house price, provided that the amount is never less than 38 percent of the conforming loan limit—the maximum mortgage amount for loans purchased by the housing secondary market Government-Sponsored Enterprises, Fannie Mae and Freddie Mac—and never more than 75 percent of the conforming loan limit. The Administration proposes to increase the maximum mortgage amount for FHA-insured loans in all areas to equal the conforming loan limit. FHA has also proposed new legislation to allow greater flexibility in single family property disposition.

As required by the Federal Credit Reform Act of 1990, this account records administrative expenses for this program, as well as the subsidy costs associated with the loan guarantees committed in 1992 and thereafter, if any. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Beginning in 1999, an appropriation of \$200,000,000 is requested, to be derived from the negative subsidy account, for certain administrative expenses. All administrative expenses will be recorded in the program account. The transfer is derived from negative credit subsidy amounts associated with guaranteed loan activities.

Object Classification (in millions of dollars)			
Identification code 86-0183-0-1-371	1997 actual	1998 est.	1999 est.
25.2	Other services		200
25.3	Purchases of goods and services from Government accounts	351	329
99.9	Total obligations	351	529

FHA—MUTUAL MORTGAGE INSURANCE DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)			
Identification code 86-4242-0-3-371	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01	Direct loans	3	50
00.02	Interest paid to Treasury		6
00.03	Claims & other		2
10.00	Total obligations	3	58

Budgetary resources available for obligation:			
21.40	Unobligated balance available, start of year:		
	Uninvested	1	3
22.00	New financing authority (gross)	29	60
23.90	Total budgetary resources available for obligation	30	63
23.95	New obligations	-27	-58
24.40	Unobligated balance available, end of year:		
	Uninvested	3	5

New financing authority (gross), detail:			
67.15	Authority to borrow (indefinite)	25	50
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	4	10
70.00	Total new financing authority (gross)	29	60

Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Uninvested	2	2
73.10	New obligations	27	58
73.20	Total financing disbursements (gross)	-27	-55
74.40	Unpaid obligations, end of year: Obligated balance:		
	Uninvested	2	5
87.00	Total financing disbursements (gross)	27	55

Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25	Interest on uninvested funds	-3	-7
88.40	Other collections from non-Federal sources	-1	-3
88.90	Total, offsetting collections (cash)	-4	-10

Net financing authority and financing disbursements:			
89.00	Financing authority	25	50
90.00	Financing disbursements	-23	45

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and thereafter (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

The \$50 million in 1999 direct loan limitation in the MMI Fund would permit the Department to use Purchase Money Mortgages (PMMs) to help finance the sale of acquired single family properties. HUD would extend credit for these single-family homes to community nonprofit organizations or local government entities who would be expected to sell the properties to low- and moderate-income buyers. The use of PMMs provides a tool for State and local nonprofit organizations to use in revitalizing communities, and creates enhanced homeownership opportunities for low- and moderate-income families.

Status of Direct Loans (in millions of dollars)

Identification code 86-4242-0-3-371	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans	200	50
1112	Unobligated direct loan limitation	-175	
1150	Total direct loan obligations	25	50
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	2	28
1231	Disbursements: Direct loan disbursements	27	50
1251	Repayments: Repayments and prepayments	-1	-2
1263	Write-offs for default: Direct loans		-1
1290	Outstanding, end of year	28	75

Credit accounts—Continued

FHA—MUTUAL MORTGAGE INSURANCE DIRECT LOAN FINANCING ACCOUNT—Continued

Balance Sheet (in millions of dollars)

Identification code 86-4242-0-3-371	1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:				
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	2	2	28	75
1499 Net present value of assets related to direct loans	2	2	28	75
1999 Total assets	2	2	28	75
LIABILITIES:				
2103 Federal liabilities: Treasury borrowing		2	28	75
2999 Total liabilities		2	28	75
4999 Total liabilities and net position		2	28	75

FHA—MUTUAL MORTGAGE INSURANCE GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4587-0-3-371	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Default claims and other	2,951	2,785	2,927
00.05 Payment of negative subsidy to receipt account	351	338	529
00.06 Payment of negative subsidy to liquidating account	1,392	1,315	1,066
00.07 Subsidy reestimate paid to liquidating account	340		
00.08 Interest payments to Treasury	207	404	429
00.09 Payment to liquidating account of value of assets sold	918	200	
00.10 Negative subsidy from asset sales paid to liquidating account	449	111	
00.11 Indirect modification savings paid to liquidating account	56		
00.12 Negative subsidy to liquidating account for new legislation—FHA loan limit increase			228
00.14 Negative subsidy to liquidating account, new legislation			527
10.00 Total obligations	6,664	5,153	5,706
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	907	182	288
22.00 New financing authority (gross)	5,939	5,259	5,719
23.90 Total budgetary resources available for obligation	6,846	5,441	6,007
23.95 New obligations	-6,664	-5,153	-5,706
24.40 Unobligated balance available, end of year:			
Uninvested	182	288	301
New financing authority (gross), detail:			
67.15 Authority to borrow (indefinite)	364	400	700
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	5,484	4,950	5,019
68.10 Change in receivables (Interest from Treasury)	91	-91	
68.90 Spending authority from offsetting collections (total)	5,575	4,859	5,019
70.00 Total new financing authority (gross)	5,939	5,259	5,719
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Obligated balance: Uninvested	47	-23	68
72.95 Receivables from Treasury (interest)		91	
72.99 Total unpaid obligations, start of year	47	68	68
73.10 New obligations	6,664	5,153	5,706
73.20 Total financing disbursements (gross)	-6,643	-5,153	-5,706
Unpaid obligations, end of year:			
74.40 Obligated balance: Uninvested	-23	68	68
74.95 EOY Receivables from Treasury (interest)	91		
74.99 Total unpaid obligations, end of year	68	68	68
87.00 Total financing disbursements (gross)	6,643	5,153	5,706

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25 Interest on uninvested funds	-98		-11
Non-Federal sources:			
88.40 Fees and premiums	-2,253	-2,612	-3,057
88.40 Recoveries on defaults	-2,013	-1,842	-1,951
88.40 Gross proceeds from asset sales	-1,218	-398	
88.90 Total, offsetting collections (cash)	-5,484	-4,950	-5,019
88.95 Change in receivables from program accounts	-91	91	

Net financing authority and financing disbursements:

89.00 Financing authority	364	400	700
90.00 Financing disbursements	1,159	203	687

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4587-0-3-371	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	110,000	110,000	110,000
2112 Uncommitted loan guarantee limitation	-34,568	-27,740	-11,969
2150 Total guaranteed loan commitments	75,432	82,260	98,031
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	235,291	272,750	318,818
2231 Disbursements of new guaranteed loans	61,175	58,613	67,222
2251 Repayments and prepayments	-20,882	-10,014	-16,719
Adjustments:			
2261 Terminations for default that result in loans receivable	-354	-7	-12
2262 Terminations for default that result in acquisition of property	-2,404	-2,436	-2,619
2263 Terminations for default that result in claim payments	-76	-88	-126
2290 Outstanding, end of year	272,750	318,818	366,564
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	272,750	318,818	366,564
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	866	285	54
2331 Disbursements for guaranteed loan claims	354	7	12
2351 Repayments of loans receivable	-10	-4	-1
2364 Other adjustments, net	-925	-234	-3
2390 Outstanding, end of year	285	54	62

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loans insured in 1992 and thereafter. The amounts in this account are considered a means of financing and are not included in the budget totals. As required by the Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

Balance Sheet (in millions of dollars)

Identification code 86-4587-0-3-371	1996 actual ¹	1997 actual	1998 est.	1999 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	954	159	355	353
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501 Defaulted guaranteed loans receivable, gross	866	285	53	60
1504 Foreclosed property	521	1,104	1,114	1,164
1505 Allowance for subsidy cost	-405	-443	-447	-467
1599 Net value of assets related to defaulted guaranteed loan	982	946	720	757
1901 Other Federal assets: Other assets		3	3	3
1999 Total assets	1,936	1,108	1,078	1,113

LIABILITIES:					
2103	Federal liabilities: Federal liabilities, Debt	2,698	3,062	3,462	3,662
Non-Federal liabilities:					
2204	Liabilities for loan guarantees	-762	-1,978	-2,539	-2,823
2207	Other	24	156	156	274
2999	Total liabilities	1,936	1,108	1,079	1,113
4999	Total liabilities and net position	1,936	1,108	1,079	1,113

¹As reflected in the 1998 Budget. Subsidy reestimates for fiscal year 1997 disbursements will be performed for the mid-session review of the Budget.

FHA—MUTUAL MORTGAGE AND COOPERATIVE HOUSING INSURANCE FUNDS LIQUIDATING ACCOUNT

Unavailable Collections (in millions of dollars)

Identification code 86-4070-0-3-371	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year			
03.00 Offsetting collections			527
07.99 Total balance, end of year			527

Program and Financing (in millions of dollars)

Identification code 86-4070-0-3-371	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
Operating expenses:			
00.03 Other operating costs	93	189	49
00.05 Participation payments	1	1	1
00.91 Total operating expenses	94	190	50
Capital investment:			
01.02 Assignment of defaulted mortgages	82	4	6
01.03 Acquisition of real properties	1,552	1,513	1,072
01.05 Acquisition of other assets	13	13	13
01.07 Capitalized property expenses	229	161	136
01.08 Loss on defaulted guaranteed loans	1	16	13
01.09 Preforeclosure sale claims	19	43	47
01.91 Total capital investment	1,896	1,750	1,288
10.00 Total obligations	1,990	1,940	1,337

Budgetary resources available for obligation:

Unobligated balance available, start of year:			
21.40 Uninvested	2,219	-8	233
U.S. Securities:			
21.41 Par value	7,730	13,467	15,567
21.42 Unrealized discounts	-86	-238	-284
21.99 Total unobligated balance, start of year	9,863	13,221	15,516
22.00 New budget authority (gross)	5,348	4,236	3,716
23.90 Total budgetary resources available for obligation	15,211	17,457	19,232
23.95 New obligations	-1,990	-1,940	-1,337
Unobligated balance available, end of year:			
24.40 Uninvested	-8	233	75
U.S. Securities:			
24.41 Par value	13,467	15,567	18,131
24.42 Unrealized discounts	-238	-284	-312
24.99 Total unobligated balance, end of year	13,221	15,516	17,894

New budget authority (gross), detail:

68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	5,348	4,236	3,716

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	685	325	325
73.10 New obligations	1,990	1,940	1,337
73.20 Total outlays (gross)	-2,346	-1,941	-1,338
73.31 Obligated balance transferred to other accounts	-4		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	325	325	325

Outlays (gross), detail:

86.97 Outlays from new permanent authority	1,661	1,467	864
86.98 Outlays from permanent balances	685	474	474

87.00 Total outlays (gross)	2,346	1,941	1,338
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20 Interest on U.S. securities	-721	-1,260	-1,383
Non-Federal sources:			
88.40 Fees and premiums	-90	-84	-78
88.40 Rebate of unearned prepaid premiums collected	220	24	8
88.40 Proceeds from sale of real property	-1,427	-1,366	-969
88.40 Proceeds from sale of mortgage notes	-926	-200	
88.40 Repayment of mortgage notes and sales contracts	-1	-1	-1
88.40 Interest and operating income	-7	-2	-1
88.40 Recoveries on defaulted mortgages	-27	-9	-2
88.40 Payment from financing account	-2,237	-1,315	-1,266
88.40 Miscellaneous collections	-47		
88.40 Other income	-85	-23	-24
88.90 Total, offsetting collections (cash)	-5,348	-4,236	-3,716

Net budget authority and outlays:

89.00 Budget authority			
90.00 Outlays	-3,002	-2,295	-2,378

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	1997 actual	1998 est.	1999 est.
Budget Authority			
Outlays	-3,002	-2,295	-2,378
Legislative proposal, not subject to PAYGO:			
Budget Authority			-527
Outlays			-527
Legislative proposal, subject to PAYGO:			
Budget Authority			
Outlays			-228
Total:			
Budget Authority			-527
Outlays	-3,002	-2,295	-3,133

Status of Direct Loans (in millions of dollars)

Identification code 86-4070-0-3-371	1997 actual	1998 est.	1999 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	7	5	3
1251 Repayments: Repayments and prepayments	-1	-1	-1
1264 Write-offs for default: Other adjustments, net	-1	-1	
1290 Outstanding, end of year	5	3	2

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4070-0-3-371	1997 actual	1998 est.	1999 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	102,159	87,755	81,393
2251 Repayments and prepayments	-12,750	-4,785	-4,517
Adjustments:			
2261 Terminations for default that result in loans receivable	-82	-5	-6
2262 Terminations for default that result in acquisition of property	-1,552	-1,513	-1,072
2263 Terminations for default that result in claim payments	-20	-59	-60
2264 Other adjustments, net			
2290 Outstanding, end of year	87,755	81,393	75,738

Memorandum:

2299 Guaranteed amount of guaranteed loans outstanding, end of year	87,755	81,393	75,738
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Addendum:

Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	1,862	287	57
2331 Disbursements for guaranteed loan claims	82	5	6
2351 Repayments of loans receivable	-953	-209	-2
2361 Write-offs of loans receivable	-550	-26	-1
2364 Other adjustments, net	-154		
2390 Outstanding, end of year	287	57	60

Credit accounts—Continued

FHA—MUTUAL MORTGAGE AND COOPERATIVE HOUSING INSURANCE FUNDS LIQUIDATING ACCOUNT—Continued

The Federal Housing Administration Fund currently consists of four separate insurance funds.

In order to present more clearly the operations of the various funds, FHA's budget transactions are separated into two major business segments. The basic single-family insurance programs in the Mutual Mortgage Insurance (MMI) fund and the multifamily Cooperative Management Housing Insurance (CMHI) funds form one segment. All other multifamily and other specialized insurance programs in the General Insurance and Special Risk Insurance funds (GI/SRI) form the other segment.

The Federal Credit Reform Act of 1990 creates a structure of three accounts for existing credit program. For each of the FHA business segments (MMI/CMHI and GI/SRI) there is a liquidating account, which records the revenues and costs associated with loan insurance committed prior to October 1, 1991, a financing account which records the revenues and costs associated with commitments to insure loans made after September 30, 1991, and, a program account which records the transactions associated with the program subsidy costs, if any, and the costs of administering the program.

This liquidating account records, for this program, all cash flows to and from the Government resulting from MMI/CMHI loans insured prior to fiscal year 1992, and is shown on a cash basis. All new activity in this program in 1992 and thereafter (including modifications of loans insured in any year) is recorded in the corresponding program (86-0183) and financing (86-4587 and 86-4242) accounts.

