

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

This chapter presents the budget estimates and program justifications for the Department of Housing and Urban Development (HUD). HUD's core mission is to promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination. The 2001 Budget for HUD reflects the successful implementation of a multi-year comprehensive reform effort which has helped restore the effectiveness and financial integrity of the Department's critical affordable housing and economic development initiatives. Building on the success of these reforms, Congress and the Administration have provided significant increases in key HUD programs over the past two years. The 2001 Budget will continue these historic successes by providing the Department with the tools to fulfill its fundamental strategic goals: increasing the availability of decent, safe and affordable housing in American communities (including the enhancement of homeownership opportunities, especially for minorities and first-time homebuyers, the transformation of public housing and the expansion of housing assistance to alleviate severe housing needs); ensuring equal housing opportunity; promoting self-sufficiency and asset development of families and individuals (including moving homeless families to self-sufficiency through locally-developed continuum of care strategies and contributing to the success of welfare-to-work efforts); and improving community quality of life and economic vitality through locally-driven initiatives and programs.

The 2001 budget provides increases for two successful block grant programs which serve HUD's fundamental affordable housing and economic development missions—the Community Development Block Grant (CDBG) and the HOME Investment Partnerships programs. These programs provide states and localities with formula funding pursuant to locally-developed consolidated plans for a wide variety of activities which benefit low and moderate-income families. The Community Development Loan Guarantee program (under Section 108 of the Housing and Community Development Act of 1974) will be continued with level funding and a slightly increased loan guarantee limitation. The Economic Development Initiative will also be maintained. Grants for Urban Empowerment Zones will continue support for ten-year plans to provide new job opportunities and community revitalization in 15 urban areas. The Rural Housing and Economic Development program will be continued at an increased level.

HUD's Homeless Assistance programs will be funded at an increased level to 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 funding includes 18,000 rental assistance vouchers designed to provide affordable permanent housing for formerly homeless individuals and families in order to provide a stable living environment, a critical necessity for maintaining access to needed services and providing access to employment opportunities. HUD's Continuum of Care approach recently received the prestigious 1999 Innovations in Government award from the Harvard University's John F. Kennedy School of Government and the Ford Foundation.

The 2001 Budget maintains the Federal commitment to replacing distressed and obsolete public housing with attractive, mixed-income communities and creating new economic opportunities for residents. Consistent with this commitment and with a special focus on replacing projects that have been determined to be non-viable, the HOPE VI program will re-

ceive a significant increase from last year's enacted level. The 2001 Budget provides \$3,192 million for the Public Housing Operating Fund, which helps to maintain good quality housing, and provides a slight increase for the Public Housing Capital Fund, which helps modernize and improve the housing stock.

The 2001 budget includes 120,000 incremental vouchers that will help address the severe housing needs of low-income households. These vouchers are necessary to address the continued increase in the number of families nationwide which have worst case needs for housing assistance, including extremely-low income families currently paying more than half their income for rent or living in severely inadequate living conditions. The Administration reaffirms its long-held commitment to renew all expiring Section 8 contracts, to protect residents from displacement by substantially increasing funding for Section 8 renewals, to provide Section 8 tenant-based assistance for displaced families, and for the replacement of affordable housing due to opt-outs from the project-based Section 8 program.

The Administration also continues its support for the Department's successful Housing for Persons With HIV/AIDS program (HOPWA) by providing increased funding to prevent thousands of persons with HIV/AIDS from becoming homeless. This increase is necessary to continue to provide stable housing and services in existing local programs and fund new jurisdictions as they become eligible for formula funding due to the continued increase in the number of AIDS cases.

Building on last year's successful adoption of the Housing Security Plan for Older Americans, the Housing for the Elderly program (under Section 202 of the Housing Act of 1959) will receive a substantial increase, including an increase in capital funding to convert existing housing to assisted living with services and an increase for construction of new affordable assisted living. The Housing for Persons with Disabilities (under Section 811 of the National Affordable Housing Act of 1990) will receive additional funding.

In support of the Administration's strong commitment to increase homeownership opportunities, the 2001 budget includes major support to help low- and moderate-income American families become homebuyers. The budget will increase the Federal Housing Administration's (FHA) maximum mortgage loan limits, allowing Single Family insurance to cover loans up to the same level as the Fannie Mae and Freddie Mac (GSEs) limits. (Currently FHA can insure home mortgages only up to 87 percent of the GSE limits in high cost areas and only up to 48 percent in low-cost areas, including approximately 2,200 rural counties throughout the Nation). In addition, the budget authorizes FHA to develop new adjustable rate mortgage products. These provisions will provide much-needed assistance to first-time homebuyers, minorities, and other underserved populations.

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

In order to ensure the effective implementation of its programs, the Department's Office of Policy Development and Research (PD&R) will be provided with a budget increase. These additional funds are necessary to ensure timely provision of data, research and analysis of national housing and economic conditions, and to measure the performance of pro-

grams consistent with the Government Performance and Results Act of 1994. Also, an increase is included for the Partnerships for Advancing Technology in Housing (PATH) initiative, which is designed to develop and disseminate technologies that will result in housing that is more affordable, durable, disaster resistant, safer and energy/resource efficient.

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, [\$11,376,695,000] \$14,127,824,459 and amounts that are recaptured in this account, [and recaptured under the appropriation for "Annual contributions for assisted housing",] to remain available until expended: *Provided*, That of the total amount provided under this heading, [\$10,990,135,000] \$13,484,388,459, of which [\$6,790,135,000] \$9,284,388,459 shall be available on October 1, [1999] 2000 and \$4,200,000,000 shall be available on October 1, [2000] 2001, shall be for assistance under the United States Housing Act of 1937 ("the Act" herein) (42 U.S.C. 1437) for use in connection with expiring or terminating section 8 subsidy contracts, for amendments to section 8 subsidy contracts, for enhanced vouchers (including amendments and renewals) under any provision of law authorizing such assistance under section 8(t) of the [United States Housing] Act [of 1937] (47 U.S.C. 1437f(t)), [as added by section 538 of title V of this Act.] and contracts entered into pursuant to section 441 and, for terms of one year, section 473 of the Stewart B. McKinney Homeless Assistance Act: *Provided further*, That amounts available under the first proviso under this heading may be available for section 8 rental assistance under the [United States Housing] Act [of 1937: (1) to relocate residents of properties: (A) that are owned by the Secretary and being disposed of; or (B) that are discontinuing section 8 project-based assistance; (2) for relocation and replacement housing for units that are demolished or disposed of: (A) from the public housing inventory (in addition to amounts that may be available for such purposes under this and other headings); or (B):(1) pursuant to section 24 of the [United States Housing] Act [of 1937] or to other authority for the revitalization of severely distressed public housing, as set forth in the Appropriations Acts for the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies for fiscal years 1993, 1994, 1995, and 1997, and in the Omnibus Consolidated Rescissions and Appropriations Act of 1996; [(3)] (2) for the conversion of section 23 projects to assistance under section 8; [(4)] (3) for funds to carry out the family unification program; [(5)] (4) 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; and [(6)] (5) tenant protection assistance, including replacement and relocation assistance; (6) for the [1-year] renewal of section 8 contracts for units in a project that is subject to an approved plan of action under the Emergency Low Income Housing Preservation Act of 1987 or the Low-Income Housing Preservation and Resident Homeownership Act of 1990: *Provided further*, That of the amounts provided under this heading, \$50,000,000 shall be available for a Voucher Success Fund to improve the operation of the section 8 voucher program, to be administered by HUD and to remain available until expended: *Provided further*, That HUD shall use funding for communities experiencing problems in utilizing section 8 vouchers, identified by criteria such as difficult market conditions, low rates of success for families attempting to use voucher assistance, concentrations of assisted families in high poverty neighborhoods, and other evidence of program difficulty determined by the Secretary: *Provided further*, That activities allowed under the Voucher Success Fund may include: (1) technical assistance to the local public housing authority or community to improve the success of the voucher program, (2) assistance for families in using vouchers, including mobility counseling, assistance with security deposits, transportation, and other activities intended

to increase the likelihood that families will succeed in leasing units or leasing them outside areas of concentrated poverty, and (3) further outreach to landlords and community groups to encourage participation in the voucher program: *Provided further*, That the Secretary may use up to one percent of the amount available under this paragraph to establish monitoring systems for the Voucher Success Fund and to conduct detailed evaluations of the effect of providing assistance under such Fund: *Provided further*, That of the total amount provided under this heading, [\$40,000,000] up to \$25,000,000 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 amounts available under this heading may be made available for administrative fees and other expenses to cover the cost of administering rental assistance programs under section 8 of the [United States Housing] Act [of 1937: *Provided further*, That the fee otherwise authorized under section 8(q) of such Act shall be determined in accordance with section 8(q), as in effect immediately before the enactment of the Quality Housing and Work Responsibility Act of 1998: *Provided further*, That all balances for the section 8 rental assistance, section 8 counseling, section 8 new construction, section 8 substantial rehabilitation, relocation/replacement/demolition, section 23 conversions, rental and disaster vouchers, loan management set-aside, section 514 technical assistance, and other programs previously funded within the "Annual Contributions" account shall be transferred to this account, to be available for the purposes for which they were originally appropriated: *Provided further*, That all balances in the "Section 8 Reserve Preservation" account shall be transferred to this account, to be available for the purposes for which they were originally appropriated: *Provided further*, That the unexpended amounts previously appropriated for special purpose grants within the "Annual Contributions for Assisted Housing" account shall be recaptured and transferred to this account, to be available for assistance under the Act for use in connection with expiring or terminating section 8 subsidy contracts: *Provided further*, That of the amounts previously appropriated for property disposition within the "Annual Contributions for Assisted Housing" account, up to \$79,000,000 shall be transferred to this account, to be available for assistance under the Act for use in connection with expiring or terminating section 8 subsidy contracts: *Provided further*, That of the unexpended amounts previously appropriated for carrying out the Low-Income Housing Preservation and Resident Homeownership Act of 1990 and the Emergency Low Income Housing Preservation Act of 1987, other than amounts made available for rental assistance, within the "Annual Contributions for Assisted Housing" and "Preserving Existing Housing Investments" accounts, shall be recaptured and transferred to this account, to be available for assistance under the Act for use in connection with expiring or terminating section 8 subsidy contracts]: *Provided further*, That of the total amount provided under this heading, [\$346,560,000] \$343,980,000 shall be made available for incremental vouchers under section 8 of the [United States Housing] Act [of 1937 on a fair share basis and administered by public housing agencies]; and \$66,000,000 shall be available for the Housing Production Program as authorized under this Act: *Provided further*, That of the balances remaining from funds appropriated under this heading or the heading "Annual Contributions for Assisted Housing" during fiscal year 2000 and prior years, \$2,243,000,000 is rescinded: *Provided further*, That of the amount rescinded under the previous proviso, \$1,300,000,000 shall be from amounts recaptured and the Secretary shall have discretion to specify the amounts to be rescinded from each of the foregoing accounts, \$505,000,000 shall be from unobligated balances, and \$438,000,000 shall be from amounts that were appropriated in fiscal year 1999 and prior years for section 8 assistance including assistance to relocate residents of properties that are owned by the Secretary and being disposed of or that are discontinuing section 8 project-based assistance, for relocation and replacement housing for units that are demolished or disposed of from the public housing inventory, 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 tenant-based assistance under the Act to help eligible families make the transition from welfare to work, \$183,456,000 from the total amount provided under this heading, to be administered by public housing agencies (including Indian tribes and their tribally designated housing entities, as defined by the Secretary of HUD), to remain available until expended: Provided, That families initially selected to receive assistance under this paragraph: (1) shall be eligible to receive, shall be currently receiving, or shall have received within the preceding two years, 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; (2) shall be determined by the agency to be families for which tenant-based housing assistance is critical to successfully obtaining or retaining employment; and (3) shall not already be receiving tenant-based assistance under the Act: Provided further, That each application shall: (1) describe the proposed program, which shall be developed by the public housing agency and 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; (2) demonstrate that tenant-based housing assistance is critical to the success of assisting eligible families to obtain or retain employment; (3) specify the criteria for selecting among eligible families to receive housing assistance under this paragraph; (4) describe the proposed strategy for tenant counseling and housing search assistance and landlord outreach; (5) include any requests for waivers of any administrative requirements or any provisions of the Act, with a demonstration of how approval of the waivers would substantially further the objective of this paragraph; (6) 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 has participated in developing 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; and (7) 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 paragraph on the basis of a national competition, 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 seven Public Housing Agencies (PHAs) selected by the Secretary for the Jobs Plus Initiative of the Moving to Work (MTW) Demonstration (P.L. 104-134, sec. 204) may use up to \$7,000,000 of their Section 8 project reserves, or funds which otherwise would be transferred to such reserves after year-end settlement, as reimbursement for the cost of providing rent incentives to families participating in MTW: Provided further, That any obligated balances of contract authority that have been terminated shall be canceled. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.)