The program activity in the "Program Highlights" table shown below reflects only the activity in the MMI/CMHI liquidating and financing accounts. The GI/SRI program activity can be found with the GI/SRI liquidating account (86-4072).

PROGRAM HIGHLIGHTS

[In millions of dollars]

	1997 actual ¹	1998 est.	1999 est.
Insurance initiation:			
Mortgage insurance commitments (units)	852,546	960,240	1,037,380
Mortgage insurance written (in fiscal year):			
Units	740,320	697,094	744,445
Amount	61,175	58,613	67,222
Insurance maintenance: Outstanding balance of insurance in force, end of year:			
Mortgage insurance	360,505	400,211	442,301

¹ Unaudited preliminary results.

Financial condition.—The following tables reflect the revenues, expenses and financial condition of the MMI/CMHI liquidating funds based on Generally Accepted Accounting Principles.

Statement of Operations (in millions of dollars)

Identification code 86-4070-0-3-371	1996 actual ¹	1997 actual ²	1998 est.	1999 est.
0101 Revenue	2,103	1,854	2,636	1,455
0102 Expense	-1,097	-577	-688	-437
0109 Net income or loss (-)	1,006	1,277	1,948	1,018

¹ As reflected in the 1998 Budget.

² Estimated result on GAAP basis pending final audit.

Balance Sheet (in millions of dollars)

Identification code 86-4070-0-3-371	1996 actual ¹	1997 actual	1998 est.	1999 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	2,905	318	512	325

Investments in US securities:

	1997 actual	1998 est.	1999 est.
Treasury securities, par	7,729	13,467	15,567
1102 Unamortized net premium/discount	-87	-246	-284
1106 Receivables, net	106	1	1
1107 Advances and prepayments			
Non-Federal assets:			
1206 Receivables, net	207	61	61
1207 Advances and prepayments	-62	32	32
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:			
1601 Direct loans, gross	7	5	3
1603 Allowance for estimated uncollectible loans and interest (-)	-1	-2	-1
1699 Value of assets related to direct loans	6	3	2
1701 Defaulted guaranteed loans, gross	1,862	287	58
1703 Allowance for estimated uncollectible loans and interest (-)	-495	-39	-8
1704 Defaulted guaranteed loans and interest receivable, net	1,367	248	50
1705 Allowance for uncollectibles from foreclosed property	-354	-370	-263
1706 Foreclosed property	872	946	672
1799 Value of assets related to loan guarantees	1,885	824	459
1901 Other Federal assets: Other assets	18	20	9
1999 Total assets	12,707	14,480	16,359
LIABILITIES:			
2101 Federal liabilities: Accounts payable			
Non-Federal liabilities:			
2201 Accounts payable	676	1,600	2,688
2206 Pension and other actuarial liabilities	2,175	549	549
2207 Unearned revenue and advances	1,061	7	17
2999 Total liabilities	3,912	2,156	3,254
NET POSITION:			
3100 Appropriated capital	19	18	18
3300 Cumulative results of operations	8,776	12,306	13,087
3999 Total net position	8,795	12,324	13,105
4999 Total liabilities and net position	12,707	14,480	16,359

¹ As reflected in the 1998 Budget.

Object Classification (in millions of dollars)

Identification code 86-4070-0-3-371	1997 actual	1998 est.	1999 est.
25.2 Other services	93	189	49
32.0 Land and structures	1,782	1,673	1,208
33.0 Investments and loans	94	18	19
42.0 Insurance claims and indemnities	20	59	60
44.0 Refunds	1	1	1
99.9 Total obligations	1,990	1,940	1,337

FHA—MUTUAL MORTGAGE INSURANCE AND COOPERATIVE HOUSING LIQUIDATING ACCOUNT

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-4070-2-3-371	1997 actual	1998 est.	1999 est.
New budget authority (gross), detail:			
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)			527
68.45 Portion applied to capital reserve (limitation on obligations)			-527
68.90 Spending authority from offsetting collections (total)			
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Payment from financing account			-527

Net budget authority and outlays:		
89.00	Budget authority	-527
90.00	Outlays	-527

Single Family Claims Reform and Sale of Property

This proposal would provide HUD with additional flexibility to choose the most cost-effective methods of paying insurance claims and disposing of acquired notes or homes.

Currently, section 204(a) of the National Housing Act sets forth the conditions under which HUD pays insurance benefits for defaulted single family mortgages and details the manner of calculating the amount of insurance benefits. This provision updates the current section 204(a) and adds authority for HUD to take assignment of mortgages.

Under this proposal the Department would be able to take assignment of mortgage notes (instead of taking properties into inventory) and then sell or transfer them to a third party for servicing, loss mitigation, foreclosure, and disposition of the property, depending upon the circumstances. It is expected that savings will result from a higher return on sales and expected property disposition.

The proposal would also provide flexible authority for HUD to participate in joint venture arrangements in the sale of single family properties.

sure financing carries favorable terms which may not be available to many working families in high cost areas, who may be constrained from entering the homeownership market because of a lack of downpayment. The proposal reflects the Administration's National Homeownership Strategy, which continue to be successful in raising the national homeownership rate.

FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT
(INCLUDING TRANSFERS OF FUNDS)

For the cost of guaranteed loans, as authorized by sections 238 and 519 of the National Housing Act (12 U.S.C. 1715z-3 and 1735c), including the cost of loan guarantee modifications (as that term is defined in section 502 of the Congressional Budget Act of 1974, as amended), \$81,000,000, to remain available until expended: *Provided*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, of up to [\$17,400,000,000: *Provided further*, That any amounts made available in any prior appropriations Act for the cost (as such term is defined in section 502 of the Congressional Budget Act of 1974) of guaranteed loans that are obligations of the funds established under section 238 or 519 of the National Housing Act that have not been obligated or that are deobligated shall be available to the Secretary of Housing and Urban Development in connection with the making of such guarantees and shall remain available until expended, notwithstanding the expiration of any period of availability otherwise applicable to such amounts] \$18,100,000,000.

Gross obligations for the principal amount of direct loans, as authorized by sections 204(g), 207(l), 238(a), and 519(a) of the National Housing Act, shall not exceed [\$120,000,000] \$50,000,000; of which not to exceed [\$100,000,000] \$30,000,000 shall be for bridge financing in connection with the sale of multifamily real properties owned by the Secretary and formerly insured under such Act; and of which not to exceed \$20,000,000 shall be for loans to nonprofit and governmental entities in connection with the sale of single-family real properties owned by the Secretary and formerly insured under such Act.

In addition, for administrative expenses necessary to carry out the guaranteed and direct loan programs, [\$222,305,000] \$211,455,000, of which [\$218,134,000, including \$25,000,000 for the enforcement of housing standards on FHA-insured multifamily projects.] \$193,134,000 shall be transferred to the appropriation for departmental salaries and expenses; and of which [\$4,171,000] \$18,321,000 shall be transferred to the appropriation for the Office of Inspector General.

In addition, for non-overhead administrative expenses necessary to carry out the guaranteed and direct loan programs, \$104,000,000. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

FHA—MUTUAL MORTGAGE INSURANCE AND COOPERATIVE HOUSING LIQUIDATING ACCOUNT
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)			
Identification code 86-4070-4-3-371	1997 actual	1998 est.	1999 est.
Budgetary resources available for obligation:			
22.00	New budget authority (gross)		228
24.40	Unobligated balance available, end of year:		
	Uninvested		228
New budget authority (gross), detail:			
68.00	Spending authority from offsetting collections (gross):		
	Offsetting collections (cash)		228
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20	Interest on U.S. securities		
88.40	Payment from financing account		-228
88.90	Total, offsetting collections (cash)		-228
Net budget authority and outlays:			
89.00	Budget authority		
90.00	Outlays		-228

This proposal will permit the Federal Housing Administration (FHA) to insure a single family mortgage with a principal amount not exceeding the average of the conforming mortgage loan limits established by Freddie Mac and Fannie Mae (\$227,150 for a one-family residence in 1998). Under current law, FHA cannot insure a mortgage with a principal amount that exceeds 75% of the conforming mortgage limit established by Freddie Mac.

The proposal also would eliminate other dollar limitations on mortgage amounts that are in the current law. These include "floor" limits for certain areas and limits based upon 95% of median home price for others. Currently, the maximum amount for an FHA-insured mortgage varies from the "floor" of \$86,317 to higher amounts up to \$170,363 which are determined on a county or metropolitan statistical area (MSA) basis.

The proposal would increase and standardize the maximum insurable mortgage amount throughout the country. FHA-in-

Unavailable Collections (in millions of dollars)

Identification code 86-0200-0-1-371	1997 actual	1998 est.	1999 est.	
Balance, start of year:				
01.99	Balance, subsidy downward reestimate, start of year	1,506	2,138	2,840
Receipts:				
02.01	Negative Subsidies	607	702	243
02.02	Negative Subsidies, legislative proposal not subject to PAYGO			50
02.03	Downward reestimates of subsidies	25		
02.99	Total receipts	632	702	293
04.00	Total: Balances and collections	2,138	2,840	3,133
07.99	Total balance, end of year	2,138	2,840	3,133

Program and Financing (in millions of dollars)

Identification code 86-0200-0-1-371	1997 actual	1998 est.	1999 est.	
Obligations by program activity:				
00.01	Guaranteed loan subsidy	138	151	134
00.02	Prior year adjustment	22	-22	
00.04	FHA multi-family demonstration	22		
00.09	Administrative expenses, salaries & expenses transfer	207	222	211
00.10	Administrative expenses, FHA		104	104
10.00	Total obligations	389	455	449

Credit accounts—Continued

FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-0200-0-1-371	1997 actual	1998 est.	1999 est.	
Budgetary resources available for obligation:				
Unobligated balance available, start of year:				
Uninvested:				
21.40	Uncommitted	534	449	314
21.40	Administratively committed	56	49	38
21.99	Total unobligated balance, start of year	590	498	352
22.00	New budget authority (gross)	305	319	396
22.30	Unobligated balance expiring	-8	-10	
23.90	Total budgetary resources available for obligation	887	807	748
23.95	New obligations	-389	-455	-449
Unobligated balance available, end of year:				
Uninvested:				
24.40	Uncommitted	449	314	266
24.40	Administratively committed	49	38	33
24.99	Total unobligated balance, end of year	498	352	299
New budget authority (gross), detail:				
Appropriation:				
40.00	Appropriation	292	303	396
40.00	FHA multi-family demonstration	10		
43.00	Appropriation (total)	302	303	396
50.05	Reappropriation (indefinite)	3	16	
70.00	Total new budget authority (gross)	305	319	396
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance:			
Uninvested:				
73.10	New obligations	389	455	449
73.20	Total outlays (gross)	-378	-466	-451
73.40	Adjustments in expired accounts	-2	-16	
74.40	Unpaid obligations, end of year: Obligated balance:			
Uninvested:				
		55	28	26
Outlays (gross), detail:				
86.90	Outlays from new current authority	207	295	350
86.93	Outlays from current balances	171	171	101
87.00	Total outlays (gross)	378	466	451
Net budget authority and outlays:				
89.00	Budget authority	305	319	396
90.00	Outlays	378	466	451

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 86-0200-0-1-371	1997 actual	1998 est.	1999 est.	
Direct loan levels supportable by subsidy budget authority:				
1150	Single-family PMMs	20	20	
1150	Multifamily bridge loans	100	30	
1159	Total direct loan levels	120	50	
Guaranteed loan levels supportable by subsidy budget authority:				
2150	Multifamily development	1,609	1,585	1,344
2150	Refinance of FHA-insured mortgages	1,485	1,973	2,100
2150	Risk sharing programs	222	913	708
2150	Section 221(d)(3)	25	19	27
2150	Section 223(d)	9	8	10
2150	Mixed Income	9	4	5
2150	Hospitals	137	450	600
2150	Nursing homes	564	649	600
2150	Very small projects		113	204
2150	Tax credit new construction			75
2150	Section 241 supplemental loans	92	24	100
2150	Neighborhood improvements		10	10

2150	Mobile home parks			10
2150	Single family	7,690	8,500	9,120
2150	Title I guarantees	1,476	2,400	2,187
2150	Standby authority		752	1,000
2159	Total loan guarantee levels	13,318	17,400	18,100
Guaranteed loan subsidy (in percent):				
2320	Multifamily development	8.78	8.51	6.95
2320	Refinance of multifamily mortgages	-0.79	-0.75	-0.78
2320	Multifamily risk sharing programs	-0.34	-0.52	-0.57
2320	Section 221(d)(3)	30.47	29.21	17.27
2320	Section 223(d)	30.47	29.21	24.18
2320	Mixed income	12.26	12.13	12.13
2320	Nursing Homes	0.00	-0.70	-0.70
2320	Hospitals	0.00	1.49	1.53
2320	Section 241 supplemental	0.00	0.00	17.06
2320	Mobile home parks	0.00	0.00	6.95
2320	Very small projects	0.00	-0.48	-0.63
2320	Tax credit new construction	0.00	0.00	-0.88
2320	Neighborhood improvements	0.00	17.04	17.06
2320	Single family programs	-1.55	-1.32	-1.32
2320	Title I	-1.59	-1.50	-1.35
2329	Weighted average subsidy rate	-0.02	-0.13	-0.27
Guaranteed loan subsidy budget authority:				
2330	Subsidy budget authority	98	97	81
2339	Total subsidy budget authority	98	97	81
Guaranteed loan subsidy outlays:				
2340	Subsidy outlays	171	166	136
2349	Total subsidy outlays	171	166	136
Administrative expense data:				
3510	Budget authority, S&E Transfer	207	222	211
3510	Budget authority, FHA			104
3580	Outlays from balances			26
3590	Outlays from new authority	207	222	289

Multifamily Products.—This account includes budget authority for multifamily insurance programs requiring positive credit subsidies, as well as for salaries and expenses for all General and Special Risk Insurance Fund programs.

The credit subsidy appropriation of \$81 million requested for 1999 will be used in conjunction with \$49 million of carry-over budget authority to provide a total program level of \$130 million.

As required by the Federal Credit Reform Act of 1990, this account records, for the single family, multifamily, hospital, and Title I insurance programs of FHA's General Insurance and Special Risk Insurance Funds, the subsidy costs associated with the loan guarantees committed or direct loans obligated in 1992 and thereafter (including modifications of loan guarantees or direct loans that resulted from obligations or commitments in any year), as well as administrative expenses of these programs. The subsidy amounts are estimated on a present value basis; the administrative expenses are accounted for on a cash basis.