Program and Financing (in millions of dollars)

Identification code	86-0319-0-1-604	1999 actual	2000 est.	2001 est.
Obligations by program activity:				
00.01	Contract renewals	10,830	9,889	14,513
00.02	Section 8 amendments	454		
00.03	Relocation & other	193	237	266
00.04	Preservation Amendments	11	25	
00.05	Section 514 Technical Assistance		4	
00.06	Non-Elderly Disabled	74	80	25
00.07	Welfare to Work	1	282	183
00.08	Regional Opportunity Counseling		10	
00.09	Voucher Success Fund			50
00.10	Preservation Prepayments	33	8	
00.11	Housing Production Program Premium			8
00.12	Incremental vouchers		352	377
00.13	Section 8 Counseling		11	
00.14	Section 8 Conversions		2	

00.15	Property Disposition		131	
10.00	Total new obligations (object class 41.0)	11,596	11,031	15,422
Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year	3,477	3,185	103
22.00	New budget authority (gross)	9,411	4,963	14,128
22.10	Resources available from recoveries of prior year obligations			
		1,894	2,345	1,295
22.22	Unobligated balance transferred from other accounts		641	
23.90	Total budgetary resources available for obligation	14,782	11,134	15,526
23.95	Total new obligations	-11,596	-11,031	-15,422
24.40	Unobligated balance available, end of year	3,185	103	103
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	10,327	7,177	9,928
40.05	Appropriation (indefinite)			1,000
40.36	Unobligated balance rescinded	-916	-2,246	
40.49	Portion applied to liquidate contract authority			-1,000
40.76	Reduction pursuant to P.L. 106-113		-72	
42.00	Transferred from other accounts		104	
43.00	Appropriation (total discretionary)	9,411	4,963	9,928
55.00	Advance appropriation			4,200
70.00	Total new budget authority (gross)	9,411	4,963	14,128
Change in unpaid obligations:				
Unpaid obligations, start of year:				
72.40	Obligated balance, start of year	10,330	12,174	5,615
72.49	Obligated balance, start of year: Contract authority			43,430
72.99	Total unpaid obligations, start of year	10,330	12,174	49,045
73.10	Total new obligations	11,596	11,031	15,422
73.20	Total outlays (gross)	-7,858	-16,090	-16,579
73.32	Obligated balance transferred from other accounts			44,275
73.45	Adjustments in unexpired accounts	-1,894	-2,345	-1,295
Unpaid obligations, end of year:				
74.40	Obligated balance, end of year	12,174	5,615	4,163
74.49	Obligated balance, end of year: Contract authority			43,430
74.99	Total unpaid obligations, end of year	12,174	49,045	46,593
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	2,953	2,107	6,889
86.93	Outlays from discretionary balances	4,905	13,983	9,690
87.00	Total outlays (gross)	7,858	16,090	16,579
Net budget authority and outlays:				
89.00	Budget authority	9,411	4,963	14,128
90.00	Outlays	7,858	16,090	16,579

Summary of Budget Authority and Outlays

(in millions of dollars)

	1999 actual	2000 est.	2001 est.
Enacted/requested:			
Budget Authority	9,411	4,963	14,128
Outlays	7,858	16,090	16,579
Rescission proposal:			
Budget Authority		-103	
Outlays			
Total:			
Budget Authority	9,411	4,860	14,128
Outlays	7,858	16,090	16,579

The funds requested will support the following activities for 2001, as shown in the below table.

HOUSING CERTIFICATE FUND

[Budget Authority Request for FY 2001, \$ in Millions]

	Units	Per Unit Cost	Contract Term	BA
FY 2001:				
Incremental Rental Assistance	60,000	5,733	1 year	343,980,000
Non-Elderly Disabled	[5,000]	5,043	1 year	[25,215,000]
Family Unification	[2,000]	5,733	1 year	[11,466,000]
Tenant Protections—Housing	30,300	NA	1 year	198,671,611
Tenant Protections—PIH	10,000	6,733	1 year	67,330,000
Contract Administrators	NA	NA	NA	209,000,000
Welfare-to-Work	32,000	5,733	1 year	183,456,000
Voucher Success Fund	NA	NA	NA	50,000,000
Housing Production Program	10,000		1 year	58,000,000

General and special funds—Continued

HOUSING CERTIFICATE FUND—Continued

[(INCLUDING TRANSFERS OF FUNDS)]—Continued

HOUSING CERTIFICATE FUND—Continued

[Budget Authority Request for FY 2001, \$ in Millions]

	Units	Per Unit Cost	Contract Term	BA
Housing Production Program Premium	NA	NA	NA	8,000,000
Contract Renewals:				
PIH	1,764,243	5,733	1 year	10,089,530,963
HOPE VI and 202 Conversion	10,000	5,733	1 year	57,330,000
Welfare-to-Work Vouchers	50,000	5,733	1 year	286,650,000
CPD-Mod. Rehab. SRO	1,702	4,427	1 year	7,534,754
Shelter Plus Care	6,454	5,733	1 year	37,000,782
Housing	761,807	NA	1 year	3,781,340,349
Recaptures and Reuse	NA	NA	NA	(1,295,000,000)
Family Self-Sufficiency Coordinators	NA	NA	NA	45,000,000
Subtotal, contract renewals	2,594,206			13,009,386,848
Administrative Fees [non-add]			Approx.	[1,100,000,000]
Advance Appropriation for FY 2002				(4,200,000,000)
Advance Appropriation Enacted in FY 2000				4,200,000,000
Total, FY 2001 Housing Certificate Fund	2,736,506			14,127,824,459

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, and Shelter Plus Care contracts authorized under section 441 of the Stewart B. McKinney Homeless Assistance Act.

Incremental Rental Assistance. For 2001, the Department is requesting 120,000 vouchers as follows: \$585 million in budget authority for 60,000 incremental vouchers, 32,000 Welfare to Work vouchers, and 10,000 vouchers for a Housing Production Program, along with an additional \$105 million for 18,000 vouchers which are proposed within the Homeless Assistance Grants Program.

Welfare to Work.—The lack of affordable, stable housing, or housing located close to employment, impedes the efforts of families moving from welfare to work. To help families who need housing assistance in order to achieve self-sufficiency, the Department is requesting \$183 million to fund 32,000 Welfare to Work Housing Vouchers to supplement the program enacted in 1999. Additionally, waiver authority is requested to allow applicants to receive 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.

Housing Production Voucher Program. The Administration proposes a program that combines and strengthens a number of existing housing production tools to spur the production of housing affordable to the lowest income Americans in neighborhoods that will provide strong job opportunities and other benefits. 10,000 incremental vouchers would be linked to two existing multifamily housing productions tools: the Low-Income Housing Tax Credit (LIHTC) and FHA insurance. FHA multifamily insurance would be used to finance the properties through the 221(d)(4) or risk-sharing programs. Pending completion and occupancy of new projects, vouchers allocated to the local administering authority can be used for regular tenant-based assistance. Funding for 2001 is proposed at \$58 million for vouchers and \$8 million for one-time incentive payments to developers who build units for targeted needs, such as large families.

Voucher Success Fund. This Fund provides a flexible tool for the Department to address situations in which difficult market conditions, concentrations of assisted families in high-poverty neighborhoods, or other forces that make it difficult

for tenants to use vouchers or to use them in a wide variety of locations. The Department will use \$50 million for communities experiencing problems in utilizing Section 8 vouchers for technical assistance to the local public housing authority or the community, for assistance to families to help them use vouchers, and for increased outreach to landlords.

Status of Contract Authority (in millions of dollars)

Identification code 86-0319-0-1-604	1999 actual	2000 est.	2001 est.
0100 Balance, start of year			43,430
0340 Unobligated balance transferred		43,430	
0400 Appropriation to liquidate contract authority			-1,000
0700 Balance, end of year		43,430	42,430

Public and Indian Housing

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 530 Public Housing Authorities each year. The PHAs that receive the special funding for FSS coordinators were the smallest agencies that administered less than 1,500 rental vouchers and certificates. Starting in 1999, the program was expanded to all PHAs.

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 \$45 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.

In 2001, seven Public Housing Agencies (PHAs) previously selected by the Secretary for the Jobs Plus component of the Moving to Work (MTW) Demonstration (Section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996, P.L. 104-134) may use a total of up to \$7 million of their Section 8 project reserves, or funds which otherwise would be transferred to such reserves after year-end settlement, as reimbursement for the cost of providing rent incentives to families participating at eight MTW sites. The Jobs-Plus PHAs would be reimbursed of incurred costs upon HUD approval of a Plan submitted by the PHAs. Each rent incentive proposal will be approved by the Department in advance and be reasonable in terms of amount and duration.

Tenant Protection Vouchers. The Housing Certificate fund supports families living in public and assisted housing units affected by changes in the status of the units. Income-eligible families who are affected by the demolition, disposition, revitalization or other capital improvement through no fault of their own, receive relocation/replacement vouchers through the Housing Certificate Fund.

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.

Verifying the right person gets the right benefit.—In 2000, HUD will begin verifying tenant reported income against

other Federal income and other wage data, as authorized under existing statutes. This will help ensure that housing assistance is only provided to the extent entitled. It will provide greater assurance that tenants pay the proper amount of rent as provided under law.

While tenant income is a major factor affecting eligibility and the amount of federal rental subsidies, admission and subsidy determinations are almost entirely dependent on self-reporting. HUD research has determined that there is a significant level of under-reporting. HUD statistically sampled tenants from its automated data bases and matched their reported income with federal tax data in Social Security Administration (SSA) and Internal Revenue Service (IRS) data bases in CY 1995 and CY 1996. Based on the result of this computer income matching project, HUD statistically projected that the amount of excess rental subsidies when projected to the entire universe would total as much as hundreds of millions of dollars. HUD projects an estimated savings of \$80 million from this matching effort in 2001.

The verification program will reinforce incentives for voluntary reporting of income and the corresponding determination of the rent payment. Actions will include interest charges on under-payment of rent, additional financial penalties for very large amounts of under-payments, and routine notification to credit bureaus when amounts remain unpaid. HUD will amend its administrative procedures to standardized interim reporting policies for when a tenant must report increases and decreases in income. HUD will also streamline its procedures to easily reconcile these mismatches to actual income. When new verification procedures are fully implemented, HUD will reduce the existing administrative burden of paper verification of employment with employers to a sampling basis.

Tenants assessed back rent will be asked to repay the amount over a reasonable period of time in order to ease the burden of reimbursement. In subsequent years, HUD envisions a system of reconciliation where tenant reporting would be routinely reconciled with actual income. Any significant overpayment or underpayment of rent would be adjusted in the tenant's future rental payment over the following year. In 2000, HUD will focus primarily on tenants with the very large discrepancies between income reported to HUD and income reported to other sources.

In 2001, The Department is seeking legislation to modify the existing statutes that require 50 percent of any back rent collection to be shared with HUD's agent in project-based housing. This sharing is no longer appropriate in instances where HUD background checks discover the deficiency.

SECTION 8 RESERVE PRESERVATION ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-0316-0-1-604	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Contract Renewals	988		
10.00 Total new obligations (object class 41.0)	988		
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	995	11	
22.10 Resources available from recoveries of prior year obligations	4		
22.21 Unobligated balance transferred to other accounts		-11	
23.90 Total budgetary resources available for obligation	999		
23.95 Total new obligations	-988		
24.40 Unobligated balance available, end of year	11		

New budget authority (gross), detail:			
Discretionary:			
40.36 Unobligated balance rescinded			
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year		289	845
73.10 Total new obligations		988	
73.20 Total outlays (gross)		-429	
73.31 Obligated balance transferred to other accounts			-845
73.45 Adjustments in unexpired accounts		-4	
74.40 Unpaid obligations, end of year: Obligated balance, end of year		845	
Outlays (gross), detail:			
86.93 Outlays from discretionary balances		429	
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays		429	

The Section 8 Reserve Preservation Account was authorized by P.L. 105-18. 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 2000.

All balances in this account will be transferred to the Housing Certificate Fund in 2000.

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

Program and Financing (in millions of dollars)

Identification code 86-0164-0-1-604	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Lower income housing	802		
10.00 Total new obligations (object class 41.0)	802		
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
21.40 Unobligated balance available, start of year	1,794	231	
21.40 Authority to Borrow	16	522	
21.99 Total unobligated balance, start of year	1,810	753	
22.00 New budget authority (gross)	-1,089	-120	
22.10 Resources available from recoveries of prior year obligations	834		
22.21 Unobligated balance transferred to other accounts		-632	
23.90 Total budgetary resources available for obligation	1,555	1	
23.95 Total new obligations	-802		
Unobligated balance available, end of year:			
24.40 Unobligated balance available, end of year	231		
24.40 Unobligated balance available, end of year	522		
24.99 Total unobligated balance, end of year	753		
New budget authority (gross), detail:			
Discretionary:			
40.05 Appropriation (indefinite)	2,737		
40.36 Unobligated balance rescinded	-1,084	-16	
40.49 Portion applied to liquidate contract authority	-2,737		
41.00 Transferred to other accounts	-5	-104	
43.00 Appropriation (total discretionary)	-1,089	-120	
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Obligated balance, start of year	11,523	6,864	
72.49 Obligated balance, start of year: Contract authority	46,167	43,430	
72.99 Total unpaid obligations, start of year	57,690	50,294	
73.10 Total new obligations	802		
73.20 Total outlays (gross)	-7,365		
73.31 Obligated balance transferred to other accounts		-50,293	
73.45 Adjustments in unexpired accounts	-834		
Unpaid obligations, end of year:			
74.40 Obligated balance, end of year	6,864		
74.49 Obligated balance, end of year: Contract authority	43,430		
74.99 Total unpaid obligations, end of year	50,294		

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	1999 actual	2000 est.	2001 est.
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	7,365		
Net budget authority and outlays:			
89.00 Budget authority	-1,089	-120	
90.00 Outlays	7,364		

Status of Contract Authority (in millions of dollars)

Identification code 86-0164-0-1-604	1999 actual	2000 est.	2001 est.
0100 Balance, start of year	46,167	43,430	
0340 Unobligated balance transferred		-43,430	
0400 Appropriation to liquidate contract authority	-2,737		
0700 Balance, end of year	43,430		

The Annual Contributions for Assisted Housing account provided assistance for low-income housing and various other programs.

This account has not received an appropriation for several years. The 2000 Appropriations Act (P.L. 106-74) transferred the unexpended balances from this account to other accounts.

MOVING TO WORK

Note.—Section 210 of the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000, provided \$5 million for the Jobs-Plus Initiative within the Moving-to-Work Demonstration.