FHA has corrected the allocation of administrative expenses among its budgetary accounts. Beginning in 1998, all administrative expenses are recorded in the program account. In 1999, \$104 million in appropriations has been requested to provide consistency with this approach.

Object Classification (in millions of dollars)

Identification code 86-0200-0-1-371	1997 actual	1998 est.	1999 est.	
25.1	Advisory and assistance services	104	104	
25.3	Purchases of goods and services from Government accounts	207	222	211
41.0	Grants, subsidies, and contributions	182	129	134
99.9	Total obligations	389	455	449

FHA—GENERAL AND SPECIAL RISK GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4077-0-3-371	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
Capital investment, claims and other:			
00.01	702	986	1,221
00.02			8
00.03		4	8
00.04	142	140	143
00.05	42	82	118
00.06	25		
00.08	384		100
00.09	536		285
00.10			
00.11	2		
00.12		562	50
00.13	80		
00.13	7		
10.00	1,920	1,774	1,933
Budgetary resources available for obligation:			
21.40			
22.00	2,135	2,137	2,323
22.60	-77	-135	-135
23.90	2,333	2,416	2,830
23.95	-1,920	-1,774	-1,933
24.40			
24.40	414	642	897
New financing authority (gross), detail:			
67.15	227	1,260	750
Spending authority from offsetting collections:			
68.00	1,777	1,008	1,573
68.10	131	-131	
68.90	1,908	877	1,573
70.00	2,135	2,137	2,323
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40	42	-82	49
72.95		131	
72.99	42	49	49
73.10	1,920	1,774	1,933
73.20	-1,913	-1,774	-1,933
Unpaid obligations, end of year:			
74.40	-82	49	49
74.95	131		
74.99	49	49	49
87.00	1,913	1,774	1,933
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources:			
88.00	-157	-166	-136
88.00	-97	-117	-217
88.25		-23	-23
Non-Federal sources:			
88.40	-277	-486	-574
88.40	-60	-55	-49
88.40	-246	-153	-168
88.40	-6	-8	-13
88.40	-934		-393
88.90	-1,777	-1,008	-1,573
88.95	-131	131	
Net financing authority and financing disbursements:			
89.00	227	1,260	750
90.00	136	766	360

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4077-0-3-371	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on commitments:			
2111	17,400	17,400	18,100
2112	-4,082	-752	-1,000
2150	13,318	16,648	17,100
Cumulative balance of guaranteed loans outstanding:			
2210	40,319	45,663	55,662
2231	12,677	14,323	14,416
2251	-6,144	-3,594	-2,973
Adjustments:			
2261	-167	-333	-512
2262	-227	-285	-310
2263	-100	-112	-126
2264	-695		
2290	45,663	55,662	66,157
Memorandum:			
2299	45,663	55,662	66,157
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310	159	210	518
2331	167	333	512
2351	-67	-25	-39
2361	-49		
2390	210	518	991

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and thereafter (including modifications of loan guarantees that resulted from commitments in any year) for FHA's General and Special Risk Insurance Fund programs. The amounts in this account are a means of financing and are not included in the budget totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

Balance Sheet¹ (in millions of dollars)

Identification code 86-4077-0-3-371	1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:				
Federal assets:				
1101	589	333	152	152
1107			622	405
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501	159	210	518	991
1504	118	195	271	311
1505	-164	-235	-457	-732
1599	113	170	332	570
1901		1		97
1999	1,038	504	1,106	1,224
LIABILITIES:				
Federal liabilities: Debt				
2103	421	572	1,195	1,336
Non-Federal liabilities:				
2204	617	-72	-89	-112
2207		4		
2999	1,038	504	1,106	1,224
NET POSITION:				
3999				

Credit accounts—Continued

FHA—GENERAL AND SPECIAL RISK GUARANTEED LOAN FINANCING ACCOUNT—Continued

Balance Sheet¹ (in millions of dollars)—Continued

Identification code 86-4077-0-3-371	1996 actual	1997 actual	1998 est.	1999 est.
4999 Total liabilities and net position	1,038	504	1,106	1,224

¹ Preliminary results pending final audit. Subsidy reestimates for fiscal year 1997 disbursements will be performed for the Mid-Session review of the Budget.

FHA—GENERAL AND SPECIAL RISK DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4105-0-3-371	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Direct loans	1	20	50
00.02 Interest paid to Treasury		2	7
10.00 Total obligations	1	22	57
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested			1
22.00 New financing authority (gross)	1	23	60
23.90 Total budgetary resources available for obligation	1	23	61
23.95 New obligations	-1	-22	-57
24.40 Unobligated balance available, end of year:			
Uninvested		1	4
New financing authority (gross), detail:			
67.15 Authority to borrow (indefinite)		20	50
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1	3	10
70.00 Total new financing authority (gross)	1	23	60
Change in unpaid obligations:			
73.10 New obligations	1	22	57
73.20 Total financing disbursements (gross)	-1	-22	-57
87.00 Total financing disbursements (gross)	1	22	57

Offsets:			
Against gross financing authority and financing disbursements:			
88.40 Offsetting collections (cash) from: Interest received on loans	-1	-3	-10
Net financing authority and financing disbursements:			
89.00 Financing authority		20	50
90.00 Financing disbursements		19	47

Status of Direct Loans (in millions of dollars)

Identification code 86-4105-0-3-371	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	120	120	120
1112 Unobligated direct loan limitation	-119	-100	-70
1150 Total direct loan obligations	1	20	50
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year		1	21
1231 Disbursements: Direct loan disbursements	1	20	50
1251 Repayments: Repayments and prepayments			-5
1290 Outstanding, end of year	1	21	66

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and thereafter (including loan modifications) for FHA's General Insurance and Special Risk Insurance Fund programs.

The amounts in this account are a means of financing and are not included in the budget totals. As required by the Federal Reform Act of 1990, no administrative expenses can be recorded in the financing account.

This schedule includes two direct loan programs. One provides bridge loan financing to facilitate the disposition of multifamily housing owned by the Department to non-profit organizations who agree to preserve it as affordable rental or cooperative housing. The second is a single-family direct loan program for purchase money mortgages, as discussed in the preceding section for the Mutual Mortgage Insurance Fund.

Balance Sheet (in millions of dollars)

Identification code 86-4105-0-3-371	1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury			1	4
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross		1	21	66
1499 Net present value of assets related to direct loans		1	21	66
1999 Total assets		1	22	70
LIABILITIES:				
Federal liabilities:				
2103 Treasury borrowing		1	21	66
2104 Resources payable to Treasury			1	4
2999 Total liabilities		1	22	70
4999 Total liabilities and net position		1	22	70

FHA—LOAN GUARANTEE RECOVERY FUND—FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4106-0-3-371	1997 actual	1998 est.	1999 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested			3
22.00 New financing authority (gross)		3	2
23.90 Total budgetary resources available for obligation		3	5
24.40 Unobligated balance available, end of year:			
Uninvested		3	5
New financing authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)		3	2
Offsets:			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources		-3	-2
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements		-3	-2

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4106-0-3-371	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	10	10	
2113 Uncommitted limitation carried forward	-10		
2150 Total guaranteed loan commitments		10	
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year			3
2231 Disbursements of new guaranteed loans		3	3
2290 Outstanding, end of year		3	6

Memorandum:
2299 Guaranteed amount of guaranteed loans outstanding,
end of year 3 6

Section 4 of the Church Arson Prevention Act of 1996 (P.L. 104-155), entitled "Loan Guarantee Recovery Fund," authorizes the Secretary of Housing and Urban Development to guarantee loans made by financial institutions to assist certain nonprofit organizations that were damaged as a result of acts of arson or terrorism.

FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4072-0-3-371 1997 actual 1998 est. 1999 est.

Obligations by program activity:
Operating expenses:
00.02 Interest on debentures 5 5 5
00.03 Other operating costs 50 8 8
00.04 Property disposition related contracts 4 8
00.05 Legislative savings repayments 109 117 217
00.06 PAE & 3rd party restructuring fees 6 69
00.91 Total operating expenses 164 140 307
Capital investment: Claims and other:
01.01 Acquisition of defaulted Title I notes 37 33 30
01.02 Assignment of mortgages 333 428 544
01.03 Acquisition of real properties 215 199 152
01.04 Rehabilitation of real properties 54 34 44
01.05 Mark-to-Market Restructures 102 1,603
01.07 Capitalized property expenses 112 147 147
01.08 Loss on defaulted guaranteed loans 14
01.10 Tax advances on held mortgages 65 33 33
01.11 SF partial claims 4 3
01.91 Total capital investment 829 980 2,556
10.00 Total obligations 994 1,120 2,863

Budgetary resources available for obligation:
Unobligated balance available, start of year:
21.40 Uninvested 2,089 2,420
21.41 U.S. Securities: Par value 7 8
21.99 Total unobligated balance, start of year 2,096 2,428
22.00 New budget authority (gross) 1,386 713 2,929
22.10 Resources available from recoveries of prior year obligations 1
22.40 Capital transfer to general fund -1,955
22.60 Redemption of debt -61 -66 -66
23.90 Total budgetary resources available for obligation 3,422 1,120 2,863
23.95 New obligations -994 -1,120 -2,863
Unobligated balance available, end of year:
24.40 Uninvested 2,420
24.41 U.S. Securities: Par value 8
24.99 Total unobligated balance, end of year 2,428

New budget authority (gross), detail:
60.05 Appropriation (indefinite) 1,873
67.15 Authority to borrow (indefinite) 47 66 66
68.00 Spending authority from offsetting collections: Offsetting collections (cash) 1,339 647 990
70.00 Total new budget authority (gross) 1,386 713 2,929

Change in unpaid obligations:
72.40 Unpaid obligations, start of year: Obligated balance:
Uninvested 279 423 423
73.10 New obligations 994 1,120 2,863
73.20 Total outlays (gross) -853 -1,120 -2,863
73.32 Obligated balance transferred from other accounts 4
73.45 Adjustments in unexpired accounts -1
74.40 Unpaid obligations, end of year: Obligated balance:
Uninvested 423 423 423

Outlays (gross), detail:
86.97 Outlays from new permanent authority 47 713 2,863
86.98 Outlays from permanent balances 806 407

87.00 Total outlays (gross) 853 1,120 2,863

Offsets:
Against gross budget authority and outlays:
Offsetting collections (cash) from:
Non-Federal sources:
88.40 Fees and premiums -232 -201 -194
88.40 Rebates of insurance premiums 7 7 7
88.40 Multifamily foreclosure sales -3 -108 -147
88.40 Proceeds from sale of real property -186 -158 -184
88.40 Proceeds from sale of mortgage notes -560 -285
88.40 MTM second mortgage repayments -1 -7
88.40 Prior year adjustment 3
88.40 Recoveries on defaulted mortgages -131 -53 -52
88.40 Interest and operating income -206 -105 -110
88.40 Recoveries on defaulted Title I mortgages -15 -12 -10
88.40 Other interest, dividends and revenue -8 -9 -8
88.40 Modification subsidy & transfers from financing acct. -8 -7
88.90 Total, offsetting collections (cash) -1,339 -647 -990

Net budget authority and outlays:
89.00 Budget authority 47 66 1,939
90.00 Outlays -486 473 1,873

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:
Budget Authority 1997 actual 1998 est. 1999 est.
Outlays 47 66 1,939
Legislative proposal, not subject to PAYGO:
Budget Authority -486 473 1,873
Outlays 23
Total:
Budget Authority 47 66 1,962
Outlays -486 473 1,871

Status of Direct Loans (in millions of dollars)

Identification code 86-4072-0-3-371 1997 actual 1998 est. 1999 est.

Cumulative balance of direct loans outstanding:
1210 Outstanding, start of year 97 78 65
1251 Repayments: Repayments and prepayments -13 -10 -8
1264 Write-offs for default: Other adjustments, net -6 -3 -2
1290 Outstanding, end of year 78 65 55

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4072-0-3-371 1997 actual 1998 est. 1999 est.

Cumulative balance of guaranteed loans outstanding:
2210 Outstanding, start of year 48,423 42,405 39,690
2251 Repayments and prepayments -3,422 -1,949 -1,756
Adjustments:
2261 Terminations for default that result in loans receivable -369 -465 -577
2262 Terminations for default that result in acquisition of property -215 -199 -152
2263 Terminations for default that result in claim payments -14 -102 -1,603
2264 Other adjustments, net -1,998
2290 Outstanding, end of year 42,405 39,690 35,602

Memorandum:
2299 Guaranteed amount of guaranteed loans outstanding,
end of year 42,405 39,690 35,602

Addendum:
Cumulative balance of defaulted guaranteed loans that result in loans receivable:
2310 Outstanding, start of year 2,941 2,210 2,388
2331 Disbursements for guaranteed loan claims 369 465 577
2351 Repayments of loans receivable -1,050 -121 -445
2361 Write-offs of loans receivable -93 -232 -545
2364 Other adjustments, net 43 66
2390 Outstanding, end of year 2,210 2,388 1,975

The General Insurance fund provides for a large number of specialized mortgage insurance programs, including the in-

Credit accounts—Continued

FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS LIQUIDATING ACCOUNT—Continued

insurance of loans for property improvements as well as for cooperatives, condominiums, housing for the elderly, rental housing and nonprofit hospitals.

The *Special Risk Insurance fund* provides insurance on behalf of mortgagors who otherwise would not be eligible for mortgage insurance. In addition, the fund provides insurance on mortgages covering experimental housing where strict adherence to State or local building regulations was not observed.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from loan guarantees committed and direct loans obligated prior to 1992. This account is shown on a cash basis. New insurance and direct loan activity in 1992 and thereafter in the GI/SRI programs is recorded in corresponding program (86-0200) and financing (86-4077 and 86-4105) accounts.

Section 571 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998 established the Office of Multifamily Housing Assistance Restructuring within HUD to administer the program of mortgage and rental assistance restructuring. Included in the budget estimates for this account are projections for the financial operations of the office. More detailed information will be provided to Congress at a later date.

Financial Condition.—The following tables reflect the revenues, expenses, and financial condition of the GI/SRI Liquidating Account based on Generally Accepted Accounting Principles.

Statement of Operations (in millions of dollars)

Identification code 86-4072-0-3-371	1996 actual ¹	1997 actual ²	1998 est.	1999 est.
0101 Revenue	370	520	299	299
0102 Expense	-167	-55	-368	-2,083
0109 Net income or loss (-)	203	465	-69	-1,784

¹As reflected in the 1998 Budget.
²Preliminary results pending final audit.