Program and Financing (in millions of dollars)

Identification code 86-0331-0-1-451	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 JOBS PLUS Initiative		5	
10.00 Total new obligations (object class 41.0)		5	
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		5	
23.95 Total new obligations		-5	
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation		5	
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year			2
73.10 Total new obligations		5	
73.20 Total outlays (gross)		-3	-2
74.40 Unpaid obligations, end of year: Obligated balance, end of year			2
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		3	
86.93 Outlays from discretionary balances			2
87.00 Total outlays (gross)		3	2
Net budget authority and outlays:			
89.00 Budget authority		5	
90.00 Outlays		3	2

The Moving-to-Work demonstration provides unprecedented autonomy and flexibility to a select group of high-performing public housing authorities (PHAs) in order to assess the potential impacts of Federal deregulation on resident households, housing developments, and local housing programs. Through waivers of requirements of the 1937 Housing Act, as amended, and related Federal regulations, participating PHAs can combine Federal funding allocated for public hous-

ing operating subsidy, capital subsidy, and Section 8 certificates and vouchers into a flexible housing assistance fund. By providing incentives to families that work, are seeking work, or are preparing for work, PHAs are also allowed to change administrative procedures and management policies so they can reallocate resources to better address local housing needs and priorities.

PUBLIC HOUSING CAPITAL FUND

(INCLUDING TRANSFERS OF FUNDS)

For the Public Housing Capital Fund Program to carry out capital and management activities for public housing agencies, as authorized under section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437), **[\$2,900,000,000]** *\$2,955,000,000*, to remain available until expended[: *Provided*, That of the total amount, up to **\$75,000,000**]; *of which, up to \$100,000,000 shall be for carrying out activities under section 9(h) of such Act, and for lease adjustments to section 23 projects[: Provided further*, That no funds may be used under this heading for the purposes specified in section 9(k) of the United States Housing Act of 1937: *Provided further*, That of the total amount, up to **\$75,000,000** shall be available for the Secretary of Housing and Urban Development to make grants to public housing agencies for emergency capital needs resulting from emergencies and natural disasters in fiscal year 2000[: *\$55,000,000 shall be for the Resident Opportunity and Self-Sufficiency Program for grants for supportive services for public housing residents, as authorized by section 34 of such Act, and for service coordinators and congregate services for the elderly and disabled residents of public and assisted housing; up to \$10,000,000 shall be for promoting consortia or other consolidations among housing authorities; and up to \$1,000,000 shall be for the design of a capital financing program: Provided [further]*, That all balances for **[debt service for Public and Indian Housing and Public and Indian Housing Grants previously]** *the Economic Development and Supportive Services program, the Tenant Opportunity program, and the Resident Opportunities and Self-Sufficiency program (section 34 of such Act), funded within the ["Annual Contributions for Assisted Housing"] "Community Development Block Grants" account, shall be transferred to this account, to be available for the purposes for which they were originally appropriated. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.)*

Program and Financing (in millions of dollars)

Identification code 86-0304-0-1-604	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Capital Grants	2,173	3,044	2,911
10.00 Total new obligations (object class 41.0)	2,173	3,044	2,911
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	1,608	2,464	2,289
22.00 New budget authority (gross)	3,000	2,869	2,955
22.10 Resources available from recoveries of prior year obligations	29		
23.90 Total budgetary resources available for obligation	4,637	5,333	5,244
23.95 Total new obligations	-2,173	-3,044	-2,911
24.40 Unobligated balance available, end of year	2,464	2,289	2,333
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	3,000	2,900	2,955
40.36 Unobligated balance rescinded		-31	
43.00 Appropriation (total discretionary)	3,000	2,869	2,955
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	6,137	5,201	11,566
73.10 Total new obligations	2,173	3,044	2,911
73.20 Total outlays (gross)	-3,080	-3,159	-3,346
73.32 Obligated balance transferred from other accounts		6,480	
73.45 Adjustments in unexpired accounts	-29		
74.40 Unpaid obligations, end of year: Obligated balance, end of year	5,201	11,566	11,131

Outlays (gross), detail:			
86.90	Outlays from new discretionary authority	65	70
86.93	Outlays from discretionary balances	3,080	3,094
			3,275
87.00	Total outlays (gross)	3,080	3,159
			3,346
Net budget authority and outlays:			
89.00	Budget authority	3,000	2,869
90.00	Outlays	3,080	3,159
			3,346

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

Of the \$2.955 billion requested for the Public Housing Capital Fund, \$2.79 billion will assist housing authorities in carrying out capital and management activities and is sufficient to cover the accrual of additional capital needs which has been estimated at \$2.1 billion annually. In addition, of the requested amount, up to \$100 million is set aside for technical assistance including inspection of public housing units. Further, of the requested amount, \$55 million will be for the Resident Opportunities and Self Sufficiency Program. In addition, up to \$10 million is provided to promote consortia or other consolidations among housing authorities and up to \$1 million will be for the design of a capital financing program.

During 1999, the Department modified its formula for allocating capital subsidies to housing authorities through negotiated rulemaking with representatives of public housing authorities, public housing residents, and other stakeholders. The new formula will be implemented in 2000.

Pursuant to P.L. 106-74, all balances for debt service for Public and Indian Housing and Public and Indian Grants previously funded under the Annual Contributions for Assisted Housing account were transferred to the Public Housing Capital Fund in 2000.

The 2001 Budget proposes to transfer all balances reflected in the Community Development Block Grant account for the Tenant Opportunities, the Economic Development and Supportive Services, and the Resident Opportunities and Self Sufficiency programs to the Public Housing Capital Fund.

PUBLIC HOUSING OPERATING FUND
(INCLUDING TRANSFERS OF FUNDS)

For payments to public housing agencies for the operation and management of public housing, as authorized by section 9(e) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g), **[\$3,138,000,000] \$3,192,000,000**, to remain available until expended [: Provided, That no funds may be used under this heading for the purposes specified in section 9(k) of the United States Housing Act of 1937]. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.)

Program and Financing (in millions of dollars)

Identification code 86-0163-0-1-604		1999 actual	2000 est.	2001 est.
Obligations by program activity:				
00.01	Operating subsidies	2,852	3,150	3,192
10.00	Total new obligations (object class 41.0)	2,852	3,150	3,192
Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year	41	12	
22.00	New budget authority (gross)	2,818	3,138	3,192
22.10	Resources available from recoveries of prior year obligations	5		

23.90	Total budgetary resources available for obligation	2,864	3,150	3,192
23.95	Total new obligations	-2,852	-3,150	-3,192
24.40	Unobligated balance available, end of year	12		

New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	2,818	3,138	3,192

Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance, start of year	1,441	1,412	1,590
73.10	Total new obligations	2,852	3,150	3,192
73.20	Total outlays (gross)	-2,876	-2,972	-3,160
73.45	Adjustments in unexpired accounts	-5		
74.40	Unpaid obligations, end of year: Obligated balance, end of year	1,412	1,590	1,622

Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	1,454	1,600	1,628
86.93	Outlays from discretionary balances	1,422	1,372	1,532
87.00	Total outlays (gross)	2,876	2,972	3,160

Net budget authority and outlays:				
89.00	Budget authority	2,818	3,138	3,192
90.00	Outlays	2,876	2,972	3,160

Operating subsidies are provided to public housing authorities (PHAs) to assist in funding the operation and maintenance expenses of public housing units in accordance with Section 9(e) of the United States Housing Act of 1937, as amended. The annual subsidy requirements shown reflect efforts to date to develop a new formula for the allocation of operating subsidies using regulatory negotiations as required by the Quality Housing and Work Responsibility Act of 1998. It is anticipated that sufficient funds will be available to provide 100 percent of PFS requirements in 2001.

The following tables display the sources of housing authorities' expected revenue and expenditures by category for 2001. The distribution is based on historical data reported by housing authorities to HUD on the Statement of Operating Receipts and Expenditures.

Table 1. Sources of Housing Authorities' Operating Revenue (in millions of dollars)

Category	Annual income	Percent of total
Operating Subsidies	\$3,192	51
Dwelling Rental	\$2,752	44
Investment	\$125	2
Other Income	\$188	3
Total, Operating Revenue	6,259	

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

Dwelling Rental.—Income derived from tenants' rents.

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

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

Table 2. Housing Authorities' Operating Expenditures (in millions of dollars)

Category	Annual expenditures	Percent of total
Utilities	\$1,377	22
Administration	1,189	19
General Operating Expenses	1,127	18
Maintenance	1,815	29
Tenant Services	63	1
Protective Services	125	2
Capital Expenditures	125	2

General and special funds—Continued

PUBLIC HOUSING OPERATING FUND—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

Table 2. Housing Authorities' Operating Expenditures (in millions of dollars)—Continued

Category	Annual expenditures	Percent of total
Operating Reserve	438	7
Total, Operating Expenses	6,259	

Utilities.—Includes water, sewer, electricity, gas, fuel, and related labor expenses.

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

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

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

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

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

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

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

The Budget also projects that additional funds for operating subsidies will be available to housing authorities from increased rent collections from improved income matching.

Pursuant to the requirements of the Quality Housing and Work Responsibility Act of 1998, during 2000, the Department will continue to modify its approach to the operating subsidy calculation through negotiated rulemaking with public housing authority representatives, public housing tenants, and other stakeholders. The operating subsidy negotiated rulemaking committee will base the new formula on the following four principles:

- Provide incentives for good management and rewards for performance.
- Reward cost-effective use of resources to improve housing services, housing quality, and mobility.
- Be administratively simple.
- Result in increased accountability for delivering quality housing services at reasonable cost.

These principles build on the Secretary's existing management proposals to restore the public trust in HUD's programs and the Administration's principles for performance-based service contracting (PBSC). The PBSC guidelines have been demonstrated to significantly save money and result in improved performance.

The Administration proposes collecting security deposits in public housing beginning October 1, 2000. To improve incentives for resident upkeep of units, this administrative change would require a one-month security deposit from all public housing residents. This parallels management practices in HUD's Section 8 program and in the private rental market. Deposits will be placed in interest-bearing escrow accounts. PHAs have discretion to decide how the security deposit will be paid, either in monthly installments, up-front, or a combination of the two.

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

For grants to public housing agencies and Indian tribes and their 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] \$345,000,000, to remain available until expended[: *Provided*, That of the total amount provided under this heading, up to \$4,500,000]; of which \$10,000,000 shall be solely for technical assistance, technical assistance grants, training, and program assessment for or on behalf of public housing agencies, resident organizations, and Indian tribes and their tribally designated housing entities (including up to [\$150,000] \$250,000 for the cost of necessary travel for participants in such training): *Provided further*, That of the amount provided under this heading,]; \$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 further*, That of the amount under this heading; \$10,000,000 shall be provided to the Office of Inspector General for Operation Safe Home[: *Provided further*, That of the amount under this heading,]; \$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 non-profit 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 [further]*, 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 of the amount under this heading, \$30,000,000 shall be for the Community Gun Safety and Violence Reduction Initiative, which will include (1) competitive grants to public or private nonprofit organizations and other appropriate entities as determined by the Secretary, including consortia of such organizations and entities, for community-based education and outreach programs to address gun violence, both criminal and accidental; (2) competitive matching grants and technical assistance to units of general local government, law enforcement agencies, public housing agencies, recipients under the Native American Housing Assistance and Self-Determination Act of 1996, public and private for-profit and nonprofit organizations, and civic associations, including consortia of such entities, to support gun safety and violence reduction activities, including gun buy-back programs, gun-tracing efforts, youth diversion programs that offer alternatives to crime, violence counseling programs, and gun-violence hotlines and training; (3) competitive grants and technical assistance to law enforcement agencies who have partnered with public and private entities to develop and support computer crime-tracking and mapping databases on gun-related crimes and violence; and (4) an evaluation and report on the initiative that sets forth which elements or combination of elements are most effective at reducing gun-related crime and violence. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.)

Program and Financing (in millions of dollars)

Identification code 86–0197–0–1–604	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Direct program	296	517	259
00.02 Federally Assisted Housing	16	35	16
00.03 Operation Safe Home	17	31	20
00.04 New Approach Anti-Drug Program	11	49	20
00.05 Community Gun Safety and Violence Reduction			30
10.00 Total new obligations (object class 41.0)	340	632	345
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
21.40 Unobligated balance available, start of year	336	81	
21.40 Administrative Authority	10	241	
21.99 Total unobligated balance, start of year	346	322	

22.00	New budget authority (gross)	310	310	345
22.10	Resources available from recoveries of prior year obligations	6		
23.90	Total budgetary resources available for obligation	662	632	345
23.95	Total new obligations	-340	-632	-345
	Unobligated balance available, end of year:			
24.40	Unobligated balance available, end of year	81		
24.40	Administrative Commitments	241		
24.99	Total unobligated balance, end of year	322		
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	310	310	345
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance, start of year	266	316	623
73.10	Total new obligations	340	632	345
73.20	Total outlays (gross)	-283	-325	-315
73.45	Adjustments in unexpired accounts	-6		
74.40	Unpaid obligations, end of year: Obligated balance, end of year	316	623	653
Outlays (gross), detail:				
86.93	Outlays from discretionary balances	283	325	315
Net budget authority and outlays:				
89.00	Budget authority	310	310	345
90.00	Outlays	283	325	315

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 assisted housing communities, 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. The 1998 Amendments have expanded the definition of crime prevention activities 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. In 1999, HUD completed rulemaking to implement the 1998 amendments and to distribute grant awards through a simple formula.

The \$345 million requested for this program in 2001 also includes funding for the Community Gun Safety and Violence Reduction Initiative. With more than 30,000 people killed and 100,000 injured by guns each year in our Nation, gun-related violence poses a major threat to HUD's obligation to help ensure "a decent home and a suitable living environment for every American family." Through such programs as the Drug Elimination Program, the Gun Buyback Violence Reduction Initiative, Operation Safe Home, the Peacemakers Corp, the Youth Violence Prevention Program, Crime Prevention Through Environmental Design, Safe Futures and Others, HUD has targeted crime and violence in our Nation's communities, but more must be done about the distinctive program of gun-related violence, both criminal and accidental. The Community Gun Safety and Violence Reduction Initiative will help address this problem with three program elements. The Initiative will fund public education programs that will use a variety of media to address the hazards posed by the presence of firearms in the community as well as actions associated with responsible gun ownership. The Initiative will also provide technical assistance and matching funds to implement gun violence reduction programs, building upon or complementing existing community safety programs where they exist. Finally, the Initiative will fund state-of-the-art computerized gun-violence tracking and gun tracing efforts to close the knowledge gap and assist communities and law enforce-

ment agencies in planning gun-violence reduction initiatives. An evaluation of the program will be included.

The budget proposes to allocate the \$345 million requested in 2001 as follows: (1) \$248.75 million for Drug Elimination Grants and clearinghouse information services; (2) \$20 million for the New Approach Anti-Drug program; (3) \$20 million for Operation Safe Home; (4) \$16.25 million for other Federally assisted low-income housing grants; (5) \$10 million for technical assistance, training, and information dissemination; and (6) \$30 million for the Community Gun Safety and Violence Reduction initiative.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)

For grants to public housing agencies for demolition, site revitalization, replacement housing, and tenant-based assistance grants to projects as authorized by section 24 of the United States Housing Act of 1937, **[\$575,000,000]** *\$625,000,000*, to remain available until expended; of which the Secretary may use up to **[\$10,000,000]** *\$15,000,000* 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 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 of the amount provided under this heading, \$1,200,000 shall be contracted through the Secretary to be used by the Urban Institute to conduct an independent study on the long-term effects of the HOPE VI program on former residents of distressed public housing developments]; *and of which the Secretary shall use up to \$180,000,000 for grants to address sites: (1) that are subject to conversion or assessment under section 202 of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act of 1996, and (2) for which no applicable approval under that section or other approval for demolition, disposition, or HOPE VI has been provided prior to January 1, 2000: Provided That the Secretary may allocate grants under the preceding clause in any manner the Secretary deems appropriate to assure to the maximum extent possible that such sites are addressed satisfactorily: Provided further, That of the amount in the preceding proviso, up to \$50,000,000 shall be used for demolition grants and up to \$5,000,000 shall be used for capacity building in communities receiving grants to address sites described above. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.)*

Program and Financing (in millions of dollars)

Identification code 86-0218-0-1-604	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Direct Program Activity	577	1,255	625
10.00 Total new obligations (object class 41.0)	577	1,255	625
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	630	680	
22.00 New budget authority (gross)	625	575	625
23.90 Total budgetary resources available for obligation	1,255	1,255	625
23.95 Total new obligations	-577	-1,255	-625
24.40 Unobligated balance available, end of year	680		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	625	575	625
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	1,943	2,198	2,865
73.10 Total new obligations	577	1,255	625
73.20 Total outlays (gross)	-321	-588	-597
74.40 Unpaid obligations, end of year: Obligated balance, end of year	2,198	2,865	2,893

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	1999 actual	2000 est.	2001 est.
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	321	588	597
Net budget authority and outlays:			
89.00 Budget authority	625	575	625
90.00 Outlays	321	588	597

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.

For the 2001 Budget, HUD will use up to \$180 million of HOPE VI funds to address sites subject to the “mandatory conversion” law. That law requires that sites which would cost more to operate and modernize than vouchers and cannot be reasonably revitalized must be removed from the inventory. By devoting funds to the resolution of issues regarding sites subject to this law, HUD will be removing nearly 30,000 of the worst public housing units in the country and providing a positive alternative over the next three years. The balance of funds will be used for general HOPE VI competition, demolition-only grants, and technical 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 (NAHASDA) (Public Law 104-330), [\$620,000,000] \$650,000,000, to remain available until expended, of which [\$2,000,000 shall be contracted through the Secretary as technical assistance and capacity building to be used by the National American Indian Housing Council in support of the implementation of NAHASDA and] up to [\$4,000,000 by the Secretary] \$6,000,000 shall be 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, [\$6,000,000]; \$5,000,000 shall be for the Indian Homeownership Intermediary Initiative; and \$5,000,000 shall be made available for the cost of guaranteed notes and other obligations, as authorized by title VI of NAHASDA: *Provided further*, That such costs, including the costs of modifying such notes and other obligations, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize the total principal amount of any notes and other obligations, any part of which is to be guaranteed, not to exceed [\$54,600,000] \$43,360,000: *Provided further*, That for administrative expenses to carry out the guaranteed loan program, up to \$200,000 from amounts in the first proviso, which shall be transferred to and merged with the appropriation for “Salaries and expenses”, to be used only for the administrative costs of these guarantees. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.*)

Program and Financing (in millions of dollars)

Identification code 86-0313-0-1-604	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Indian Housing Block Grants	577	789	644
00.02 Technical Assistance	5	6	6
10.00 Total new obligations (object class 41.0)	582	795	650

Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	136	175	.....
22.00 New budget authority (gross)	620	620	650
23.90 Total budgetary resources available for obligation	756	795	650
23.95 Total new obligations	-582	-795	-650
24.40 Unobligated balance, end of year	175	.....	.....

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	620	620	650

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance, start of year	1,121	1,105	1,235
73.10 Total new obligations	582	795	650
73.20 Total outlays (gross)	-597	-665	-699
74.40 Unpaid obligations, end of year: Obligated balance, end of year	1,105	1,235	1,186

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	59	192	202
86.93 Outlays from discretionary balances	538	473	497
87.00 Total outlays (gross)	597	665	699

Net budget authority and outlays:

89.00 Budget authority	620	620	650
90.00 Outlays	597	665	699

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

Identification code 86-0313-0-1-604	1999 actual	2000 est.	2001 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Loan guarantee levels .....	.....	55	43
2159 Total loan guarantee levels .....	.....	55	43
Guaranteed loan subsidy (in percent):			
2320 Subsidy rate	11.07	11.07	11.07
2329 Weighted average subsidy rate	11.07	11.07	11.07
Guaranteed loan subsidy budget authority:			
2330 Subsidy budget authority	6	6	5
2339 Total subsidy budget authority	6	6	5
Guaranteed loan subsidy outlays:			
2340 Subsidy outlays .....	.....	3	2
2349 Total subsidy outlays .....	.....	3	2

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

The Indian Housing Block Grant program includes \$5 million to create an Indian Homeownership Intermediary with specific expertise in Indian country. The purpose of this initiative is to provide a catalyst for a homeownership market by providing homeownership and homeownership-related services on Indian reservations and other Indian areas.

The Indian Housing Block Grant program also includes a guaranteed loan provision (Title VI). A guarantee level of \$43 million is proposed for this loan guarantee program for 2001. The subsidy rate for this program is set at 11.07 percent with a federal guarantee of 80 percent. A primary goal of the Title VI program is to encourage private lenders to provide financing in Indian country. Therefore, the program provides for the federal guarantee of notes or other obligations issued by Indian tribes or tribally designated housing entities for the purpose of financing affordable housing activities described in section 202 of the Act. A tribe or its tribally des-

igned housing entity can pledge up to five times its future IHBG funds to collateralize the loan.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the loan guarantees committed in 1998 and beyond (including modifications of guarantees that resulted from obligations in any given year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

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	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
09.01 Reimbursable program: Capital investment loans to PHAs	17	40	40
10.00 Total new obligations (object class 33.0)	17	40	40
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	17	20	20
22.00 New budget authority (gross)	108	111	111
22.60 Portion applied to repay debt	-88	-71	-71
23.90 Total budgetary resources available for obligation	37	60	60
23.95 Total new obligations	-17	-40	-40
24.40 Unobligated balance available, end of year	20	20	20
New budget authority (gross), detail:			
Mandatory:			
67.15 Authority to borrow (indefinite)	25	40	40
69.00 Offsetting collections (cash)	83	71	71
70.00 Total new budget authority (gross)	108	111	111
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	965	866	790
73.10 Total new obligations	17	40	40
73.20 Total outlays (gross)	-116	-116	-116
74.40 Unpaid obligations, end of year: Obligated balance, end of year	866	790	714
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	28	40	40
86.98 Outlays from mandatory balances	88	76	76
87.00 Total outlays (gross)	116	116	116
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-12	-71	-71
88.40 Non-Federal sources	-71	-71	-71
88.90 Total, offsetting collections (cash)	-83	-71	-71
Net budget authority and outlays:			
89.00 Budget authority	25	40	40
90.00 Outlays	32	45	45

Status of Direct Loans (in millions of dollars)

Identification code 86-4098-0-3-604	1999 actual	2000 est.	2001 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1,492	1,421	1,350
1251 Repayments: Repayments and prepayments	-71	-71	-71
1290 Outstanding, end of year	1,421	1,350	1,279

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4098-0-3-604	1999 actual	2000 est.	2001 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	3,307	3,026	2,745

2251 Repayments and prepayments	-281	-281	-281
2290 Outstanding, end of year	3,026	2,745	2,464
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	3,026	2,745	2,464

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, \$25 million of borrowings from the Treasury were forgiven in 1999, an estimated \$40 million will be borrowed from the Treasury and forgiven in 2000, and an estimated \$40 million will be borrowed from the Treasury and forgiven in 2001.

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 1998, 1999, 2000 and 2001 follows:

Statement of Operations (in millions of dollars)

Identification code 86-4098-0-3-604	1998 actual	1999 actual	2000 est.	2001 est.
0101 Revenue	104	100	100	100
0102 Expense	-95	-91	-91	-91
0105 Net income or loss (-)	9	9	9	9

Balance Sheet (in millions of dollars)

Identification code 86-4098-0-3-604	1998 actual	1999 actual	2000 est.	2001 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	968	886	886	886
1106 Investments in US securities: Receivables, net	1,585			
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	35	1,447	1,447	1,447
1602 Interest receivable	3	89	89	89
1603 Allowance for estimated uncollectible loans and interest (-)	-12	-12	-12	-12
1604 Direct loans and interest receivable, net	26	1,524	1,524	1,524
1699 Value of assets related to direct loans	26	1,524	1,524	1,524
1999 Total assets	2,579	2,410	2,410	2,410
LIABILITIES:				
Federal liabilities:				
2102 Interest payable	181	173	173	173
2104 Resources payable to Treasury	1,491	1,420	1,420	1,420
2207 Non-Federal liabilities: Other	1	-15	-15	-15
2999 Total liabilities	1,673	1,578	1,578	1,578
NET POSITION:				
3100 Appropriated capital	866	821	821	821
3300 Cumulative results of operations	40	11	11	11
3999 Total net position	906	832	832	832
4999 Total liabilities and net position	2,579	2,410	2,410	2,410

Credit accounts:

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

For the cost of guaranteed loans, as authorized by section 184 of the Housing and Community Development Act of 1992 (106 Stat. 3739), \$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 \$71,956,000.

In addition, for administrative expenses to carry out the guaranteed loan program, up to \$150,000 from amounts in the first paragraph, which shall be transferred to and merged with the appropriation for "Salaries and expenses", to be used only for the administrative costs of these guarantees. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.*)

Program and Financing (in millions of dollars)

Identification code 86-0223-0-1-371	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.02 Guaranteed loan subsidy	1	6	6
10.00 Total new obligations (object class 41.0)	1	6	6
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	4	13	13
22.00 New budget authority (gross)	10	6	6
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	15	19	19
23.95 Total new obligations	-1	-6	-6
24.40 Unobligated balance available, end of year	13	13	13
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	6	6	6
50.00 Reappropriation	4		
70.00 Total new budget authority (gross)	10	6	6
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	6	3	2
73.10 Total new obligations	1	6	6
73.20 Total outlays (gross)	-2	-7	-7
73.40 Adjustments in expired accounts (net)	-2		
73.45 Adjustments in unexpired accounts	-1		
74.40 Unpaid obligations, end of year: Obligated balance, end of year	3	2	1
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1	1	1
86.93 Outlays from discretionary balances	1	6	6
87.00 Total outlays (gross)	2	7	7
Net budget authority and outlays:			
89.00 Budget authority	10	6	6
90.00 Outlays	2	7	7

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

Identification code 86-0223-0-1-371	1999 actual	2000 est.	2001 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Loan guarantee levels	12	72	72
2159 Total loan guarantee levels	12	72	72
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	10	6	6
2339 Total subsidy budget authority	10	6	6

Guaranteed loan subsidy outlays:			
2340 Subsidy outlays	2	7	7
2349 Total subsidy outlays	2	7	7

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 2001 will be used to guarantee approximately 450 loans.

INDIAN HOUSING LOAN GUARANTEE FUND FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4104-0-3-604	1999 actual	2000 est.	2001 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	4	6	13
22.00 New financing authority (gross)	2	7	7
23.90 Total budgetary resources available for obligation	6	13	20
24.40 Unobligated balance available, end of year	6	13	20
New financing authority (gross), detail:			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Federal sources	2	7	7
Offsets:			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources: Payments from program account	-2	-7	-7
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements	-2	-7	-7

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4104-0-3-604	1999 actual	2000 est.	2001 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	81	72	72
2112 Uncommitted loan guarantee limitation	-69		
2150 Total guaranteed loan commitments	12	72	72
2199 Guaranteed amount of guaranteed loan commitments	12	72	72
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	38	47	84
2231 Disbursements of new guaranteed loans	17	40	40
2251 Repayments and prepayments	-8	-3	-3
2290 Outstanding, end of year	47	84	121
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	47	84	121

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from the loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from obligations in any year). The amounts in this account are a means of financing and are

not included in the budget totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

Balance Sheet (in millions of dollars)

Identification code 86-4104-0-3-604	1998 actual	1999 actual	2000 est.	2001 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	4	6	4	4
1999 Total assets	4	6	4	4
LIABILITIES:				
2204 Non-Federal liabilities: Liabilities for loan guarantees	4	6	3	3
2999 Total liabilities	4	6	3	3
4999 Total liabilities and net position	4	6	3	3

TITLE VI INDIAN FEDERAL GUARANTEES FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4244-0-3-604	1999 actual	2000 est.	2001 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year			3
22.00 New financing authority (gross)		3	2
23.90 Total budgetary resources available for obligation		3	5
23.95 Total new obligations			
24.40 Unobligated balance available, end of year		3	5
New financing authority (gross), detail:			
Discretionary:			
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 86-4244-0-3-604	1999 actual	2000 est.	2001 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	55	55	43
2112 Uncommitted loan guarantee limitation	-55		
2150 Total guaranteed loan commitments		55	43
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year			52
2231 Disbursements of new guaranteed loans		55	43
2251 Repayments and prepayments		-3	-3
2290 Outstanding, end of year		52	92
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year		52	92

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 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), [S232,000,000] \$260,000,000, to remain available until expended: *Provided*, That the Secretary may use up to [0.75] 1 percent of the funds under this heading for technical assistance. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.)