Balance Sheet (in millions of dollars)

Identification code 86-4072-0-3-371	1996 actual ¹	1997 actual ²	1998 est.	1999 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	2,092	2,842	423	423
Investments in US securities:				
1102 Treasury securities, par	7	7		
1106 Receivables, net	16	3	3	3
1107 Advances and prepayments				
Non-Federal assets:				
1206 Receivables, net	175	86	86	86
1207 Advances and prepayments				
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	97	78	65	55
1603 Allowance for estimated uncollectible loans and interest (-)	-21	-59	-49	-41
1699 Value of assets related to direct loans	76	19	16	14
1701 Defaulted guaranteed loans, gross	2,940	2,210	2,388	1,975
1703 Allowance for estimated uncollectible loans and interest (-)	-1,957	-1,801	-1,946	-1,609
1704 Defaulted guaranteed loans and interest receivable, net	983	409	442	366
1705 Allowance for uncollectibles from foreclosed property	-479	-182	-160	-150
1706 Foreclosed property	632	295	260	244
1799 Value of assets related to loan guarantees	1,136	522	542	460

1901 Other Federal assets: Other assets	330	330	330	
1999 Total assets	3,502	3,809	1,400	1,316
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	373	363	363	363
2102 Interest payable				
2104 Resources payable to Treasury				
Non-Federal liabilities:				
2201 Accounts payable	131	443	443	443
2202 Interest payable				
2203 Debt	82			
2206 Pension and other actuarial liabilities	8,890	6,685	6,300	6,000
Other:				
2207 Unearned revenue and advances	111	124	124	124
2207 Other	209			
2999 Total liabilities	9,796	7,615	7,230	6,930
NET POSITION:				
3100 Appropriated capital	5,350	5,290	5,290	7,290
3300 Cumulative results of operations	-19,115	-16,567	-16,636	-18,420
Other:				
3600 Debt forgiveness	7,471	7,471	7,471	7,471
3600 Balances transferred			-1,955	-1,955
3999 Total net position	-6,294	-3,806	-5,830	-5,614
4999 Total liabilities and net position	3,502	3,809	1,400	1,316

¹As reflected in 1998 Budget.
²Preliminary pending final audit.

Object Classification (in millions of dollars)

Identification code 86-4072-0-3-371	1997 actual	1998 est.	1999 est.
25.1 Advisory and assistance services		4	8
25.2 Other services	50	14	77
32.0 Land and structures	269	233	196
33.0 Investments and loans	370	567	2,180
42.0 Insurance claims and indemnities	191	180	180
43.0 Interest and dividends	5	5	5
44.0 Repayments to financing account	109	117	217
99.9 Total obligations	994	1,120	2,863

FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS LIQUIDATING (Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-4072-2-3-371	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Increase in 3rd party fees			5
Capital investment: Claims and other:			
01.01 Change to baseline project restructuring costs			-25
01.03 Legislative savings repayment to financing account			18
01.91 Total capital investment			-7
10.00 Total obligations			-2
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			23
22.40 Capital transfer to general fund			-25
23.90 Total budgetary resources available for obligation			-2
23.95 New obligations			2
New budget authority (gross), detail:			
60.05 Appropriation (indefinite)			23
Change in unpaid obligations:			
73.10 New obligations			-2
73.20 Total outlays (gross)			2
Outlays (gross), detail:			
86.97 Outlays from new permanent authority			23
86.98 Outlays from permanent balances			-25
87.00 Total outlays (gross)			-2
Net budget authority and outlays:			
89.00 Budget authority			23
90.00 Outlays			-2

This adjustment reflects the effect of repealing sections 513(b)(7)(g) and 517(d) of the Multifamily Assisted Housing Reform and Affordability Act of 1997. Section 513(b)(7)(g) of the Act prohibits any private entity from sharing, participating in, or otherwise benefiting from any equity created, received, or restructured as a result of a portfolio restructuring agreement. Section 517(d) of the Act prohibits the Secretary of HUD from participating in any equity sharing or profit sharing arrangement.

The Department will be reporting in February, 1998, on possible ways that equity sharing might be developed in connection with portfolio restructuring. Currently, HUD is using joint venture arrangements with non-profit partners under the multifamily demonstration as a mechanism to achieve savings.

Object Classification (in millions of dollars)

Identification code 86-4072-2-3-371	1997 actual	1998 est.	1999 est.
25.1 Advisory and assistance services			5
33.0 Investments and loans			-25
44.0 Repayments to financing account			18
99.9 Total obligations			-2

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4115-0-3-371	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
Capital investment:			
00.01 Housing for the elderly or handicapped loans	2	13	
00.02 Maintenance security and collateral	2	4	4
00.91 Subtotal, capital investment	4	17	4
01.01 Operating expenses: Interest on borrowings	436	361	309
10.00 Total obligations	440	378	313
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	462	920	
22.00 New budget authority (gross)	786	751	751
22.10 Resources available from recoveries of prior year obligations	112		
22.60 Redemption of debt		-1,293	-438
23.90 Total budgetary resources available for obligation	1,360	378	313
23.95 New obligations	-440	-378	-313
24.40 Unobligated balance available, end of year:			
Uninvested	920		
New budget authority (gross), detail:			
60.05 Appropriation (indefinite)	735	881	
60.47 Portion applied to debt reduction	-735	-881	
63.00 Appropriation (total)			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	786	751	751
70.00 Total new budget authority (gross)	786	751	751
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	425	107	123
73.10 New obligations	440	378	313
73.20 Total outlays (gross)	-646	-362	-325
73.45 Adjustments in unexpired accounts	-112		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	107	123	110
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	646	362	202
86.98 Outlays from permanent balances			123
87.00 Total outlays (gross)	646	362	325

Offsets:				
Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources	-786	-751	-751
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	-141	-389	-426

Status of Direct Loans (in millions of dollars)

Identification code 86-4115-0-3-371	1997 actual	1998 est.	1999 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	8,306	8,228	8,342
1231	Disbursements: Direct loan disbursements	6	184	
1251	Repayments: Repayments and prepayments	-84	-70	-71
Write-offs for default:				
1263	Direct loans			
1264	Other adjustments, net			
1290	Outstanding, end of year	8,228	8,342	8,271

Note.—Amounts for direct loan obligations reflect reservations of section 202 funds. Loan obligations shown under the program and financing schedule reflect loans that have reached the initial closing stage of processing.

The Housing for the Elderly or Handicapped Fund was established pursuant to section 202 of the Housing Act of 1959, as amended. The fund provided direct loans to nonprofit organizations building and managing housing projects for lower income persons who are elderly or disabled.

Projects included an assured range of necessary services for the occupants of such projects. In addition, the section 8 lower income housing assistance payments program has been used in conjunction with the section 202 program. Applications under the two programs have been processed simultaneously.

The data included in these schedules represent direct loan activities funded under the Housing for the Elderly or Handicapped Loan Fund. Further, activities in support of the needs of the elderly and disabled have been carried out under a grant program funded in the 1991 Appropriations Act (P.L. 101-507) and authorized in the National Affordable Housing Act (P.L. 101-625).

After April 1, 1992, all projects for which there were administrative reservations converted to the capital advance assistance program.

For 1999, funding is being requested for assistance on behalf of the elderly and disabled under the HOME Investment Partnerships Program.

The program and financing schedule for this account summarizes the Federal government's obligations for this loan program.

Financing.—Repayments and interest income from loans continue to be available to pay for commitments of the fund.

Statement of Operations (in millions of dollars)

Identification code 86-4115-0-3-371	1996 actual	1997 actual	1998 est.	1999 est.	
0101	Revenue	700	699	681	680
0102	Expense	-573	-440	-364	-313
0109	Net income or loss (-)	127	259	317	367

Balance Sheet (in millions of dollars)

Identification code 86-4115-0-3-371	1996 actual	1997 actual	1998 est.	1999 est.	
ASSETS:					
1101	Federal assets: Fund balances with Treasury	887	1,027	1,417	1,177
1206	Non-Federal assets: Receivables, net	83	81	81	81
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1601	Direct loans, gross	8,306	8,228	8,343	8,272
1602	Interest receivable				

Credit accounts—Continued

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND LIQUIDATING ACCOUNT—Continued

Balance Sheet (in millions of dollars)—Continued

Identification code 86-4115-0-3-371	1996 actual	1997 actual	1998 est.	1999 est.
1603 Allowance for estimated uncollectible loans and interest (-)	-20	-21	-21	-21
1604 Direct loans and interest receivable, net	8,286	8,207	8,322	8,251
1606 Acquired Real Property		1	1	1
1699 Value of assets related to direct loans	8,286	8,208	8,323	8,252
1901 Other Federal assets: Other assets	1			
1999 Total assets	9,257	9,316	9,821	9,510
LIABILITIES:				
Federal liabilities:				
2102 Interest payable	291	90	184	157
2104 Resources payable to Treasury	8	9	9	9
2207 Non-Federal liabilities: Other	6,909	6,174	5,293	4,628
2999 Total liabilities	7,208	6,273	5,486	4,794
NET POSITION:				
3100 Appropriated capital	2,021	2,784	2,784	2,784
3300 Cumulative results of operations	28	259	1,551	1,932
3999 Total net position	2,049	3,043	4,335	4,716
4999 Total liabilities and net position	9,257	9,316	9,821	9,510

Object Classification (in millions of dollars)

Identification code 86-4115-0-3-371	1997 actual	1998 est.	1999 est.
32.0 Land and structures	2	4	4
33.0 Investments and loans	2	13	
43.0 Interest and dividends	436	361	309
99.9 Total obligations	440	378	313

NONPROFIT SPONSOR ASSISTANCE LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4042-0-3-604	1997 actual	1998 est.	1999 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	6	6	
22.40 Capital transfer to general fund		-6	
23.90 Total budgetary resources available for obligation	6		
24.40 Unobligated balance available, end of year:			
Uninvested	6		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

Status of Direct Loans (in millions of dollars)

Identification code 86-4042-0-3-604	1997 actual	1998 est.	1999 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1	1	1
1290 Outstanding, end of year	1	1	1

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated prior to 1992. This account is shown on a cash basis.

The Nonprofit Sponsor Assistance fund provided interest-free loans to nonprofit organizations to plan housing projects to be financed under the section 202 housing for the elderly or disabled program.

Balance Sheet (in millions of dollars)

Identification code 86-4042-0-3-604	1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	6	6		
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	1	1	1	1
1603 Allowance for estimated uncollectible loans and interest (-)	-1	-1	-1	-1
1699 Value of assets related to direct loans				
1999 Total assets	6	6		
NET POSITION:				
3300 Cumulative results of operations	6	6		
3999 Total net position	6	6		
4999 Total liabilities and net position	6	6		

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

Federal Funds

The Housing and Urban Development Act of 1968 authorized the Government National Mortgage Association (Ginnie Mae) to guarantee the timely payment of principal and interest on privately issued securities that are backed by pools of FHA, Veterans Affairs (VA) and Rural Housing Service mortgages. The Ginnie Mae guarantee gives lenders access to the capital markets for funds to originate new loans. New FHA and VA loans are currently pooled into Ginnie Mae securities.

Financing.—Ginnie Mae issuers are assessed commitment, guarantee and other fees to cover costs incurred by Ginnie Mae and to fund a reserve against possible future payments under the guarantee.

Operating results.—Fee collections, interest, and other income are expected to exceed expenses by \$329 million and \$402 million in 1998 and 1999 respectively.

Credit accounts:

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

During fiscal year [1998] 1999, new commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act, as amended (12 U.S.C. 1721(g)), shall not exceed [\$130,000,000] \$150,000,000,000.

For administrative expenses necessary to carry out the guaranteed mortgage-backed securities program, \$9,383,000, to be derived from the GNMA-guarantees of mortgage-backed securities guaranteed loan receipt account, of which not to exceed \$9,383,000 shall be transferred to the appropriation for departmental salaries and expenses. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Unavailable Collections (in millions of dollars)

Identification code 86-0186-0-1-371	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year			382
Receipts:			
02.01 Guarantees of mortgage backed securities guarantee loans, negative subsidies	9	391	5,715
04.00 Total: Balances and collections	9	391	6,097
Appropriation:			
05.01 Guarantees of mortgage-backed securities loan guarantee program account	-9	-9	-9

07.99	Total balance, end of year	382	6,088
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Program and Financing (in millions of dollars)

Identification code 86-0186-0-1-371	1997 actual	1998 est.	1999 est.	
Obligations by program activity:				
00.01	Administrative expenses	9	9	9
10.00	Total obligations (object class 25.2)	9	9	9
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	9	9	9
23.95	New obligations	-9	-9	-9
New budget authority (gross), detail:				
40.25	Appropriation (special fund, indefinite)	9	9	9
Change in unpaid obligations:				
73.10	New obligations	9	9	9
73.20	Total outlays (gross)	-9	-9	-9
Outlays (gross), detail:				
86.90	Outlays from new current authority	9	9	9
Net budget authority and outlays:				
89.00	Budget authority	9	9	9
90.00	Outlays	9	9	9

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 86-0186-0-1-371	1997 actual	1998 est.	1999 est.	
Guaranteed loan levels supportable by subsidy budget authority:				
2150	Loan guarantee levels	110,000	130,000	150,000
2159	Total loan guarantee levels	110,000	130,000	150,000
Guaranteed loan subsidy (in percent):				
2320	Subsidy rate	0.00	-0.32	-0.42
2329	Weighted average subsidy rate	0.00	-0.32	-0.42
Guaranteed loan subsidy budget authority:				
2330	Subsidy budget authority	-9	-9	-9
2339	Total subsidy budget authority	-9	-9	-9
Guaranteed loan subsidy outlays:				
2340	Subsidy outlays	-9	-9	-9
2349	Total subsidy outlays	-9	-9	-9

The schedule above reflects new methodology under credit reform for Ginnie Mae. During transition to the new methodology, negative subsidy will not match disbursement from the Ginnie Mae financing account to the Ginnie Mae receipt account.

As required by the Federal Credit Reform Act of 1990, this account records the administrative expenses of this program. The administrative expenses are estimated on a cash basis.