Program and Financing (in millions of dollars)

Identification code 86-0308-0-1-604	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Housing for AIDS victims	208	289	260
10.00 Total new obligations (object class 41.0)	208	289	260
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	40	57	
22.00 New budget authority (gross)	225	232	260
23.90 Total budgetary resources available for obligation	265	289	260
23.95 Total new obligations	-208	-289	-260
24.40 Unobligated balance available, end of year	57		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	225	232	260
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	440	436	513
73.10 Total new obligations	208	289	260
73.20 Total outlays (gross)	-211	-212	-213
74.40 Unpaid obligations, end of year: Obligated balance, end of year	436	513	560
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	2	5	5
86.93 Outlays from discretionary balances	209	207	207
87.00 Total outlays (gross)	211	212	213
Net budget authority and outlays:			
89.00 Budget authority	225	232	260
90.00 Outlays	211	212	213

The Housing Opportunities for Persons with AIDS program provides States and localities with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with HIV/AIDS and their families.

One percent of funds is used for technical assistance to grantees and up to 0.5 percent is used for management information systems support. States and metropolitan areas receive 90 percent of the remaining funds by formula based on the incidence of HIV/AIDS in their jurisdictions. The final 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. The requested funding for 2001 will support approximately 48,000 housing units for persons with HIV/AIDS and their families.

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

General and special funds—Continued

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

“Act” herein) (42 U.S.C. 5301), **[\$4,800,000,000]** *\$4,900,000,000*, to remain available until September 30, **[2002]** *2003*: *Provided*, That **[\$67,000,000]** *\$69,000,000* shall be for flexible grants to Indian tribes notwithstanding section 106(a)(1) of such Act, of which *\$2,000,000* shall be for the Native American Economic Development Access Center, *\$3,000,000* shall be available as a grant to the Housing Assistance Council, *\$2,200,000* shall be available as a grant to the National American Indian Housing Council, and *\$5,000,000* for Tribal Colleges and Universities; and **[\$41,500,000]** *\$68,500,000* shall be for grants pursuant to section 107 of the Act, including *\$5,000,000* for New Markets University Partnership pilot grants, including *\$2,000,000* to support Alaska Native serving institutions and native Hawaiian serving institutions, as defined under the Higher Education Act, as amended: *Provided further*, That **[\$20,000,000]** *\$17,500,000* shall be for grants pursuant to the Self Help Housing Opportunity Program: *Provided further*, That *\$22,000,000* shall be for grants for economic revitalization and community development initiatives in the Mississippi Delta Region (as such region is defined in P.L. 100-460): *Provided further*, That not to exceed 20 percent of any grant made with funds appropriated herein (other than a grant made available in this paragraph to the Housing Assistance Council or the National American Indian Housing Council, or a grant using funds under section 107(b)(3) of the 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 all balances for the Economic Development Initiative grants program, the John Heinz Neighborhood Development program, grants to Self Help Housing Opportunity program, and the Moving to Work Demonstration program previously funded within the “Annual Contributions for Assisted Housing” account shall be transferred to this account, to be available for the purposes for which they were originally appropriated].

Of the amount made available under this heading, **[\$23,750,000]** *\$31,500,000* shall be made available for capacity building[, of which *\$20,000,000* shall be made available for “Capacity Building for Community Development and Affordable Housing”,] for LISC and the Enterprise Foundation for activities as authorized by section 4 of the HUD Demonstration Act of 1993 (Public Law 103-120), as in effect immediately before June 12, 1997, with not less than *\$4,000,000* of the funding to be used in rural areas, including tribal areas, and of which **[\$3,750,000]** *\$7,500,000* shall be [made available] for capacity building activities administered by [to] Habitat for Humanity International.

[Of the amount made available under this heading, the Secretary of Housing and Urban Development may use up to *\$55,000,000* for supportive services for public housing residents, as authorized by section 34 of the United States Housing Act of 1937, as amended, and for grants for service coordinators and congregate services for the elderly and disabled residents of public and assisted housing: *Provided further*, That amounts made available for congregate services and service coordinators for the elderly and disabled under this heading and in prior fiscal years may be used by grantees to reimburse themselves for costs incurred in connection with providing service coordinators previously advanced by grantees out of other funds due to delays in the granting by or receipt of funds from the Secretary, and the funds so made available to grantees for congregate services or service coordinators under this heading or in prior years shall be considered as expended by the grantees upon such reimbursement. The Secretary shall not condition the availability of funding made available under this heading or in prior years for congregate services or service coordinators upon any grantee’s obligation or expenditure of any prior funding.]

[Of the amount made available under this heading, *\$30,000,000* shall be available for neighborhood initiatives that are utilized to improve the conditions of distressed and blighted areas and neighborhoods, to stimulate investment, economic diversification, and community revitalization in areas with population outmigration or a stagnating or declining economic base, or to determine whether housing benefits can be integrated more effectively with welfare reform initiatives: *Provided*, that any unobligated balances of amounts set aside for neighborhood initiatives in fiscal years 1998 and 1999 may be utilized for any of the foregoing purposes: *Provided further*, That of the amount set aside for fiscal year 2000 under this paragraph,

\$23,000,000 shall be used for grants specified in the statement of the managers of the committee of conference accompanying this Act.]

Of the amount made available under this heading, notwithstanding any other provision of law, **[\$42,500,000]** *\$75,000,000* shall be available for YouthBuild program activities authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as amended, and such activities shall be an eligible activity with respect to any funds made available under this heading: *Provided*, That local YouthBuild programs that demonstrate an ability to leverage private and nonprofit funding shall be given a priority for YouthBuild funding: *Provided further*, That of the amount provided under this paragraph, **[\$2,500,000]** *\$3,750,000* shall be set aside and made available for a grant to Youthbuild USA for capacity building for community development and affordable housing activities as specified in section 4 of the HUD Demonstration Act of 1993, as amended].

Of the amount made available under this heading, **[\$275,000,000]** *\$100,000,000* shall be available for grants for the Economic Development Initiative (EDI), as authorized by section 108(q) of the Act, to finance a variety of economic development efforts[, including *\$240,000,000* for making individual grants for targeted economic investments in accordance with the terms and conditions specified for such grants in the statement of the managers of the committee of conference accompanying this Act].

Of the amount made available under this heading, *\$20,000,000* shall be available to assist community-based (including religiously affiliated) non-profit organizations in their efforts to supply affordable housing, create economic opportunity, promote the goals of fair housing, and increase the effectiveness of other programs and initiatives administered in distressed high poverty areas by the Secretary: *Provided*, That these amounts for technical assistance and capacity building activities for community-based (including religiously affiliated) non-profit organizations shall be administered by the Center for Community and Interfaith Partnerships at the Department of Housing and Urban Development.

For the cost of guaranteed loans, **[\$29,000,000]** *\$28,000,000*, 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]** *\$1,217,000,000*, notwithstanding any aggregate limitation on outstanding obligations guaranteed in section 108(k) of the Housing and Community Development Act of 1974: *Provided further*, That in addition, up to *\$2,000,000* for administrative expenses to carry out the guaranteed loan program[, *\$1,000,000*], which shall be transferred to and merged with the appropriation for “Salaries and expenses”.

[The Secretary is directed to transfer the administration of the small cities component of the Community Development Block Grant Program for the funds allocated for the State of New York under section 106(d) of the Housing and Community Development Act of 1974 for fiscal year 2000 and all fiscal years thereafter to the State of New York to be administered by the Governor of New York]. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.)

Program and Financing (in millions of dollars)

Identification code 86-0162-0-1-451	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Community development	4,797	5,712	4,895
10.00 Total new obligations (object class 41.0)	4,797	5,712	4,895
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	832	931	.....
22.00 New budget authority (gross)	4,893	4,781	4,895
22.10 Resources available from recoveries of prior year obligations	4	.....	.....
23.90 Total budgetary resources available for obligation	5,729	5,712	4,895
23.95 Total new obligations	-4,797	-5,712	-4,895
23.98 Unobligated balance expiring or withdrawn	-2	.....	.....
24.40 Unobligated balance available, end of year	931	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	4,750	4,800	4,895

40.15	Appropriation (emergency)	150		
40.76	Reduction pursuant to P.L. 106-113		-19	
41.00	Transferred to other accounts	-7		
43.00	Appropriation (total discretionary)	4,893	4,781	4,895
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance, start of year	9,031	9,013	10,046
73.10	Total new obligations	4,797	5,712	4,895
73.20	Total outlays (gross)	-4,804	-4,856	-4,826
73.31	Obligated balance transferred to other accounts		-100	
73.32	Obligated balance transferred from other accounts		277	
73.40	Adjustments in expired accounts (net)	-7		
73.45	Adjustments in unexpired accounts	-4		
74.40	Unpaid obligations, end of year: Obligated balance, end of year	9,013	10,046	10,115
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	98	96	98
86.93	Outlays from discretionary balances	4,706	4,760	4,728
87.00	Total outlays (gross)	4,804	4,856	4,826
Net budget authority and outlays:				
89.00	Budget authority	4,893	4,781	4,895
90.00	Outlays	4,804	4,856	4,826

Summary of Budget Authority and Outlays

(in millions of dollars)

	1999 actual	2000 est.	2001 est.
Enacted/requested:			
Budget Authority	4,893	4,781	4,895
Outlays	4,804	4,856	4,826
Legislative proposal, not subject to PAYGO:			
Budget Authority			5
Outlays			
Total:			
Budget Authority	4,893	4,781	4,900
Outlays	4,804	4,856	4,826

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.

The 2001 Budget allocates \$69 million to Indian tribes as authorized by Section 106(a)(1) of the Housing and Community Development Act of 1974. Since its inception, funds made available to Native American communities have supported a wide variety of community development activities, predominantly, but not exclusively, community facilities, infrastructure and buildings to help meet the basic needs of low and moderate income community members. Since the vast majority of eligible tribes and Alaska Native Villages have non-existent tax bases, this program has helped to finance those public facilities needed to maintain or establish community viability. While it has had a significant impact on many Native American communities throughout the Nation, basic community development needs throughout Indian Country remain substantial.

Seventy percent of formula funds are allocated to metropolitan cities and urban counties that receive their grants using the higher of two objective formulas. States and small cities receive 30 percent of the formula funds. The proposed level of funding for CDBG and the Section 108 Loan Guarantee Program will support an estimated 256,500 jobs. These funds will also help to rehabilitate 169,300 housing units.

Section 107 Grants include funding for Insular Areas, technical assistance, management information systems support, Historically Black Colleges and Universities, a New Markets University Partnerships pilot program, Hispanic serving Institutions, Alaska and Hawaiian serving Institutions, the Community Development Work Study and Community Outreach Partnership Centers (COPC) programs.

As authorized by Section 4 of the HUD Demonstration Act of 1993, the National Community Development Initiative

(NCDI) will help build capacity of community-based development corporations and housing development organizations, and assist such corporations and organizations to carry out community development and affordable housing activities. The 2001 Budget includes \$24 million for this program.

The Youthbuild program provides resources to educate, train and supply stipends for economically disadvantaged young adults through their participation in the construction and rehabilitation of housing for low-income and homeless persons. The program expands the supply of affordable housing and, at the same time, enables high school drop-outs to obtain the education and employment skills necessary to achieve self-sufficiency. The 2001 request for \$75 million will provide more than 5,100 young people with skills they need to obtain jobs and will provide approximately 750 families in distressed communities with homes.

The 2001 Budget proposes \$100 million for the Economic Development Initiative (EDI) program within the new Community Empowerment Fund to support an estimated 100,000 jobs in distressed areas. CEF will support the financing of critical economic development efforts, in tandem with the existing Section 108 guaranteed loan program. EDI funds provide enhanced security for Section 108 loans, and improve the viability of projects financed with these loans. The CEF, including a new trust mechanism that is being piloted in 2000, will facilitate and encourage the use of the Section 108 program by State and local governments.

HUD's Section 108 guaranteed loan program, when combined with EDI grants, supports jobs in distressed communities. Over the past six years, we have committed to 711 projects and completed the financing on 429 of those for a total of \$1.7 billion—projects such as supermarkets in Washington, DC, and Houston, TX, industrial parks, and other business ventures. When all 711 projects are completed, an estimated 338,000 jobs will have been created or retained.

Funding of \$22 million is requested for HUD's participation in the Mississippi Delta Regional Initiative. This initiative will provide funds and technical assistance for economic revitalization in the Delta region.

Up to \$2 million is included for the development of a toll-free telephone assistance service center at HUD to Native Americans to provide information and answer inquiries about economic development assistance. The center will feature the following components: (1) a comprehensive inventory of Federal, state and private programs available to support economic development in Indian Country; (2) a comprehensive inventory of credit enhancements available to the financial community for lending and investing in Indian Country; and (3) a comprehensive inventory of private market incentives for companies doing business in Indian Country.

The 2001 Budget also includes \$5 million in competitive grants to Tribal Colleges and Universities (TCU) to address community development needs in their communities. The TCUs funded would assist communities with neighborhood revitalization and housing and economic development. The predominant activities to be accomplished under this program would be to create partnerships, create community development corporations, develop supportive services for welfare to work initiatives, rehabilitate housing, promote economic development through small business incubators and job training programs and rehabilitate commercial properties. The target service population would be low- and moderate-income families within the communities served by the TCU.

The Community and Interfaith Partnerships set-aside initiative seeks to empower community-based (including religiously affiliated) non-profit organizations in their efforts to supply affordable housing and create economic opportunity, promote the goal of fair housing, and assist HUD in the disposition of foreclosed properties and increase the effectiveness of HUD programs in distressed high poverty areas. Eligi-

General and special funds—Continued

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

ble entities for these capacity building and technical assistance grants would include social service and community development (including religiously affiliated) organizations. The initiative would be funded through a \$20 million set-aside within the HUD Community Development Block Grant Program and administered by the Center for Community and Interfaith Partnerships. No funds provided to a community-based organization under this heading shall be expended for sectarian worship, instruction, or proselytization.

The Department is finalizing an Optional Entitlement Communities (OEC) proposal under which cities as small as 25,000, that are not currently part of an entitlement county, and urban counties as small as 100,000 population could opt for "entitlement" status within a three year period. These new OEC's would receive formula grants directly from HUD.

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

Program and Financing (in millions of dollars)

Identification code 86-0162-2-1-451	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.02 New Markets University Partnership Initiative			5
10.00 Total new obligations (object class 41.0)			5
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			5
23.95 Total new obligations			-5
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			5
Change in unpaid obligations:			
73.10 Total new obligations			5
74.40 Unpaid obligations, end of year: Obligated balance, end of year			5
Net budget authority and outlays:			
89.00 Budget authority			5
90.00 Outlays			

REGIONAL CONNECTIONS
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-0325-2-1-452	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Grants for Regional Activities			25
10.00 Total new obligations (object class 41.0)			25
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			25
23.95 Total new obligations			-25
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			25
Change in unpaid obligations:			
73.10 Total new obligations			25
73.20 Total outlays (gross)			-1
74.40 Unpaid obligations, end of year: Obligated balance, end of year			24
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			1

Net budget authority and outlays:		
89.00	Budget authority	25
90.00	Outlays	1

Regional Connections will provide \$25 million to fund local partnerships to design and implement smarter growth strategies across jurisdictional lines. Such strategies may include: (a) compact development rules and incentives for new growth areas; and (b) coordinated reinvestment in already built-up and infrastructure-rich areas of participating regions. Participating regions will also be asked to outline strategies for managing economic and workforce development in ways that reinforce the overall development strategy. Eligible lead applicants will include states and groups of localities (cities, counties, towns), and partnerships of groups of localities and their state or states but these will demonstrate active partnerships with private and nonprofit stakeholders. Where formally designated by eligible lead applicants, existing regional institutions, such as Councils of Government (COGs), regional councils, and Metropolitan Planning Organizations (MPOs), will also be eligible as lead applicants.

The solutions to challenges produced by new development patterns extend far beyond individual jurisdictional boundaries. Cities and suburbs are increasingly inter-connected. Many communities recognize this and are developing strategies to improve cooperation to make communities more livable. Civic, business and government leaders are forging partnerships that transcend jurisdictional and sectional boundaries to address the critical issues; yet, many of these strategies require assistance to move them to implementation.

Regional Connections will complement existing Federal programs that direct growth and investment patterns. Competing localities will be asked to demonstrate how Regional Connections activities will build on: Transportation Department (DOT)-funded TEA21 transportation planning and investment; HUD/EPA Brownfields; HUD-required Consolidated Plans for CDBG, HOME and other funds; Empowerment Zones/Enterprise Communities (EZs/ECs); and other inter-jurisdictional strategies developed with Federal funds.

[URBAN EMPOWERMENT ZONES]

[For grants in connection with a second round of the empowerment zones program in urban areas, designated by the Secretary of Housing and Urban Development in fiscal year 1999 pursuant to the Taxpayer Relief Act of 1997, \$55,000,000 to the Secretary of Housing and Urban Development for "Urban Empowerment Zones", including \$3,666,000 for each empowerment zone for use in conjunction with economic development activities consistent with the strategic plan of each empowerment zone, to remain available until expended.] (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.)

Program and Financing (in millions of dollars)

Identification code 86-0315-0-1-451	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Develop urban sites	42	62	
10.00 Total new obligations (object class 41.0)	42	62	
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	4	7	
22.00 New budget authority (gross)	45	55	
23.90 Total budgetary resources available for obligation	49	62	
23.95 Total new obligations	-42	-62	
24.40 Unobligated balance available, end of year	7		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	45	55	

Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance, start of year	1	39	84
73.10	Total new obligations	42	62	
73.20	Total outlays (gross)	-3	-17	-37
74.40	Unpaid obligations, end of year: Obligated balance, end of year	39	84	47

Outlays (gross), detail:				
86.90	Outlays from new discretionary authority		1	
86.93	Outlays from discretionary balances	3	16	37
87.00	Total outlays (gross)	3	17	37

Net budget authority and outlays:				
89.00	Budget authority	45	55	
90.00	Outlays	3	17	37

Summary of Budget Authority and Outlays

(in millions of dollars)

	1999 actual	2000 est.	2001 est.
Enacted/requested:			
Budget Authority	45	55	
Outlays	3	17	37
Legislative proposal, subject to PAYGO:			
Budget Authority			150
Outlays			3
Total:			
Budget Authority	45	55	150
Outlays	3	17	40

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. Empowerment Zone principals include a strategic vision for change, a community-based partnership, providing economic opportunity and sustainable community development.

The 2001 budget proposes legislation to authorize mandatory funding for the 15 urban Empowerment Zones designated in January 1999, for a nine year commitment of \$1.5 billion. In addition, \$100 million in discretionary funds was provided for Round II EZs in the 1999 and 2000 Appropriations Act (P.L. 105-276 and P.L. 106-74).

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; leveraging private sector resources, repayment of debt financing by municipal bonds; financing of projects in conjunction with the Section 108 loan guarantee program and other economic development projects; support for project-based rental assistance; and, financing other housing activities.

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

URBAN EMPOWERMENT ZONES
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-0315-4-1-451	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01	Develop urban sites		150
10.00	Total new obligations (object class 41.0)		150
Budgetary resources available for obligation:			
22.00	New budget authority (gross)		150
23.95	Total new obligations		-150
New budget authority (gross), detail:			
Mandatory:			
60.00	Appropriation		150
Change in unpaid obligations:			
73.10	Total new obligations		150
73.20	Total outlays (gross)		-3
74.40	Unpaid obligations, end of year: Obligated balance, end of year		147
Outlays (gross), detail:			
86.97	Outlays from new mandatory authority		3
Net budget authority and outlays:			
89.00	Budget authority		150
90.00	Outlays		3

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, 2000.*)

Program and Financing (in millions of dollars)

Identification code 86-0314-0-1-451	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01	Cleanup and develop contaminated sites	75	50
10.00	Total new obligations (object class 41.0)	75	50
Budgetary resources available for obligation:			
21.40	Unobligated balance available, start of year	25	50
22.00	New budget authority (gross)	25	25
23.90	Total budgetary resources available for obligation	50	75
23.95	Total new obligations		-75
24.40	Unobligated balance available, end of year	50	
New budget authority (gross), detail:			
Discretionary:			
40.00	Appropriation	25	25
Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance, start of year		65
73.10	Total new obligations	75	50
73.20	Total outlays (gross)	-10	-28
74.40	Unpaid obligations, end of year: Obligated balance, end of year	65	87
Outlays (gross), detail:			
86.90	Outlays from new discretionary authority	1	1
86.93	Outlays from discretionary balances	9	27
87.00	Total outlays (gross)	10	28

General and special funds—Continued

BROWNFIELDS REDEVELOPMENT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-0314-0-1-451	1999 actual	2000 est.	2001 est.
Net budget authority and outlays:			
89.00 Budget authority	25	25	50
90.00 Outlays		10	28

The Brownfields Redevelopment program provides competitive economic development grants in conjunction with Section 108 loan guarantees for qualified brownfield projects. Eligible communities are 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 are made in accordance with section 108(q) selection criteria and such other criteria deemed appropriate for brownfield projects, including the extent to which an applicant is currently operating a brownfields program and is working with appropriate environmental regulatory agencies.

The Brownfields Redevelopment program was funded at \$25 million in 1998, 1999 and 2000. The 2001 request of \$50 million accelerates and expands 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 the creation of 20,000 to 25,000 jobs.

YOUTHBUILD PROGRAM

Program and Financing (in millions of dollars)

Identification code 86-0219-0-1-604	1999 actual	2000 est.	2001 est.
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	4	2	
73.20 Total outlays (gross)	-2	-2	
74.40 Unpaid obligations, end of year: Obligated balance, end of year	2		
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	2	2	
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	2	2	

This program provides resources to educate, train, and provide stipends for economically disadvantaged young adults through their participation in the construction and rehabilitation of housing for low-income and homeless persons. The program expands the supply of affordable housing and, at the same time, enables high school dropouts to obtain the education and employment skills necessary to achieve self-sufficiency. The 2001 request of \$75 million will provide more than 5,100 young people with skills they need to get jobs and will provide 750 families in distressed communities with homes. The Youthbuild program has been funded at a set-aside within the CDBG program since 1996. The obligated balance and outlays shown above represent activity in the separate youthbuild account.

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, **[\$1,600,000,000]**,

\$1,650,000,000 to remain available until expended[; Provided, That up to \$15,000,000 of these funds], of which up to \$24,000,000 shall be available for Housing Counseling under section 106 of the Housing and Urban Development Act of 1968[; Provided further, That \$2,000,000 of these funds shall be made available as a grant to the National Housing Development Corporation for a program of housing acquisition and rehabilitation: Provided further, That all Housing Counseling program balances previously appropriated in the "Housing Counseling Assistance" account shall be transferred to this account, to be available for the purposes for which they were originally appropriated: 3 percent shall be for Native Americans and up to \$5,000,000 shall be for the development and operation of integrated community development management information systems. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.)

Program and Financing (in millions of dollars)

Identification code 86-0205-0-1-604	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 HOME grants	1,647	1,791	1,650
10.00 Total new obligations (object class 41.0)	1,647	1,791	1,650
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	236	191	
22.00 New budget authority (gross)	1,600	1,600	1,650
22.10 Resources available from recoveries of prior year obligations	2		
23.90 Total budgetary resources available for obligation	1,838	1,791	1,650
23.95 Total new obligations	-1,647	-1,791	-1,650
24.40 Unobligated balance available, end of year	191		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,600	1,600	1,650
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	3,650	3,947	4,081
73.10 Total new obligations	1,647	1,791	1,650
73.20 Total outlays (gross)	-1,347	-1,657	-1,734
73.45 Adjustments in unexpired accounts	-2		
74.40 Unpaid obligations, end of year: Obligated balance, end of year	3,947	4,081	3,997
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	14	32	33
86.93 Outlays from discretionary balances	1,333	1,625	1,701
87.00 Total outlays (gross)	1,347	1,657	1,734
Net budget authority and outlays:			
89.00 Budget authority	1,600	1,600	1,650
90.00 Outlays	1,347	1,657	1,734

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 2001 request will result in the production of 92,064 units of affordable housing through new construction, rehabilitation, or acquisition. In addition, tenant-based rental assistance will be provided for 10,883 units.

The HOME request also includes up to \$5 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.

Funding of \$24 million for the Housing Counseling Assistance program is also included in this account. This program provides comprehensive housing counseling services, including pre-purchase, default, and renter counseling, to eligible homeowners and tenants. Up to three percent of these funds are

set aside for housing counseling assistance for Native Americans. The Housing Counseling program was funded at \$17.5 million in 1999, and \$15 million in 2000 as set-asides in the HOME account.

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), **[\$1,020,000,000]** \$1,200,000,000, to remain available until expended, of which \$105,000,000 shall be for section 8 rental assistance under the Housing Act of 1937: *Provided*, That [not less than 30 percent of these funds shall be used for permanent housing, and] all funding for services must be matched by 25 percent in funding by each grantee: *Provided further*, That the Secretary of Housing and Urban Development shall conduct a review of any balances of amounts provided under this heading in any previous appropriations Acts that have been obligated but remain unexpended and shall deobligate any such amounts that the Secretary determines were obligated for contracts that are unlikely to be performed and award such amounts during this fiscal year: *Provided further*, That all awards of assistance under this heading shall take into account proposed strategies to expand access to McKinney and non-McKinney-funded programs by coordinating and integrating homeless programs with other mainstream health, social services, and employment programs for which homeless populations may be eligible. These include Medicaid, State Children's Health Insurance Program, Temporary Assistance for Needy Families, Food Stamps, and services funding through the Mental Health and Substance Abuse Block Grant, Workforce Investment Act, and the Welfare-to-Work grant program: *Provided further*, That up to 1 percent of the funds appropriated under this heading may be used for technical assistance and management information systems: *Provided further*, That all balances previously appropriated in the "Emergency Shelter Grants", "Supportive Housing", "Supplemental Assistance for Facilities to Assist the Homeless", "Shelter Plus Care", "Section 8 Moderate Rehabilitation Single Room Occupancy", and "Innovative Homeless Initiatives Demonstration" accounts shall be transferred to and merged with this account, to be available for any authorized purpose under this heading. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.)

Program and Financing (in millions of dollars)

Identification code 86-0192-0-1-604	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Homeless assistance grants	934	2,197	1,095
00.02 Homeless assistance vouchers			105
10.00 Total new obligations (object class 41.0)	934	2,197	1,200
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	1,019	1,072	
22.00 New budget authority (gross)	975	1,020	1,200
22.10 Resources available from recoveries of prior year obligations	12		
22.22 Unobligated balance transferred from other accounts		105	
23.90 Total budgetary resources available for obligation	2,006	2,197	1,200
23.95 Total new obligations	-934	-2,197	-1,200
24.40 Unobligated balance available, end of year	1,072		
New budget authority (gross), detail:			
Discretionary:			
Appropriation:			
40.00 Appropriation	975	1,020	1,095
40.00 Appropriation			105
43.00 Appropriation (total discretionary)	975	1,020	1,200

Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	1,588	1,867	3,774
73.10 Total new obligations	934	2,197	1,200
73.20 Total outlays (gross)	-643	-961	-1,112
73.32 Obligated balance transferred from other accounts		671	
73.45 Adjustments in unexpired accounts	-12		
74.40 Unpaid obligations, end of year: Obligated balance, end of year	1,867	3,774	3,862
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	9	31	43
86.93 Outlays from discretionary balances	634	930	1,069
87.00 Total outlays (gross)	643	961	1,112
Net budget authority and outlays:			
89.00 Budget authority	975	1,020	1,200
90.00 Outlays	643	961	1,112

The Homeless Assistance Grants program funds the Shelter Plus Care, Supportive Housing, Emergency Shelter Grants, and Section 8 Moderate Rehabilitation Single Room Occupancy programs. These funds will enable localities to continue to shape and implement comprehensive, flexible, coordinated "continuum of care" approaches to solving rather than institutionalizing homelessness. In fact, in recent 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 2001 request will fund 14,500 transitional beds and 11,000 permanent beds, all linked to supportive services.