GUARANTEES OF MORTGAGE-BACKED SECURITIES FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4240-0-3-371	1997 actual	1998 est.	1999 est.	
Obligations by program activity:				
00.01	Payment to receipt account for administration	9	9	9
00.02	Payment to receipt account for negative subsidy	45	286	
00.03	Payment to receipt account for multi-class savings proposals	27		
00.04	Operating expenses	38	43	
00.05	Capital investment	82	80	
10.00	Total obligations	9	201	418

Budgetary resources available for obligation:

21.40	Unobligated balance available, start of year: Uninvested	127	155	407
22.00	New financing authority (gross)	37	453	505
23.90	Total budgetary resources available for obligation	164	608	912
23.95	New obligations	-9	-201	-418
24.40	Unobligated balance available, end of year: Uninvested	155	407	494

New financing authority (gross), detail:

68.00	Spending authority from offsetting collections (gross): Offsetting collections (cash)	37	453	505
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Change in unpaid obligations:

72.40	Unpaid obligations, start of year: Obligated balance: Uninvested			-9
73.10	New obligations	9	201	418
73.20	Total financing disbursements (gross)	-9	-211	-413
74.40	Unpaid obligations, end of year: Obligated balance: Uninvested		-9	-4
87.00	Total financing disbursements (gross)	9	211	413

Offsets:

Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.25	Interest on uninvested funds	-10	-12	-24
Non-Federal sources:				
88.40	Non-Federal sources: Commitment and other fees		-286	-351
88.40	Non-Federal sources		-81	-55
88.40	Non-Federal sources	-27	-63	-64
88.40	Non-Federal sources		-11	-11
88.90	Total, offsetting collections (cash)	-37	-453	-505
88.95	Change in receivables from program accounts			

Net financing authority and financing disbursements:

89.00	Financing authority			
90.00	Financing disbursements	-28	-242	-92

Status of Direct Loans (in millions of dollars)

Identification code 86-4240-0-3-371	1997 actual	1998 est.	1999 est.
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year		255
Disbursements:			
1232	Purchase of loans assets from the public	74	71
1233	Purchase of loans assets from a liquidating account	265	
1252	Repayments: Proceeds from loan asset sales to the public or discounted	-84	-58
1290	Outstanding, end of year	255	268

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4240-0-3-371	1997 actual	1998 est.	1999 est.	
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders	110,000	130,000	150,000
2112	Uncommitted loan guarantee limitation			
2150	Total guaranteed loan commitments	110,000	130,000	150,000
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year		468,737	
2231	Disbursements of new guaranteed loans	107,472	108,658	
2251	Repayments and prepayments	-200	-289	
2264	Adjustments: Other adjustments, net	361,465		
2290	Outstanding, end of year	468,737	577,106	
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	468,737	577,106	

Credit accounts—Continued

**GUARANTEES OF MORTGAGE-BACKED SECURITIES FINANCING
ACCOUNT—Continued**

Balance Sheet (in millions of dollars)

Identification code 86-4240-0-3-371	1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	127	155	397	495
1206 Non-Federal assets: Receivables, net			23	30
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross			274	380
1603 Allowance for estimated uncollectible loans and interest (-)			-159	-217
1699 Value of assets related to direct loans			115	163
1801 Other Federal assets: Cash and other monetary assets			8	10
1999 Total assets	127	155	543	698
LIABILITIES:				
Non-Federal liabilities:				
2201 Accounts payable			19	40
2207 Other			402	453
2999 Total liabilities			421	493
NET POSITION:				
3300 Cumulative results of operations	127	155	120	206
3999 Total net position	127	155	120	206
4999 Total liabilities and net position	127	155	541	699

Note.—Ginnie Mae guarantees the timely payment of principal and interest installments on securities which are backed by FHA-insured, Rural Housing Service-insured, and VA-guaranteed mortgages. Such guarantees are excluded from the Government total of guaranteed obligations duplicating FHA, Rural Housing Service, and VA guarantees.

**GUARANTEES OF MORTGAGE-BACKED SECURITIES LIQUIDATING
ACCOUNT**

Program and Financing (in millions of dollars)

Identification code 86-4238-0-3-371	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Functional services	13	3	1
Operating expenses:			
00.02 Default expenses	10	2	1
00.03 Servicing expenses	6	1	1
00.04 Other expenses	16	3	2
00.05 REMIC expenses	4		
00.91 Total operating expenses	49	9	5
Capital investment:			
01.01 Advances of guaranty payments	94	18	8
01.02 Real estate owned properties	15	3	1
01.91 Total capital investment	109	21	9
Other:			
02.01 Transfer to Receipt Account		310	5,420
10.00 Total obligations	158	340	5,434
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
21.40 Uninvested	82	85	61
U.S. Securities:			
21.41 Par value	4,772	5,382	5,368
21.42 Unrealized discounts	-10	-15	
21.99 Total unobligated balance, start of year	4,844	5,452	5,429
22.00 New budget authority (gross)	766	317	5
23.90 Total budgetary resources available for obligation	5,610	5,769	5,434
23.95 New obligations	-158	-340	-5,434
Unobligated balance available, end of year:			
24.40 Uninvested	85	61	
U.S. Securities:			
24.41 Par value	5,382	5,368	
24.42 Unrealized discounts	-15		
24.99 Total unobligated balance, end of year	5,452	5,429	

New budget authority (gross), detail:

Spending authority from offsetting collections:				
Offsetting collections (cash):				
68.00	Offsetting collections (cash)	754	317	5
68.00	Spending authority from offsetting collections (REMICs)	12		
68.90	Spending authority from offsetting collections (total)	766	317	5
70.00	Total new budget authority (gross)	766	317	5

Change in unpaid obligations:

72.40	Unpaid obligations, start of year: Obligated balance: Uninvested ¹	-78	-85	-62
73.10	New obligations	158	340	5,434
73.20	Total outlays (gross)	-164	-627	-5,372
74.40	Unpaid obligations, end of year: Obligated balance: Uninvested	-85	-62	

Outlays (gross), detail:

86.98	Outlays from permanent balances	164	627	5,372
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Offsets:

Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.20	Interest on U.S. securities	-306	-259	
88.25	Interest on uninvested funds		-3	
Non-Federal sources:				
88.40	Guarantee fees	-326	-55	-5
88.40	Repayments of guaranteed payments	-84		
88.40	Commitment and other fees	-22		
88.40	Servicing income	-11		
88.40	Receipts from sale of REO properties and mobile home units	-16		
88.40	Repayments on mortgages	-1		
88.40	Sale of servicing rights			
88.90	Total, offsetting collections (cash)	-766	-317	-5

Net budget authority and outlays:

89.00	Budget authority			
90.00	Outlays	-602	310	5,367

¹ This line nets unpaid obligations and offsetting collections from new Federal sources.

Status of Direct Loans (in millions of dollars)

Identification code 86-4238-0-3-371	1997 actual	1998 est.	1999 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	321	332	85
1232	Disbursements: Purchase of loans assets from the public	98	19	8
1252	Repayments: Proceeds from loan asset sales to the public or discounted	-87	-1	
1264	Write-offs for default: Other adjustments, net		-265	
1290	Outstanding, end of year	332	85	93

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4238-0-3-371	1997 actual	1998 est.	1999 est.	
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	497,433	530,042	90,317
2231	Disbursements of new guaranteed loans	97,569		
2251	Repayments and prepayments	-64,960	-78,260	-82,607
2264	Adjustments: Other adjustments, net		-361,465	
2290	Outstanding, end of year	530,042	90,317	7,710
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	530,041	90,316	7,709

Budget Program.—Program activity is summarized below:

Mortgage-backed Securities*

[In millions of dollars]

	1997 actual	1998 est.	1999 est.
Commitment limitation	110,000	130,000	150,000
Commitments issued	98,869	130,000	150,000
Guarantees issued	97,569	107,472	108,000
Securities outstanding	530,041	649,369	592,525

* Includes both financing and liquidating account activity.

Operating results.—Fee collections, interest, and other income are expected to exceed expenses by \$573 million in 1997, \$309 million in 1998, and \$1 million in 1999. These amounts will be retained to cover future year expenses and as a reserve against losses that may be incurred on guarantees.

Statement of Operations (in millions of dollars)

Identification code 86-4238-0-3-371	1996 actual	1997 actual	1998 est.	1999 est.
Revenue:				
0101 Revenue	576	641	317	5
0101 Revenue (REMICs)	11	12		
Expense:				
0102 Expense	-96	-76	-8	-4
0102 Expense (REMICs)	-4	-4		
Net income or loss (-):				
0109 Net income or loss (-)	480	565	309	1
0109 Net income or loss (-) (REMICs)	7	8		
0199 Net income or loss	487	573	309	1

Balance Sheet (in millions of dollars)

Identification code 86-4238-0-3-371	1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	4	1	1	
Investments in US securities:				
1102 Treasury securities, par	4,785	5,382	5,368	
1104 Agency securities, par				
1106 Receivables, net	60	73	61	
1206 Non-Federal assets: Receivables, net	28	33	8	4
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	321	332	85	93
1603 Allowance for estimated uncollectible loans and interest (-)	-288	-303	-52	-86
1699 Value of assets related to direct loans	33	29	33	7
1801 Other Federal assets: Cash and other monetary assets	5	10	2	
1999 Total assets	4,915	5,528	5,473	11
LIABILITIES:				
Non-Federal liabilities:				
2201 Accounts payable	36	39	7	4
2207 Other	473	509	101	50
2999 Total liabilities	509	548	108	54
NET POSITION:				
3300 Cumulative results of operations	4,406	4,979	5,365	-43
3999 Total net position	4,406	4,979	5,365	-43
4999 Total liabilities and net position	4,915	5,527	5,473	11

Note.—Ginnie Mae guarantees the timely payment of principal and interest installments on securities which are backed by FHA-insured, Rural Housing Service, and VA-guaranteed mortgages. Such guarantees are excluded from the Government total of guaranteed obligations duplicating FHA, Rural Housing Service, and VA guarantees.

Object Classification (in millions of dollars)

Identification code 86-4238-0-3-371	1997 actual	1998 est.	1999 est.
25.2 Other services	45	9	5
33.0 Investments and loans	113	21	9
92.0 Undistributed		310	5,420
99.9 Total obligations	158	340	5,434

POLICY DEVELOPMENT AND RESEARCH

Federal Funds

General and special funds:

RESEARCH AND TECHNOLOGY

For contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970, as amended (12 U.S.C. 1701z-1 et seq.), including carrying out the functions of the Secretary under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, **[\$36,500,000]** **\$50,000,000**, to remain available until September 30, **[1999]** **2000**, of which **\$10,000,000** shall be for activities to support the Partnership for Advanced Technologies in Housing.

[Of the amount made available under this heading, \$500,000 shall be made available for a contract with the National Academy of Public Administration to evaluate the Secretary's efforts to implement needed management systems and processes.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 86-0108-0-1-451	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Housing Research	35	40	40
00.02 Research Fund for America			10
10.00 Total obligations	35	40	50
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	2	3	
22.00 New budget authority (gross)	36	37	50
23.90 Total budgetary resources available for obligation	38	40	50
23.95 New obligations	-35	-40	-50
24.40 Unobligated balance available, end of year:			
Uninvested	3		
New budget authority (gross), detail:			
Current:			
Appropriation:			
40.00 Appropriation	34	37	40
40.00 Appropriation			10
43.00 Appropriation (total)	34	37	50
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	2		
70.00 Total new budget authority (gross)	36	37	50
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	25	26	26
73.10 New obligations	35	40	50
73.20 Total outlays (gross)	-33	-40	-41
73.40 Adjustments in expired accounts	-1		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	26	26	35
Outlays (gross), detail:			
86.90 Outlays from new current authority	14	15	20
86.93 Outlays from current balances	19	25	21
87.00 Total outlays (gross)	33	40	41
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-2		
Net budget authority and outlays:			
89.00 Budget authority	34	37	50
90.00 Outlays	31	40	41

The Housing and Urban Development Act of 1970 directs the Secretary to undertake programs of research, studies, testing, and demonstrations related to the HUD mission. These functions are carried out internally and through con-

General and special funds—Continued

RESEARCH AND TECHNOLOGY—Continued

tracts with industry, nonprofit research organizations, and educational institutions, and through agreements with State and local governments and other Federal agencies.

In 1999, the research program will focus on activities to support research examining the implications of significant changes in public and assisted housing policy, the impacts of welfare reform on HUD-assisted households and HUD-subsidized developments, the success of instituting a continuum of care approach to help the homeless and other areas. National Housing Surveys will continue in 1999.

The 1999 request includes \$10 million to support an initiative known as the Partnership for Advancing Technologies in Housing (PATH). PATH is a key component of the President's Climate Change Technology Initiative (CCTI). Energy use in buildings accounts for more than one-third of air emissions, producing more than 350 million metric tons of carbon emissions. PATH will help to significantly reduce: housing utility costs; carbon emissions; construction injuries; losses due to fire and disasters. The funds will be used for PATH-related housing technology research, field demonstrations of promising new technologies, information dissemination, and the development of product evaluation systems.

Funding for PATH is proposed as part of the Research Fund for America. This proposal highlights the Administration's priority to providing needed and sustained investments in important Federal research programs on a deficit neutral basis. A discussion of the Research Fund for America, and two other funds for the environment and transportation, can be found in Section II of the *Budget* volume.

Object Classification (in millions of dollars)

Identification code 86-0108-0-1-451	1997 actual	1998 est.	1999 est.
25.2 Other services	31	35	45
41.0 Grants, subsidies, and contributions	4	5	5
99.9 Total obligations	35	40	50

FAIR HOUSING AND EQUAL OPPORTUNITY

Federal Funds

General and special funds:

FAIR HOUSING ACTIVITIES

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and section 561 of the Housing and Community Development Act of 1987, as amended, **[\$30,000,000]** \$52,000,000, to remain available until September 30, **[1999]** 2000, of which **[\$15,000,000]** \$29,000,000 shall be to carry out activities pursuant to such section 561. No funds made available under this heading shall be used to lobby the executive or legislative branches of the Federal Government in connection with a specific contract, grant or loan. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 86-0144-0-1-751	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Fair housing assistance	11	23	23
00.02 Fair housing initiatives	24	15	29
10.00 Total obligations (object class 41.0)	35	38	52
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	13	8	
22.00 New budget authority (gross)	30	30	52

22.30 Unobligated balance expiring	-1		
23.90 Total budgetary resources available for obligation	42	38	52
23.95 New obligations	-35	-38	-52
24.40 Unobligated balance available, end of year:			
Uninvested	8		
New budget authority (gross), detail:			
40.00 Appropriation	30	30	52
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	32	39	55
73.10 New obligations	35	38	52
73.20 Total outlays (gross)	-28	-22	-29
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	39	55	78
Outlays (gross), detail:			
86.93 Outlays from current balances	28	22	29
Net budget authority and outlays:			
89.00 Budget authority	30	30	52
90.00 Outlays	28	22	29

The Budget proposes an appropriation of \$52 million in 1999 for fair housing activities to fund programs, consistent with the President's "One America" policy, which will support new efforts to end housing discrimination, including a commitment to double the number of housing discrimination enforcement actions over the next 4 years. Of the amount requested, \$23 million is for the Fair Housing Assistance Program and \$29 million is for the Fair Housing Initiatives Program.