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

Finally, \$105 million is for 18,000 housing vouchers for homeless 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.

RURAL HOUSING AND ECONOMIC DEVELOPMENT
(INCLUDING TRANSFER OF FUNDS)

For the Office of Rural Housing and Economic Development in the Department of Housing and Urban Development, **[\$25,000,000]**, \$27,000,000 to remain available until expended: *Provided*, That of the amount under this heading, up to \$3,000,000 shall be used to develop capacity at the State and local level for developing rural housing and for rural economic development and for maintaining a clearinghouse of ideas for innovative strategies for rural housing and economic development and revitalization: *Provided further*, That of the amount under this heading, at least \$22,000,000, which amount shall be awarded [by June 1, 2000] to Indian tribes, State housing finance agencies, State community and/or economic development agencies, local rural nonprofits and community development corporations to support innovative housing and economic development

General and special funds—Continued

**RURAL HOUSING AND ECONOMIC DEVELOPMENT—Continued
(INCLUDING TRANSFER OF FUNDS)—Continued**

activities in rural areas: *Provided further*, That all grants shall be awarded on a competitive basis as specified in section 102 of the HUD Reform Act. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.*)

Program and Financing (in millions of dollars)

Identification code 86-0324-0-1-604	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Rural Housing		57	27
10.00 Total new obligations (object class 41.0)		57	27
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year		32	
22.00 New budget authority (gross)	32	25	27
23.90 Total budgetary resources available for obligation	32	57	27
23.95 Total new obligations		-57	-27
24.40 Unobligated balance available, end of year	32		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	25	25	27
42.00 Transferred from other accounts	7		
43.00 Appropriation (total discretionary)	32	25	27
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year			46
73.10 Total new obligations		57	27
73.20 Total outlays (gross)		-11	-22
74.40 Unpaid obligations, end of year: Obligated balance, end of year		46	51
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		1	1
86.93 Outlays from discretionary balances		10	21
87.00 Total outlays (gross)		11	22
Net budget authority and outlays:			
89.00 Budget authority	32	25	27
90.00 Outlays		11	22

The 2000 VA-HUD and Independent Agencies Appropriations Act (P.L. 106-74) provided \$25 million to the Rural Housing and Economic Development program. This program is located in the Office of Community Planning and Development and is used to encourage new and innovative approaches to serving the housing and economic development needs of the nation's rural communities.

URBAN DEVELOPMENT ACTION GRANTS

Program and Financing (in millions of dollars)

Identification code 86-0170-0-1-451	1999 actual	2000 est.	2001 est.
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year		78	68
73.20 Total outlays (gross)	-18	-10	-10
74.40 Unpaid obligations, end of year: Obligated balance, end of year	78	68	58
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	18	10	10
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	18	10	10

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

CAPACITY BUILDING FOR COMMUNITY DEVELOPMENT AND AFFORDABLE HOUSING

Program and Financing (in millions of dollars)

Identification code 86-0222-0-1-451	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Build capacity of community development organizations	8		
10.00 Total new obligations (object class 41.0)	8		
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	8		
23.95 Total new obligations	-8		
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	21	19	10
73.10 Total new obligations	8		
73.20 Total outlays (gross)	-9	-9	-7
74.40 Unpaid obligations, end of year: Obligated balance, end of year	19	10	3
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	9	9	7
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	9	9	7

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. P.L. 105-276 provided \$15 million for this program in 1999 for the two organizations eligible prior to the enactment of P.L. 105-18. Funding of \$20 million was provided for this program in 2000 in Public Law 106-74 as a set-aside within the CDBG program. \$24 million is being requested in 2001, again as a set-aside within CDBG.

EMERGENCY SHELTER GRANTS PROGRAM

Program and Financing (in millions of dollars)

Identification code 86-0181-0-1-604	1999 actual	2000 est.	2001 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	1	1	
22.21 Unobligated balance transferred to other accounts		-1	
23.90 Total budgetary resources available for obligation	1		
24.40 Unobligated balance available, end of year	1		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

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. The 2000 Appropriations Act transferred all balances in this account to the Homeless Assistance Grants account.

SUPPORTIVE HOUSING PROGRAM

Program and Financing (in millions of dollars)

Identification code 86-0188-0-1-604	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Homelessness prevention	2		
10.00 Total new obligations (object class 41.0)	2		
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	17	35	
22.10 Resources available from recoveries of prior year obligations	20		
22.21 Unobligated balance transferred to other accounts		-35	
23.90 Total budgetary resources available for obligation	37		
23.95 Total new obligations	-2		
24.40 Unobligated balance available, end of year	35		
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	177	96	
73.10 Total new obligations	2		
73.20 Total outlays (gross)	-63		
73.31 Obligated balance transferred to other accounts		-96	
73.45 Adjustments in unexpired accounts	-20		
74.40 Unpaid obligations, end of year: Obligated balance, end of year	96		
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	63		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	63		

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. The 2000 Appropriations Act transferred all balances in this account to the Homeless Assistance Grants account.

SUPPLEMENTAL ASSISTANCE FOR FACILITIES TO ASSIST THE HOMELESS

Program and Financing (in millions of dollars)

Identification code 86-0187-0-1-451	1999 actual	2000 est.	2001 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	1	1	
22.21 Unobligated balance transferred to other accounts		-1	
23.90 Total budgetary resources available for obligation	1		
24.40 Unobligated balance available, end of year	1		

Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	1	1	
73.31 Obligated balance transferred to other accounts		-1	
74.40 Unpaid obligations, end of year: Obligated balance, end of year	1		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

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. The 2000 Appropriations Act transferred all balances in this account to the Homeless Assistance Grants account.

SHELTER PLUS CARE

Program and Financing (in millions of dollars)

Identification code 86-0204-0-1-604	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Homelessness prevention	4		
10.00 Total new obligations (object class 41.0)	4		
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	6	3	
22.10 Resources available from recoveries of prior year obligations	1		
22.21 Unobligated balance transferred to other accounts		-3	
23.90 Total budgetary resources available for obligation	7		
23.95 Total new obligations	-4		
24.40 Unobligated balance available, end of year	3		
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	300	228	
73.10 Total new obligations	4		
73.20 Total outlays (gross)	-75		
73.31 Obligated balance transferred to other accounts		-228	
73.45 Adjustments in unexpired accounts	-1		
74.40 Unpaid obligations, end of year: Obligated balance, end of year	228		
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	75		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	75		

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.

The 2000 Appropriations Act transferred all balances in this account to the Homeless Assistance Grants account.

General and special funds—Continued

INNOVATIVE HOMELESS INITIATIVES DEMONSTRATION PROGRAM

Program and Financing (in millions of dollars)

Identification code 86-0221-0-1-604	1999 actual	2000 est.	2001 est.
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	18	9	
73.20 Total outlays (gross)	-9		
73.31 Obligated balance transferred to other accounts		-9	
74.40 Unpaid obligations, end of year: Obligated balance, end of year	9		
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	9		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	9		

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. The 2000 Appropriations Act transferred all balances in this account to the Homeless Assistance Grants account.

[NATIONAL CITIES] COMMUNITIES IN SCHOOLS COMMUNITY DEVELOPMENT PROGRAM

Note.—Section 209 provides \$5,000,000 for this account.

For grants for the Communities in Schools Community Development Program, \$5,000,000, as authorized by section 930 of the Housing and Community Development Act of 1992.

Program and Financing (in millions of dollars)

Identification code 86-0220-0-1-451	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Grants for Schools	5	5	5
10.00 Total new obligations (object class 41.0)	5	5	5
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	5	5	5
23.95 Total new obligations	-5	-5	-5
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation		5	5
42.00 Transferred from other accounts	5		
43.00 Appropriation (total discretionary)	5	5	5
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year		1	3
73.10 Total new obligations	5	5	5
73.20 Total outlays (gross)	-4	-4	-5
74.40 Unpaid obligations, end of year: Obligated balance, end of year	1	3	3
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	4	3	3
86.93 Outlays from discretionary balances		1	3
87.00 Total outlays (gross)	4	4	5
Net budget authority and outlays:			
89.00 Budget authority	5	5	5
90.00 Outlays	4	4	5

The Communities in Schools program, formerly known as the National Cities in Schools program, provides funding to

empower local communities to work through collaborative public/private partnerships involving schools, public housing communities, and community organizations to prevent youngsters from dropping out of school, while involving youth in local community building, job training and neighborhood revitalization projects. P.L. 105-276 authorized the transfer of \$5,000,000 in Annual Contributions for Assisted Housing recaptures to this account in 1999. The 2000 Appropriations Act (P.L. 106-74) provided \$5 million; an additional \$5 million is requested for 2001.

Public enterprise funds:

REVOLVING FUND (LIQUIDATING PROGRAMS)

Program and Financing (in millions of dollars)

Identification code 86-4015-0-3-451	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
09.01 Loan servicing	5	10	9
09.03 Administrative expenses	1	1	1
10.00 Total new obligations	6	11	10
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	100	93	76
22.00 New budget authority (gross)	53	44	42
22.10 Resources available from recoveries of prior year obligations	2		
22.40 Capital transfer to general fund	-55	-50	-45
23.90 Total budgetary resources available for obligation	100	87	73
23.95 Total new obligations	-6	-11	-10
24.40 Unobligated balance available, end of year	93	76	63
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	53	44	42
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	12	9	4
73.10 Total new obligations	6	11	10
73.20 Total outlays (gross)	-7	-16	-14
73.45 Adjustments in unexpired accounts	-2		
74.40 Unpaid obligations, end of year: Obligated balance, end of year	9	4	
Outlays (gross), detail:			
86.98 Outlays from mandatory balances	7	16	14
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-53	-44	-42
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-45	-28	-28

Status of Direct Loans (in millions of dollars)

Identification code 86-4015-0-3-451	1999 actual	2000 est.	2001 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	220	175	140
1251 Repayments: Repayments and prepayments	-39	-35	-30
1263 Write-offs for default: Direct loans	-6		
1290 Outstanding, end of year	175	140	110

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4015-0-3-451	1999 actual	2000 est.	2001 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	2	1	
2251 Repayments and prepayments	-1	-1	
2290 Outstanding, end of year	1		

Memorandum:

2299	Guaranteed amount of guaranteed loans outstanding, end of year	1		
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The Revolving fund (liquidating programs) was established by the Independent Offices Appropriations Act of 1955 for the efficient liquidation of assets acquired under a number of housing and urban development programs.

Statement of Operations (in millions of dollars)

Identification code 86-4015-0-3-451	1998 actual	1999 actual	2000 est.	2001 est.
0101 Revenue	11	11	10	9
0102 Expense	-4	-1	-1	-1
0105 Net income or loss (-)	7	10	9	8

Balance Sheet (in millions of dollars)

Identification code 86-4015-0-3-451	1998 actual	1999 actual	2000 est.	2001 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	112	103	85	60
Non-Federal assets:				
1206 Receivables, net	10	20	18	16
1207 Advances and prepayments	2			
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	220	175	157	135
1602 Interest receivable	17	16	15	11
1603 Allowance for estimated uncollectible loans and interest (-)	-20	-7	-7	-7
1604 Direct loans and interest receivable, net	217	184	165	139
1699 Value of assets related to direct loans	217	184	165	139
1801 Other Federal assets: Cash and other monetary assets	1	1		
1999 Total assets	342	308	268	215
LIABILITIES:				
Non-Federal liabilities:				
2201 Accounts payable	1	1	1	1
2207 Other	7	8	5	4
2999 Total liabilities	8	9	6	5
NET POSITION:				
3100 Appropriated capital	197	193	170	140
3300 Cumulative results of operations	138	106	92	70
3999 Total net position	335	299	262	210
4999 Total liabilities and net position	343	308	268	215

Object Classification (in millions of dollars)

Identification code 86-4015-0-3-451	1999 actual	2000 est.	2001 est.
25.2 Other services	3	5	5
32.0 Land and structures	3	6	5
99.9 Total new obligations	6	11	10

Credit accounts:

COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-0198-0-1-451	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.02 Community development loan guarantee credit subsidy	10	29	28
00.09 Administrative expense	1	1	2
10.00 Total new obligations (object class 33.0)	11	30	30

Budgetary resources available for obligation:			
22.00	New budget authority (gross)	30	30
23.95	Total new obligations	-11	-30
23.98	Unobligated balance expiring or withdrawn	-19	

New budget authority (gross), detail:			
Discretionary:			
40.00	Appropriation	30	30

Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance, start of year	18	18
73.10	Total new obligations	11	30
73.20	Total outlays (gross)	-9	-16
73.40	Adjustments in expired accounts (net)	-2	
74.40	Unpaid obligations, end of year: Obligated balance, end of year	18	32

Outlays (gross), detail:			
86.90	Outlays from new discretionary authority	3	5
86.93	Outlays from discretionary balances	6	11
87.00	Total outlays (gross)	9	16

Net budget authority and outlays:			
89.00	Budget authority	30	30
90.00	Outlays	9	16

Guaranteed Loans.—The Community Development Block Grant program includes a guaranteed loan provision (Section 108). A commitment level of \$1.2 billion is proposed for the Community Development Loan Guarantees (Section 108) program for 2001. The credit subsidy/administrative cost estimate for the guaranteed loan program is \$30 million in 2001.