The Fair Housing Assistance Program (FHAP), authorized by title VIII of the Civil Rights Act of 1968 as amended, provides funding to State and local agencies to assure prompt and effective processing of Title VIII (Civil Rights Act of 1968) complaints.

The additional \$8 million in funding requested for FHAP will support the President's fair housing enforcement initiative by increasing funding to support additional State and local fair housing organizations to meet the needs of currently underserved populations. These funds will be used for joint investigations and enforcement activities with State and local fair housing agencies to address housing discrimination. It is estimated that the number of new State and local agencies with laws equivalent to the Fair Housing Act will increase to 85 in 1999 from 78 in 1997.

The Fair Housing Initiatives Program (FHIP), authorized by the Housing and Community Development Act of 1987, as amended by the Housing and Community Development Act of 1992, provides support to public and private organizations for the purpose of eliminating or preventing discrimination in housing and for enhancing fair housing opportunities.

Of the \$29 million requested, \$10 million will be used to fund an audit-based enforcement initiative which will address the continued existence of a high level of both blatant and subtle forms of housing discrimination confirmed through testing experience. Additional FHIP funding will support extended testing and other anti-discrimination activities by private fair housing groups.

OFFICE OF LEAD HAZARD CONTROL

Federal Funds

General and Special Funds:

LEAD HAZARD REDUCTION

For the Lead Hazard Reduction Program, as authorized by sections 1011 and 1053 of the Residential Lead-Based Hazard Reduction Act of 1992, \$85,000,000 to remain available until expended, of which \$25,000,000 shall be for a Healthy Homes Initiative, which shall be a program pursuant to sections 501 and 502 of the Housing and

Urban Development Act of 1970 that shall include research, studies, testing, and demonstration efforts, including education and outreach concerning lead-based paint poisoning and other housing-related environmental diseases and hazards.

MANAGEMENT AND ADMINISTRATION

Federal Funds

General and special funds:

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary administrative and nonadministrative expenses of the Department of Housing and Urban Development not otherwise provided for, including not to exceed \$7,000 for official reception and representation expenses, \$1,000,826,000, of which [\$544,443,000] \$518,000,000 shall be provided from the various funds of the Federal Housing Administration, \$9,383,000 shall be provided from funds of the Government National Mortgage Association, [and] \$1,000,000 shall be provided from the "Community Development Grants Program" account, \$200,000 shall be provided from the "Title VI Indian Federal Guarantees Program Account," and \$400,000 shall be provided from the "Indian Housing Loan Guarantee Fund Program Account". (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

Program and Financing (in millions of dollars)			
Identification code 86-0174-0-1-451	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Lead abatement			85
10.00 Total obligations (object class 41.0)			85
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			85
23.95 New obligations			-85
New budget authority (gross), detail:			
40.00 Appropriation			85
Change in unpaid obligations:			
73.10 New obligations			85
73.20 Total outlays (gross)			-1
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested			84
Outlays (gross), detail:			
86.90 Outlays from new current authority			1
Net budget authority and outlays:			
89.00 Budget authority			85
90.00 Outlays			1

Title X of the Housing and Community Development Act of 1992 (Public Law 102-550), known as the Residential Lead-Based Paint Hazard Reduction Act, authorized the Secretary to establish the Lead-Based Paint Hazard Control Grant Program. The primary purpose of the program is to reduce the exposure of young children to lead-based paint hazards in their homes.

To accomplish this, two major activities are being conducted within the Department's Office of Lead Hazard Control. The first is the Healthy Homes Initiative, which will include a program to conduct lead-based paint compliance checks. The Healthy Homes Initiative will also enable the Department to control additional childhood diseases and injuries that are caused by housing related factors. The initiative will allow for a demonstration that evaluates methods of controlling two or more housing related diseases through a single intervention. A public education/outreach effort, to enable the public to act effectively to protect their children, will also be conducted.

The second activity is the continuation of the Lead Hazard Control Grant Program, which provides grants of \$1 to \$4 million to State and local governments for control of lead-based paint hazards in privately owned, low-income owner-occupied and rental housing. The grants are also designed to stimulate the development of a trained and certified hazard evaluation and control industry by requiring all contractors to be certified and all workers to be trained through a State-accredited program. In awarding grants, HUD promotes the use of cost-effective approaches to hazard control that can be replicated across the nation.

Prior to 1997, funding for the lead hazard control grant program was provided under the Annual Contributions for Assisted Housing Account. In 1997 and 1998, the program was funded as a set-aside under the Community Development Block Grant (CDBG) account. In 1999 the program is being proposed as a separate, stand-alone program.

Program and Financing (in millions of dollars)			
Identification code 86-0143-0-1-999	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
Direct program:			
00.01 Housing, mortgage credit, regulatory and energy conservation	146	134	129
00.02 Community planning and development programs	60	61	60
00.03 Equal opportunity and research programs	62	61	60
00.04 Departmental management, legal and audit services	52	52	55
00.05 Field direction and administration	97	138	168
00.91 Total direct program	417	446	472
09.01 Reimbursable program	561	555	529
09.99 Total reimbursable program	561	555	529
10.00 Total obligations	978	1,001	1,001
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	981	1,001	1,001
22.30 Unobligated balance expiring	-3		
23.90 Total budgetary resources available for obligation	978	1,001	1,001
23.95 New obligations	-978	-1,001	-1,001
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	420	446	472
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	561	555	529
70.00 Total new budget authority (gross)	981	1,001	1,001
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested	136	126	126
73.10 New obligations	978	1,001	1,001
73.20 Total outlays (gross)	-981	-995	-995
73.40 Adjustments in expired accounts	-7	-6	-6
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested	126	126	126
Outlays (gross), detail:			
86.90 Outlays from new current authority	324	343	363
86.93 Outlays from current balances	96	97	103
86.97 Outlays from new permanent authority	561	555	529
87.00 Total outlays (gross)	981	995	995
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-561	-555	-529
Net budget authority and outlays:			
89.00 Budget authority	420	446	472
90.00 Outlays	419	440	466

General and special funds—Continued

SALARIES AND EXPENSES—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

This appropriation finances all salaries and related costs associated with administering the programs of the Department of Housing and Urban Development, including: housing and mortgage credit programs; community planning and development programs; equal opportunity, research, regulatory and insurance programs; departmental management, and legal services; and, field direction and administration.

Object Classification (in millions of dollars)

Identification code 86-0143-0-1-999	1997 actual	1998 est.	1999 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	221	228	228
11.3 Other than full-time permanent	7	7	7
11.5 Other personnel compensation	5	5	5
11.8 Special personal services payments	3	1	
11.9 Total personnel compensation	236	241	240
12.1 Civilian personnel benefits	48	48	47
13.0 Benefits for former personnel	9	3	
21.0 Travel and transportation of persons	6	11	13
22.0 Transportation of things		1	1
23.1 Rental payments to GSA	32	35	38
23.3 Communications, utilities, and miscellaneous charges	11	12	9
24.0 Printing and reproduction	3	3	3
25.1 Advisory and assistance services	13	12	35
25.2 Other services	1	1	3
25.3 Purchases of goods and services from Government accounts	46	65	69
25.4 Operation and maintenance of facilities	6	6	6
26.0 Supplies and materials	3	3	3
31.0 Equipment	3	5	5
99.0 Subtotal, direct obligations	417	446	472
99.0 Reimbursable obligations	561	555	529
99.9 Total obligations	978	1,001	1,001

Personnel Summary

Identification code 86-0143-0-1-999	1997 actual	1998 est.	1999 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment	4,332	4,207	4,231
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	5,787	5,235	4,724

**OFFICE OF INSPECTOR GENERAL
(INCLUDING TRANSFER OF FUNDS)**

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, \$66,850,000, of which [\$16,283,000] \$22,343,000 shall be provided from the various funds of the Federal Housing Administration and \$10,000,000 shall be transferred from the amount earmarked for Operation Safe Home in the "Drug Elimination Grants for Low-Income Housing" account. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

Program and Financing (in millions of dollars)

Identification code 86-0189-0-1-451	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Direct program	36	41	35
09.01 Reimbursable program	17	26	32
10.00 Total obligations	53	67	67
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	53	67	67
23.95 New obligations	-53	-67	-67

New budget authority (gross), detail:

Current:			
40.00 Appropriation	36	41	35
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	17	26	32
70.00 Total new budget authority (gross)	53	67	67

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance: Uninvested	18	11	11
73.10 New obligations	53	67	67
73.20 Total outlays (gross)	-58	-67	-67
73.40 Adjustments in expired accounts	-2		
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested	11	11	11

Outlays (gross), detail:

86.90 Outlays from new current authority	36	32	27
86.93 Outlays from current balances	5	9	9
86.97 Outlays from new permanent authority	17	26	32
87.00 Total outlays (gross)	58	67	67

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-17	-26	-32

Net budget authority and outlays:

89.00 Budget authority	36	41	35
90.00 Outlays	41	41	35

This appropriation provides agencywide audit and investigative functions to identify and correct management and administrative deficiencies that create conditions for existing or potential instances of fraud, waste and mismanagement. The audit function provides internal audit, contract audit, and inspection services. Contract audits provide professional advice to agency contracting officials on accounting and financial matters relative to negotiation, award, administration, repricing, and settlement of contracts. Internal audits review and evaluate all facets of agency operations. Inspection services provide detailed technical evaluations of agency operations. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations.

Object Classification (in millions of dollars)

Identification code 86-0189-0-1-451	1997 actual	1998 est.	1999 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	19	22	19
11.5 Other personnel compensation	1	2	2
11.9 Total personnel compensation	20	24	21
12.1 Civilian personnel benefits	5	6	5
21.0 Travel and transportation of persons	3	3	3
23.1 Rental payments to GSA	3	3	3
25.1 Advisory and assistance services	1	3	1
25.2 Other services	1	1	1
25.3 Purchases of goods and services from Government accounts	2	1	1
31.0 Equipment	1		
99.0 Subtotal, direct obligations	36	41	35
99.0 Reimbursable obligations	17	26	32
99.9 Total obligations	53	67	67

Personnel Summary

Identification code 86-0189-0-1-451	1997 actual	1998 est.	1999 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment	339	363	319
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	160	230	292

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For carrying out the Federal Housing Enterprise Financial Safety and Soundness Act of 1992, [S16,000,000] \$16,551,000, to remain available until expended, to be derived from the Federal Housing Enterprise Oversight Fund: *Provided*, That not to exceed such amount shall be available from the General Fund of the Treasury to the extent necessary to incur obligations and make expenditures pending the receipt of collections to the Fund: *Provided further*, That the General Fund amount shall be reduced as collections are received during the fiscal year so as to result in a final appropriation from the General Fund estimated at not more than \$0. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Unavailable Collections (in millions of dollars)

Identification code 86-5272-0-2-371	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year	1		
Receipts:			
02.01 Office of federal housing enterprise oversight	15	16	17
04.00 Total: Balances and collections	16	16	17
Appropriation:			
05.01 Office of federal housing enterprise oversight	-16	-16	-17
07.99 Total balance, end of year			

Program and Financing (in millions of dollars)

Identification code 86-5272-0-2-371	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Direct program	15	16	17
10.00 Total obligations	15	16	17
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	16	16	17
23.95 New obligations	-15	-16	-17
New budget authority (gross), detail:			
40.20 Appropriation (special fund, definite)	16	16	17
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	7	5	5
73.10 New obligations	15	16	17
73.20 Total outlays (gross)	-17	-16	-17
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	5	5	5
Outlays (gross), detail:			
86.90 Outlays from new current authority	12	12	13
86.93 Outlays from current balances	5	4	4
87.00 Total outlays (gross)	17	16	17
Net budget authority and outlays:			
89.00 Budget authority	16	16	17
90.00 Outlays	17	16	17

This appropriation funds the Office of Federal Housing Enterprise Oversight (the Office), which was established in 1992 to regulate the financial safety and soundness of the two housing Government Sponsored Enterprises (GSEs)—the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. The Office was authorized in the Federal Housing Enterprise Safety and Soundness Act of 1992, which also instituted a risk-based capital standard for the GSEs, and gave the regulator enhanced authority to enforce those standards. The office is also required by statute to conduct on-site annual examinations at the GSEs to determine the condition of each enterprise for the purpose of ensuring their financial safety and soundness.

Object Classification (in millions of dollars)

Identification code 86-5272-0-2-371	1997 actual	1998 est.	1999 est.
11.1 Personnel compensation: Personnel Compensation	7	8	8
12.1 Civilian personnel benefits	1	1	2
23.1 Rental payments to GSA	2	2	2
25.2 Other services	5	4	4
99.0 Subtotal, direct obligations	15	15	16
99.5 Below reporting threshold		1	1
99.9 Total obligations	15	16	17

Personnel Summary

Identification code 86-5272-0-2-371	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment	69	78	78

Intragovernmental funds:

WORKING CAPITAL FUND

Program and Financing (in millions of dollars)

Identification code 86-4586-0-4-451	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
09.01 Reimbursable program	220	259	262
10.00 Total obligations	220	259	262
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	30	6	6
22.00 New budget authority (gross)	195	259	262
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	226	265	268
23.95 New obligations	-220	-259	-262
24.40 Unobligated balance available, end of year:			
Uninvested	6	6	6
New budget authority (gross), detail:			
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	228	259	262
68.10 Change in orders on hand from Federal sources	-32		
68.15 Adjustment to orders on hand from Federal sources	-1		
68.90 Spending authority from offsetting collections (total)	195	259	262
70.00 Total new budget authority (gross)	195	259	262
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Obligated balance: Uninvested	-3	25	25
72.95 Orders on hand from Federal sources	55	23	23
72.99 Total unpaid obligations, start of year	52	48	48
73.10 New obligations	220	259	262
73.20 Total outlays (gross)	-224	-259	-262
73.45 Adjustments in unexpired accounts	-1		
Unpaid obligations, end of year:			
74.40 Obligated balance: Uninvested	25	25	25
74.95 Orders on hand from Federal sources	23	23	23
74.99 Total unpaid obligations, end of year	48	48	48
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	195	259	262
86.98 Outlays from permanent balances	29		
87.00 Total outlays (gross)	224	259	262
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-228	-259	-262
88.95 Change in orders on hand from Federal sources	32		
88.96 Adjustment to orders on hand from Federal sources	1		

Intragovernmental funds—Continued

WORKING CAPITAL FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-4586-0-4-451	1997 actual	1998 est.	1999 est.
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-4		

The Working Capital Fund, authorized by the Department of Housing and Urban Development Act of 1965, finances information technology and office automation initiatives which can be performed more efficiently on a centralized basis. The fund is financed from fees charged for services performed.

Object Classification (in millions of dollars)

Identification code 86-4586-0-4-451	1997 actual	1998 est.	1999 est.
11.1 Personnel compensation: Full-time permanent	17	19	19
12.1 Civilian personnel benefits	3	4	4
21.0 Travel and transportation of persons	1	1	1
23.3 Communications, utilities, and miscellaneous charges	50	50	51
25.1 Advisory and assistance services	122	169	170
26.0 Supplies and materials	1	1	1
31.0 Equipment	26	15	16
99.9 Total obligations	220	259	262

Personnel Summary

Identification code 86-4586-0-4-451	1997 actual	1998 est.	1999 est.
2001 Total compensable workyears: Full-time equivalent employment	279	330	330

ADMINISTRATIVE PROVISIONS

SEC. 201. EXTENDERS. (a) ONE-FOR-ONE REPLACEMENT OF PUBLIC HOUSING.—Section 1002(d) of Public Law 104-19 is amended by striking “[1997]” “1998” and inserting “[1998]” “1999”.

(b) STREAMLINING SECTION 8 TENANT-BASED ASSISTANCE.—Section 203(d) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996, is amended by striking “fiscal years 1996, [and] 1997, and 1998” and inserting “fiscal years 1996, 1997, [and] 1998, and 1999”.

(c) SECTION 8 RENT ADJUSTMENTS.—Section 8(c)(2)(A) of the United States Housing Act of 1937 is amended—

(1) in the third sentence, by striking “fiscal year 1997” and inserting “fiscal years 1997 and 1998”; and

(2) in the last sentence, by striking “fiscal year 1997” and inserting “fiscal years 1997 and 1998”.]

(d) (c) PUBLIC AND ASSISTED HOUSING RENTS, INCOME ADJUSTMENTS AND PREFERENCES.—

(1) Section 402(a) of The Balanced Budget Downpayment Act, I is amended by striking “fiscal [year] years 1997 and 1998” and inserting “fiscal years 1997, [and] 1998, and 1999”.

(2) Section 402(f) of The Balanced Budget Downpayment Act, I is amended by striking “fiscal years 1996, [and] 1997, and 1998” and inserting “fiscal years 1996, 1997, [and] 1998, and 1999”.

(3) Section 16 of the United States Housing Act of 1937 is amended by revising the heading and subsections (a) through (c) to read as follows:

“SEC. 16. ELIGIBILITY FOR PUBLIC AND ASSISTED HOUSING.

“(a) PUBLIC HOUSING.

“(1) PROGRAM REQUIREMENT.—Of the public housing units of a public housing agency that are made available for occupancy by eligible families in any fiscal year of the agency—

“(A) at least 40 percent shall be occupied by families whose incomes do not exceed 30 percent of the median income for the area; and

“(B) at least 90 percent shall be occupied by families whose incomes do not exceed 60 percent of the median income for the area.

“(2) DEVELOPMENT REQUIREMENT.—At least 40 percent of the units in each public housing development shall be occupied by families

with incomes which are less than 30 percent of the median income for the area, except that no family may be required to move to achieve compliance with this requirement.

“(b) SECTION 8 ASSISTANCE.

“(1) TENANT-BASED, MODERATE REHABILITATION, AND PROJECT-BASED CERTIFICATE ASSISTANCE.—In any fiscal year of a public housing agency, at least 75 percent of all families who initially receive tenant-based assistance from the agency, assistance under the moderate rehabilitation program of the agency, or assistance under the project-based certificate program of the agency shall be families whose incomes do not exceed 30 percent of the median income for the area.

“(2) PROJECT-BASED ASSISTANCE.—Of the dwelling units in a project receiving section 8 assistance, other than assistance described in paragraph (1), that are made available for occupancy by eligible families in any year (as determined by the Secretary)—

“(A) At least 40 percent shall be occupied by families whose incomes do not exceed 30 percent of the median income for the area; and

“(B) at least 90 percent shall be occupied by families whose incomes do not exceed 60 percent of the median income for the area.

“(c) DEFINITION OF AREA MEDIAN INCOME.—The term “area median income”, as used in subsections (a) and (b), refers to the median income of an area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than the percentages specified in subsections (a) and (b) if the Secretary determines that such variations are necessary because of unusually high or low family incomes.”

“(ii) Section 16 of the United States Housing Act of 1937, as amended by this section, is further amended by inserting the following new heading after subsection designation (d): “APPLICABILITY.—”

“(iii) This paragraph shall be effective initially for fiscal year 1999. For future fiscal years, this paragraph shall be effective only to the extent provided by section 402(f) of The Balanced Budget Downpayment Act, I.”

[SEC. 202. DELAY REISSUANCE OF VOUCHERS AND CERTIFICATES.—Section 403(c) of The Balanced Budget Downpayment Act, I is amended—

(1) by striking “fiscal years 1996 and 1997” and inserting “fiscal years 1996, 1997, and 1998”;

(2) by striking “1996 and October” and inserting “1996, October”; and

(3) by inserting before the semicolon the following: “and October 1, 1998 for assistance made available during fiscal year 1998”.]

[SEC. 203. WAIVER.—The part of the HUD 1996 Community Development Block Grant to the State of Illinois which is administered by the State of Illinois Department of Commerce and Community Affairs (grant number B-96-DC-170001) and which, in turn, was granted by the Illinois Department of Commerce and Community Affairs to the city of Oglesby, Illinois, located in LaSalle County, Illinois (State of Illinois Department of Commerce and Community Affairs grant number 96-24104), for the purpose of providing infrastructure for a warehouse in Oglesby, Illinois, is exempt from the provisions of section 104(g)(2), (g)(3), and (g)(4) of title I of the Housing and Community Development Act of 1974, as amended.]

SEC. [204] 202. FINANCING ADJUSTMENT FACTORS.—Fifty percent of the amounts of budget authority, or in lieu thereof 50 percent of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Public Law 100-628; 102 Stat. 3224, 3268) shall be rescinded, or in the case of cash, shall be remitted to the Treasury, and such amounts of budget authority or cash recaptured and not rescinded or remitted to the Treasury shall be used by State housing finance agencies or local governments or local housing agencies with projects approved by the Secretary of Housing and Urban Development for which settlement occurred after January 1, 1992, in accordance with such section. Notwithstanding the previous sentence, the Secretary may award up to 15 percent of the budget authority or cash recaptured and not rescinded or remitted to the Treasury to provide project owners with incentives to refinance their project at a lower interest rate.

SEC. [205] 203. [ANNUAL ADJUSTMENT FACTORS.—Section 8(c)(2)(A) of the United States Housing Act of 1937, as amended by section 201 of this title, is further amended by inserting the following new sentences at the end: “In establishing annual adjustment factors for units in new construction and substantial rehabilitation projects, the Secretary shall take into account the fact that

debt service is a fixed expense. The immediately foregoing sentence shall be effective only during fiscal year 1998.”] *STATE CDBG IDIS FUNDING.*—During fiscal year 1999, from amounts received by a State under section 106(d)(1) of the Housing and Community Development Act of 1974 for distribution in nonentitlement areas, the State may deduct an amount, not to exceed the greater of 0.25 percent of the amount so received or \$50,000, to administer the integrated disbursement and information system established by the Secretary, in addition to any amounts used for this purpose from amounts retained by the State for administrative expenses under section 106(d)(3)(A).

[SEC. 206. COMMUNITY DEVELOPMENT BLOCK GRANT.—Notwithstanding any other provision of law, the \$7,100,000 appropriated for an industrial park at 18th Street and Indiana Avenue shall be made available by the Secretary instead to 18th and Vine for rehabilitation and infrastructure development associated with the “Negro Leagues Baseball Museum” and the jazz museum.]

[SEC. 207. FAIR HOUSING AND FREE SPEECH.—None of the amounts made available under this Act may be used during fiscal year 1998 to investigate or prosecute under the Fair Housing Act any otherwise lawful activity engaged in by one or more persons, including the filing or maintaining of a nonfrivolous legal action, that is engaged in solely for the purpose of achieving or preventing action by a government official or entity, or a court of competent jurisdiction.]

[SEC. 208. REQUIREMENT FOR HUD TO MAINTAIN PUBLIC NOTICE AND COMMENT RULEMAKING.—Notwithstanding any other provision of law, for fiscal year 1998 and for all fiscal years thereafter, the Secretary of Housing and Urban Development shall maintain all current requirements under part 10 of the Department of Housing and Urban Development regulations (24 CFR part 10) with respect to the Department’s policies and procedures for the promulgation and issuance of rules, including the use of public participation in the rulemaking process.]

SEC. [209] 204. BROWNFIELDS AS ELIGIBLE CDBG ACTIVITY.—During fiscal [year] years 1998 and 1999, States and entitlement communities may use funds allocated under the community development block grants program under title I of the Housing and Community Development Act of 1974 for environmental cleanup and economic development activities related to Brownfields projects in conjunction with the appropriate environmental regulatory agencies, as if such activities were eligible under section 105(a) of such Act.

[SEC. 210. PARTIAL PAYMENT OF CLAIMS ON HEALTH CARE FACILITIES.—Section 541(a) of the National Housing Act is amended—

(1) in the section heading, by adding “and health care facilities” at the end; and

(2) in subsection (a)—

(A) by inserting “or a health care facility (including a nursing home, intermediate care facility, or board and care home (as those terms are defined in section 232 of this Act), a hospital (as that term is defined in section 242 of this Act), or a group practice facility (as that term is defined in section 1106 of this Act))” after “1978”; and

(B) by inserting “or for keeping the health care facility operational to serve community needs,” after “character of the project.”]

[SEC. 211. CALCULATION OF DOWNPAYMENT.—Section 203(b) of the National Housing Act is amended by striking “fiscal year 1997” in paragraph (10)(A) and inserting “fiscal years 1997 and 1998.”]

SEC. 205. INCENTIVE TO REDUCE POVERTY CONCENTRATIONS OF CERTIFICATE AND VOUCHER FAMILIES.—(a) Section 202(b) of the Departments of Veterans Affairs and Housing Development, and Independent Agencies Appropriations Act, 1997 is amended—

(1) by striking “and” at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting “; and”; and

(3) by inserting the following new paragraph at the end:

“(4) agencies that demonstrate to the satisfaction of the Secretary that the poverty concentration of families assisted under the certificate and voucher programs has been reduced.”.

(b) Section 8(q) of the United States Housing Act of 1937 is hereby repealed.

[SEC. 212. HOPE VI NOFA.—Notwithstanding any other provision of law, including the July 22, 1996 Notice of Funding Availability (61 Fed. Reg. 38024), the demolition of units at developments funded under the Notice of Funding Availability shall be at the option of the New York City Housing Authority and the assistance awarded shall be allocated by the public housing agency among other eligible activities under the HOPE VI program and without the development costs limitations of the Notice, provided that the public housing agen-

cy shall not exceed the total cost limitations for the public housing agency, as provided by the Department of Housing and Urban Development.]

SEC. 206. TRANSFER FOR EVALUATION OF HUD PROGRAMS.—(a) The Secretary may transfer to the departmental Salaries and Expenses account up to 1 percent of the amount appropriated in any account listed to which subsection (b) refers, for evaluation and monitoring of programs and collecting and maintaining data under section 7(r) of the Department of Housing and Urban Development Act as determined by the Secretary, including such activities as may be required under the Government Performance and Results Act of 1993 and 31 U.S.C. 1115, 1116 and 9703.

(b) The accounts referred to in subsection (a) are those for the Housing Opportunities for Persons with AIDS program under subtitle D of title VIII of the Cranston-Gonzalez National Affordable Housing Act, and for programs the authorities for which are listed in section 7(r)(2) of the Department of Housing and Urban Development Act.

(c) Any amounts transferred under this section shall be in addition to amounts appropriated for and otherwise transferred to the departmental Salaries and Expenses account. Any amounts transferred may be used for purposes that are also authorized under such account, and amounts otherwise in such account may continue to be used for the purposes for which the transfers authorized under this section may be used.

SEC. [213] 207. ENHANCED DISPOSITION AUTHORITY.—Section 204 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, is amended by striking [inserting after “owned by the Secretary” the following: “, including,] for “fiscal years 1997 and 1998”, the provision of grants and loans from the General Insurance Fund (12 U.S.C. 1735c) for the necessary costs of rehabilitation or demolition.”]

SEC. 208. TRANSFER LIMITATION.—Not to exceed 2 percent of any appropriation or earmarked amount made available for the current fiscal year in this Act may be transferred between appropriations or earmarked amounts, respectively, but no appropriations or earmarked amounts shall be increased or decreased by more than 2 percent by any such transfer.

[SEC. 214. HOME PROGRAM FORMULA.—The first sentence of section 217(b)(3) of the Cranston-Gonzalez National Affordable Housing Act is amended by striking “only those jurisdictions that are allocated an amount of \$500,000 or greater shall receive an allocation” and inserting the following: “jurisdictions that are allocated an amount of \$500,000 or more, and participating jurisdictions (other than consortia that fail to renew the membership of all of their member jurisdictions) that are allocated an amount less than \$500,000, shall receive an allocation”.]

[SEC. 215. HUD RENT REFORM.—Notwithstanding any other provision of law, the Secretary of Housing and Urban Development may provide tenant-based assistance to eligible tenants of a project insured under either section 221(d)(3) or 236 of the National Housing Act in the same manner as if the owner had prepaid the insured mortgage to the extent necessary to minimize any rent increases or to prevent displacement of low-income tenants in accordance with a transaction approved by the Secretary provided that the rents are no higher than the published section 8 fair market rents, as of the date of enactment, during the tenants’ occupancy of the property.]

[SEC. 216. NURSING HOME LEASE TERMS.—Section 232(b)(4)(B) of the National Housing Act is amended by striking “fifty years from the date the mortgage was executed” and inserting “ten years to run beyond the maturity date of the mortgage”.]

SEC. [217] 209. HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS GRANTS. (a) ELIGIBILITY.—Notwithstanding section 854(c)(1)(A) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)(1)(A)), from any amounts made available under this title for fiscal [year] years 1998 and 1999 that are allocated under such section, the Secretary of Housing and Urban Development shall allocate and make a grant, in the amount determined under subsection (b), for any State that—

(1) received an allocation [for] in a prior fiscal year [1997] under clause (ii) of such section; and

(2) [is not otherwise eligible for an allocation for fiscal year 1998 under such clause (ii) because the State does not have the number of cases of acquired immunodeficiency syndrome required under such clause; and] is not otherwise eligible for an allocation for fiscal years 1998 or 1999 under such clause (ii) because the areas in the State outside of the metropolitan statistical areas that qualify under clause (i) in fiscal year 1999 do not have the number of cases of acquired immunodeficiency syndrome required under such clause.

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[(3) would meet such requirement if the cases in the metropolitan statistical area for any city within the State, which city was not eligible for an allocation for fiscal year 1997 under clause (i) of such section but is eligible for an allocation for fiscal year 1998 under such clause, were considered to be cases outside of metropolitan statistical areas described in clause (i) of such section.]

[(b) AMOUNT.—The amount of the allocation and grant for any State described in subsection (a) shall be the amount that is equal to the lesser of—

(1) the difference between—

(A) the total amount allocated for such State under section 854(c)(1)(A)(ii) of the AIDS Housing Opportunity Act for fiscal year 1997; and

(B) the total amount allocated for the city described in subsection (a)(3) of this section under section 854(c)(1)(A)(i) of such Act for fiscal year 1998 (from amounts made available under this title); and

(2) \$300,000.]

(b) AMOUNT.—The amount of the allocation and grant for any State described in subsection (a) shall be an amount based on the cumulative number of AIDS cases in the areas of that State that are outside of metropolitan statistical areas that qualify under clause (i) in fiscal year 1999 in proportion to AIDS cases among cities and States that qualify under clauses (i) and (ii) and States deemed eligible under subsection (a).

(c) ENVIRONMENTAL REVIEW.—For purposes of environmental review, pursuant to the National Environmental Policy Act of 1969, a grant under the AIDS Housing Opportunity Act (42 U.S.C. 12901 et seq.) from amounts provided under this or prior Acts shall be treated as assistance for a special project that is subject to section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994 (42 U.S.C. 3547), and shall be subject to the regulations issued by the Secretary to implement such section. Where the grantee under the AIDS Housing Opportunity Act is a nonprofit organization and the activity is proposed to be carried out within the jurisdiction of an Indian tribe or the community of an Alaska native village, the role of the State or unit of general local government under sections 305(c)(1)–(3) of such Act may be carried out by the Indian tribe or Alaska native village instead.

[SEC. 218. DEBT FORGIVENESS.—The Secretary of Housing and Urban Development shall cancel the indebtedness of the Village of Robbins, Illinois, relating to loans under the Reconstruction Finance Corporation and refinanced under the Public Facility Loan program (loan numbers ILL-11-RFC-0029 and ILL-11-PFL0111). The Village is hereby relieved of all liability to the Federal Government for the outstanding principal balance on such loans, for the amount of accrued interest on such loans, and for any fees and charges payable in connection with such loans.]

SEC. 210. DRAWDOWN OF FUNDS.—Section 14(q)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437(q)(1)) is amended by inserting after the first sentence the following sentence: “Such assistance may involve the drawdown of funds on a schedule commensurate with construction draws for deposit into an interest earning escrow account to serve as collateral or credit enhancement for bonds issued by a public agency for the construction or rehabilitation of the development.”

SEC. 211. MULTIFAMILY RESTRUCTURING.—Sections 513(b)(7)(B) and 517(d) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 are hereby repealed.

SEC. 212. SINGLE FAMILY CLAIMS REFORM AND SALE OF PROPERTY. (a) REVISION OF CLAIMS PROCEDURES.—Section 204(a) of the National Housing Act is amended to read as follows:

“(a)(1) AUTHORIZED CLAIMS PROCEDURES.—The Secretary is authorized, in accordance with this subsection and terms and conditions prescribed by the Secretary, to pay insurance benefits to the mortgagee for any mortgage insured under section 203 of this Act through any of the methods described in this paragraph.

“(A) ASSIGNMENT OF MORTGAGE.—The Secretary may pay insurance benefits whenever a mortgage has been in a monetary default for at least three full monthly installments or whenever the mortgagee is entitled to foreclosure for a non-monetary default. Insurance benefits shall be paid only upon the assignment, transfer and delivery to the Secretary of—

“(i) all rights and interests arising under the mortgage;

“(ii) all claims of the mortgagee against the mortgagor or others arising out of the mortgage transaction;

“(iii) title evidence satisfactory to the Secretary; and

“(iv) such records relating to the mortgage transaction as the Secretary may require.

“(B) CONVEYANCE OF TITLE TO PROPERTY.—The Secretary may pay insurance benefits if the mortgagee has acquired title to the mortgaged property through foreclosure or has otherwise acquired such property from the mortgagor after a default upon—

“(i) the prompt conveyance to the Secretary of title to the property which meets the standards of the Secretary in force at the time the mortgage was insured, and which is evidenced in the manner provided by such standards; and

“(ii) the assignment to the Secretary of all claims of the mortgagee against the mortgagor or others, arising out of the mortgage transaction or foreclosure proceedings, except such claims as may have been released with the consent of the Secretary.

The Secretary is authorized to permit the mortgagee to tender to the Secretary a satisfactory conveyance of title and transfer of possession directly from the mortgagor or other appropriate grantor, and to pay to the mortgagee the insurance benefits to which it would otherwise be entitled if such conveyance had been made to the mortgagee and from the mortgagee to the Secretary.

“(C) CLAIM WITHOUT CONVEYANCE OF TITLE.—The Secretary may pay insurance benefits upon sale of the mortgaged property at foreclosure where such sale is for at least the fair market value of the property (with appropriate adjustments), as determined by the Secretary, and upon assignment to the Secretary of all claims referred to in clause (ii) of subparagraph (B).

“(D) PRE-FORECLOSURE SALE.—The Secretary may pay insurance benefits upon the sale of the mortgaged property by the mortgagor after default and the assignment to the Secretary of all claims referred to in clause (ii) of subparagraph (B), if—

“(i) the sale of the mortgaged property has been approved by the Secretary;

“(ii) the mortgagee receives an amount at least equal to the fair market value of the property (with appropriate adjustments), as determined by the Secretary; and

“(iii) the mortgagor has received an appropriate disclosure, as determined by the Secretary.

“(2) PAYMENT FOR LOSS MITIGATION.—The Secretary may pay insurance benefits to the mortgagee to recompense the mortgagee for its actions to provide an alternative to foreclosure of a mortgage that is in default, which actions may include such actions as special forbearance, loan modification, and deeds in lieu of foreclosure, all upon such terms and conditions as the mortgagee shall determine in the mortgagee’s sole discretion within guidelines provided by the Secretary, but which may not include assignment of a mortgage to the Secretary. For purposes of the preceding sentence, no action authorized by the Secretary and no action taken, nor any failure to act, by the Secretary or the mortgagee shall be subject to judicial review.

“(3) DETERMINING CLAIMS PROCEDURE.—The Secretary shall publish guidelines for determining which of the procedures for payment of insurance specified in paragraph (1) are available to a mortgagee when it claims insurance benefits. At least one of the procedures for payment of insurance benefits specified in paragraph (1)(A) or (1)(B) shall be available to a mortgagee with respect to a mortgage, but the same procedure is not required to be available for all of the mortgages held by a mortgagee.

“(4) SERVICING ASSIGNED MORTGAGE.—If a mortgage is assigned to the Secretary under paragraph (1)(A), the Secretary may permit the assigning mortgagee or its servicer to continue to service the mortgage for reasonable compensation and on terms and conditions determined by the Secretary. Neither the Secretary nor any servicer of the mortgage shall be required to forbear from collection of amounts due under the mortgage or otherwise pursue loss mitigation measures.

“(5) CALCULATING INSURANCE BENEFITS.—Insurance benefits shall be paid as provided in section 520 of this Act, and shall be equal to the original principal obligation of the mortgage which was unpaid on the date the mortgage was assigned to the Secretary, or on the date of the institution of foreclosure proceedings, or on the date of the acquisition of the property after default other than by foreclosure, or on the date of sale of the mortgaged property by the mortgagor, with such additions and deductions as the Secretary deems appropriate.

“(6) FORBEARANCE AND RECASTING AFTER DEFAULT.—The mortgagee may, upon such terms and conditions as the Secretary may prescribe—

“(A) extend the time for the curing of the default, and the time for commencing foreclosure proceedings or for otherwise acquiring title to the mortgaged property, to such time as the mortgagee determines is necessary and desirable to enable the mortgagor to complete the mortgage payments, including an extension of time beyond the stated maturity of the mortgage, and in the event of a subsequent foreclosure or acquisition of the property by other means the Secretary is authorized to include in the amount of insurance benefits an amount equal to any unpaid mortgage interest; or

“(B) provide for a modification of the terms of the mortgage for the purpose of recasting, over the remaining term of the mortgage or over such longer period pursuant to guidelines as may be prescribed by the Secretary, the total unpaid amount then due, with the modification to become effective currently or to become effective upon the termination of an agreed-upon extension of the period for curing the default; and the principal amount of the mortgage, as modified, shall be considered the ‘original principal obligation of the mortgage’ as that term is used in this section for the purpose of paragraph (5).

“(7) **TERMINATION OF PREMIUM OBLIGATION.**—The obligation of the mortgagee to pay the premium charges for insurance shall cease upon fulfillment of the appropriate requirements under which the Secretary may pay insurance benefits, as described in paragraph (1). The Secretary may also terminate the mortgagee’s obligation to pay mortgage insurance premiums upon receipt of an application filed by the mortgagee for insurance benefits under paragraph (1), or in the event the contract of insurance is terminated pursuant to section 229 of this Act.

“(8) **RELATIONSHIP TO SECTION 230.**—Nothing in this section shall limit the authority of the Secretary to pay insurance benefits under section 230 of this Act.”

(b) **EFFECTIVE DATE.**—The Secretary shall publish a notice in the Federal Register stating the effective date of the terms and conditions prescribed by the Secretary under section 204(a)(1) of the National Housing Act, as amended by this section. Sections 204 (a) and (k) of the National Housing Act as they existed immediately prior to the effective date of the terms and conditions implementing the amendment to section 204(a) made by this Act shall continue to apply to any mortgage insured under section 203 of the National Housing Act prior to such date, except that the Secretary is authorized, at the request of the mortgagee, to pay insurance benefits as provided in sections 204(a)(1) (A) and (D) of such Act to calculate insurance benefits in accordance with section 204(a)(5) of such Act.

(c) **REDUNDANT PROVISION REPEALED.**—Section 204(k) of the National Housing Act is hereby repealed.

(d) **AUTHORITY TO SELL.**—Section 204(g) of the National Housing Act is amended by adding at the end the following: “The Secretary may sell real and personal property on such terms and conditions as the Secretary may prescribe.”

(e) **AUTHORITY TO INSURE MORTGAGE.**—Section 223(c) of the National Housing Act is amended by—

(1) striking “him” each place it appears and inserting “the Secretary”; and

(2) inserting after “sale by the Secretary”, the following: “, including a sale through another entity under authority of the fourth sentence of section 204(g).”

SEC. 213. ISSUANCE OF CERTIFICATES AND VOUCHERS TO SINGLE PERSONS.

(a) **CERTIFICATE PROGRAM.**—Section 8(c)(1) of the United States Housing Act of 1937 is amended by inserting after the third sentence the following new sentence:

“The maximum monthly rent for a single person (other than an elderly person or person with disabilities, if such elderly person or person with disabilities is living with one or more persons determined under the regulations of the Secretary to be essential to such person’s care or well-being) receiving tenant-based rental assistance in the certificate program under subsection (b)(1) shall not exceed by more than the amount permitted under the second sentence of this paragraph the fair market rental for an efficiency unit, except that the Secretary, or the public housing agency in accordance with guidelines established by the Secretary, may determine not to apply the limitation in this sentence if there is an insufficient supply of efficiency units in the market area or if necessary to meet the needs of persons with disabilities.”

(b) **VOUCHER PROGRAM.**—Section 8(o) of such Act is amended by inserting the following at the end of paragraph (1):

“The payment standard for a single person (other than an elderly person or person with disabilities, if such elderly person or person with disabilities is living with one or more persons determined under the regulations of the Secretary to be essential to such person’s care or well-being) shall be based on the fair market rental for an efficiency unit, except that the Secretary, or the public housing agency in accordance with guidelines established by the Secretary, may determine not to apply the limitation in this sentence if there is an insufficient supply of efficiency units in the market area or if necessary to meet the needs of persons with disabilities.”

(c) **APPLICABILITY.**—This section shall become effective 60 days after the later of October 1, 1998 or the date of enactment of this Act.

SEC. 214. ELIMINATION OF SHOPPING INCENTIVE FOR VOUCHER FAMILIES WHO REMAIN IN SAME UNIT UPON INITIAL RECEIPT OF ASSISTANCE.

(a) Section 8(o)(2) of the United States Housing Act of 1937 is amended by inserting the following new sentence at the end: “Notwithstanding the preceding sentence, for families being admitted to the voucher program who remain in the same unit or complex, where the rent (including the amount allowed for utilities) does not exceed the payment standard, the monthly assistance payment for any family shall be the amount by which such rent exceeds the greater of 30 percent of the family’s monthly adjusted income or 10 percent of the family’s monthly income.”

(b) This section shall become effective 60 days after the later of October 1, 1998 or the date of enactment of this Act.

SEC. 215. ENFORCEMENT OF RENT REASONABLENESS REQUIREMENTS.—The Secretary of Housing and Urban Development shall take steps to assure that public housing agencies administering tenant-based assistance under section 8 of the United States Housing Act of 1937 comply with applicable rent reasonableness requirements, to assure that assistance provided on behalf of eligible families is not excessive.

SEC. 216. TECHNICAL CORRECTION TO NURSING HOME LEASE TERMS PROVISION.

(a) **TECHNICAL CORRECTION.**—Section 216 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998, is amended by striking “fifty years from the date” and inserting “fifty years to run from the date”.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall be construed to have taken effect on October 27, 1997.