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	1999 actual	2000 est.	2001 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2150	Loan guarantee levels	432	1,261
2159	Total loan guarantee levels	432	1,261
Guaranteed loan subsidy (in percent):			
2320	Subsidy rate	2.30	2.30
2329	Weighted average subsidy rate	2.30	2.30
Guaranteed loan subsidy budget authority:			
2330	Subsidy budget authority	10	29
2339	Total subsidy budget authority	10	29
Guaranteed loan subsidy outlays:			
2340	Subsidy outlays	8	15
2349	Total subsidy outlays	8	15

Administrative expense data:			
3510	Budget authority	1	1
3590	Outlays from new authority	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	1999 actual	2000 est.	2001 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	7	16	32
22.00 New financing authority (gross)	9	16	21
23.90 Total budgetary resources available for obligation	16	32	53
24.40 Unobligated balance available, end of year	16	32	53
New financing authority (gross), detail:			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	9	16	21
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-8	-15	-19
88.25 Interest on uninvested funds	-1	-1	-2
88.90 Total, offsetting collections (cash)	-9	-16	-21
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements	-9	-16	-21

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4096-0-3-451	1999 actual	2000 est.	2001 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	1,261	1,261	1,217
2112 Uncommitted loan guarantee limitation	-829		
2150 Total guaranteed loan commitments	432	1,261	1,217
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	1,189	1,509	1,959
2231 Disbursements of new guaranteed loans	468	650	825
2251 Repayments and prepayments	-148	-200	-250
2290 Outstanding, end of year	1,509	1,959	2,534
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	1,509	1,959	2,534

Balance Sheet (in millions of dollars)

Identification code 86-4096-0-3-451	1998 actual	1999 actual	2000 est.	2001 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	7	16	32	53
1999 Total assets	7	16	32	53
LIABILITIES:				
2204 Non-Federal liabilities: Liabilities for loan guarantees	8	16	32	53
2999 Total liabilities	8	16	32	53
4999 Total liabilities and net position	8	16	32	53

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	1999 actual	2000 est.	2001 est.
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	24	4	4
22.60 Portion applied to repay debt	-17	-4	-4
23.90 Total budgetary resources available for obligation	7		
23.95 Total new obligations			
23.98 Unobligated balance expiring or withdrawn	-7		
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	24	4	4
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Obligated balance, start of year	138	134	134
72.95 From Federal sources: Receivables and unpaid, unfilled orders	10	10	10
72.99 Total unpaid obligations, start of year	148	144	144
73.20 Total outlays (gross)	-4		
Unpaid obligations, end of year:			
74.40 Obligated balance, end of year	134	134	134
74.95 From Federal sources: Receivables and unpaid, unfilled orders	10	10	10
74.99 Total unpaid obligations, end of year	144	144	144
Outlays (gross), detail:			
86.98 Outlays from mandatory balances	4		
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-24	-4	-4
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-20	-4	-4

Status of Direct Loans (in millions of dollars)

Identification code 86-4097-0-3-451	1999 actual	2000 est.	2001 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	30	13	9
1251 Repayments: Repayments and prepayments	-17	-4	-4
1290 Outstanding, end of year	13	9	5

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4097-0-3-451	1999 actual	2000 est.	2001 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	165	134	109
2251 Repayments and prepayments	-31	-25	-25
2290 Outstanding, end of year	134	109	84
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	134	109	84

Statement of Operations (in millions of dollars)

Identification code 86-4097-0-3-451	1998 actual	1999 actual	2000 est.	2001 est.
0101 Revenue	8	8	6	6

0102	Expense	-8	-8	-6	-6
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Balance Sheet (in millions of dollars)

Identification code 86-4097-0-3-451	1998 actual	1999 actual	2000 est.	2001 est.	
ASSETS:					
Federal assets:					
1101	Fund balances with Treasury	-8	-4	-4	-4
Investments in US securities:					
1106	Receivables, net	9	11	7	7
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1701	Defaulted guaranteed loans, gross	31	13	12	11
1702	Interest receivable	4	4	4	4
1799	Value of assets related to loan guarantees	35	17	16	15
1901	Other Federal assets: Other assets	149	139	135	130
1999	Total assets	185	163	154	148
LIABILITIES:					
2105	Federal liabilities: Other	155	14	14	13
2201	Non-Federal liabilities: Accounts payable	30	149	140	135
2999	Total liabilities	185	163	154	148
4999	Total liabilities and net position	185	163	154	148

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.

AMERICA'S PRIVATE INVESTMENT COMPANIES PROGRAM ACCOUNT

[INCLUDING TRANSFER OF FUNDS]

For the cost of guaranteed loans under the America's Private Investment Companies Program, [\$20,000,000], \$37,000,000 to remain available until September 30, [2002] 2003, of which not to exceed \$1,000,000 shall be for administrative expenses to carry out such a loan program, to be transferred to and merged with "Salaries and Expenses": Provided, That such costs, including the cost of modifying 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 guaranteed, not to exceed [\$541,000,000: Provided further, That the funds appropriated under this heading shall not be available for obligation until the America's Private Investment Companies Program is authorized by subsequent legislation and the program is developed subject to notice and comment rulemaking: Provided further, That if the authorizing legislation is not enacted by June 30, 2000, all funds under this heading shall be transferred to and merged with the appropriation for the "Community development financial institutions fund program account" to be available for use as grants and loans under that account] \$1,000,000,000. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.)

Program and Financing (in millions of dollars)

Identification code 86-0326-0-1-451	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.02	Credit Subsidy	19	36
00.09	Administrative Expense	1	1
10.00	Total new obligations (object class 33.0)	20	37
Budgetary resources available for obligation:			
22.00	New budget authority (gross)	20	37
23.95	Total new obligations	-20	-37
New budget authority (gross), detail:			
Discretionary:			
40.00	Appropriation	20	37
Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance, start of year		5
73.10	Total new obligations	20	37
73.20	Total outlays (gross)	-15	-28
74.40	Unpaid obligations, end of year: Obligated balance, end of year	5	14
Outlays (gross), detail:			
86.90	Outlays from new discretionary authority	15	27
86.93	Outlays from discretionary balances		1
87.00	Total outlays (gross)	15	28
Net budget authority and outlays:			
89.00	Budget authority	20	37
90.00	Outlays	15	28

The America's Private Investment Companies (APIC) is a vehicle for increasing the private equity capital invested in distressed urban and rural areas. The difficulty in obtaining equity-type financing, which is harder to come by than debt financing, worsens the overall shortage of investment capital in distressed inner city and rural areas. This Budget proposes \$36 million in credit subsidy, which is expected to leverage \$1 billion in loan commitments and an additional \$500 million in private equity capital.

APIC is administered by the Department of Housing and Urban Development (HUD) with support from the Small Business Administration (SBA), drawing on the dual expertise of these two agencies. The SBA's Small Business Investment Companies (SBIC) program also supports the effective investment of private equity and can be targeted to distressed areas. However, SBICs are capped in size of companies eligible for investment and therefore may not be able to serve large projects such as manufacturing facilities that can have significant impact on distressed areas. APICs provide a financing mechanism for venture capital funds that would be able to invest in larger businesses which could relocate or expand into distressed areas. An APIC venture funds issue debentures and takes equity positions in businesses needing equity-type capital of \$10 million or more.

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, 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.

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

Identification code 86-0326-0-1-451	1999 actual	2000 est.	2001 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2150	Loan guarantee levels	541	1,000
2159	Total loan guarantee levels	541	1,000
Guaranteed loan subsidy (in percent):			
2320	Subsidy rate	3.60	3.60

Credit accounts—Continued

AMERICA'S PRIVATE INVESTMENT COMPANIES PROGRAM ACCOUNT—Continued

[INCLUDING TRANSFER OF FUNDS]—Continued

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

Identification code 86-0326-0-1-451	1999 actual	2000 est.	2001 est.
2329 Weighted average subsidy rate		3.60	3.60
Guaranteed loan subsidy budget authority:			
2330 Subsidy budget authority		20	36
2339 Total subsidy budget authority		20	36
Guaranteed loan subsidy outlays:			
2340 Subsidy outlays		14	27
2349 Total subsidy outlays		14	27
Administrative expense data:			
3510 Budget authority		1	1
3590 Outlays from new authority		1	1

AMERICA'S PRIVATE INVESTMENT COMPANIES LOAN GUARANTEE FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4102-0-3-451	1999 actual	2000 est.	2001 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year			14
22.00 New financing authority (gross)		14	29
23.90 Total budgetary resources available for obligation		14	43
24.40 Unobligated balance available, end of year		14	43
New financing authority (gross), detail:			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)		14	29
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources		-14	-27
88.25 Interest on uninvested funds			-2
88.90 Total, offsetting collections (cash)		-14	-29
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements		-14	-29

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4102-0-3-451	1999 actual	2000 est.	2001 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders		541	1,000
2150 Total guaranteed loan commitments		541	1,000
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year			395
2231 Disbursements of new guaranteed loans		395	771
2290 Outstanding, end of year		395	1,166
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year		395	1,166

Balance Sheet (in millions of dollars)

Identification code 86-4102-0-3-451	1998 actual	1999 actual	2000 est.	2001 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury			14	29
1999 Total assets			14	29
LIABILITIES:				
2204 Non-Federal liabilities: Liabilities for loan guarantees			14	29
2999 Total liabilities			14	29
4999 Total liabilities and net position			14	29

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 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.

HOUSING PROGRAMS

Federal Funds

General and special funds:

HOUSING FOR SPECIAL POPULATIONS

For assistance for the purchase, construction, acquisition, or development of additional public and subsidized housing units for low income families not otherwise provided for, **[\$911,000,000]**, **\$989,000,000**, to remain available until expended: *Provided*, That **[\$710,000,000]** **\$779,000,000** 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 such section 202(c)(2), and for supportive services associated with the housing, of which **[amount \$50,000,000 shall be for service coordinators and continuation of existing congregate services grants for residents of assisted housing projects, and of which amount \$50,000,000 shall be for grants for conversion of existing section 202 projects, or portions thereof, to assisted living or related use, consistent with the relevant provision of title V of this Act] \$50,000,000 shall be for service coordinators and the continuation of existing congregate service grants for residents of assisted housing projects and for other eligible elderly persons residing in the neighborhood in which such projects are located on an exception basis; \$50,000,000 shall be for the conversion of existing projects for the elderly, or portions of such projects, to assisted living or related use, as authorized by section 202b (including up to \$5,000,000 for intergenerational learning centers); and \$50,000,000 shall be for grants for up to 20 percent of the units in any new assisted living facility which is developed with new construction or substantial rehabilitation loan guarantee financing under section 232 of the National Housing Act: *Provided further*, That such units shall be occupied by low-income elderly families with at least one member who is frail: *Provided further*, That such grants shall be awarded, at the discretion of the Secretary, based on an approved plan of the State or political subdivision thereof to supplement the grants with appropriate supportive services funding for those frail elderly occupying such units: *Provided further*, That of the amount under this heading, **[\$201,000,000]** **\$210,000,000** 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]** shall designate **[up to 25 percent]** *at least 25 percent but no more than 50 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 5 years in duration: *Provided further*, That the Secretary may waive any provision of such section 202 and such**

section 811 (including the provisions governing the terms and conditions of project rental assistance and tenant-based assistance) that the Secretary determines is not necessary to achieve the objectives of 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. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.*)

Program and Financing (in millions of dollars)

Identification code 86-0320-0-1-604	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Direct Program Activity	972	1,280	1,355
10.00 Total new obligations (object class 41.0)	972	1,280	1,355
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	2,864	2,749	2,380
22.00 New budget authority (gross)	854	911	989
22.10 Resources available from recoveries of prior year obligations	3		
23.90 Total budgetary resources available for obligation	3,721	3,660	3,369
23.95 Total new obligations	-972	-1,280	-1,355
24.40 Unobligated balance available, end of year	2,749	2,380	2,014
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	854	911	989
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	3,591	3,799	4,295
73.10 Total new obligations	972	1,280	1,355
73.20 Total outlays (gross)	-761	-784	-1,014
73.45 Adjustments in unexpired accounts	-3		
74.40 Unpaid obligations, end of year: Obligated balance, end of year	3,799	4,295	4,636
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	761	784	1,014
Net budget authority and outlays:			
89.00 Budget authority	854	911	989
90.00 Outlays	761	784	1,014

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. In 2001, a total of \$989 million is requested for the Housing for Special Populations account.

Housing for the Disabled.—\$210 million is proposed for housing for persons with disabilities, including language to permit at least 25 percent and up to 50 percent of these funds to be earmarked for tenant-based assistance which increases the number of persons that can be assisted by maximizing the use of the private market.

Housing for the Elderly.—A total of \$779 million is proposed for housing for the elderly. Of this amount \$50 million is for the capital grant program to convert existing 202 properties to assisted living under appropriate conditions. These funds for capital grants are available to existing HUD elderly subsidized (Section 202) projects that convert some or all units to Assisted Living. These competitive grants are available to current project owners who agree to several specified conditions. These conditions would include: (1) a tight cap on operating expenses and HUD subsidy; (2) Medicaid home and community-based services or personal care services for Medicaid-eligible residents; and accessible services for non-Medicaid eligible residents through local and community service providers; (3) at least two meals per day; and (4) 24-hour staff. Preference will be given to grant applicants who demonstrate a strong commitment to (1) serve extremely low

income frail, disabled elderly residents, (2) promote resident autonomy, independence choice and control.

This initiative will make available to low-income elderly, a new type of housing that Americans with higher incomes already benefit from in increasing numbers. Converting some Section 202 projects to assisted living brings this successful innovation to a population that includes a much higher proportion of frail elderly than when subsidized apartment projects were first constructed. These elderly need additional help with various tasks in order to continue living as independently as possible. Projects need to be reconfigured to provide more congregate areas and room for additional services. As a result of this investment, people who otherwise would be confined to nursing homes and receive a higher level of care can enjoy a much greater degree of independence.

\$50 million is provided for an expanded service coordinator program that will serve both residents of HUD-assisted elderly housing and other eligible elderly residing in the neighborhood in which such projects are located on an exception basis. These new grants and an expanded 202 program will address the growing housing needs of the nation's elderly.

This initiative will begin to address in a more comprehensive way the changing and expanding long-term care needs of the elderly population including: the lack of decent affordable housing for low-income elderly people. The Administration proposes to expand assistance to low income elderly people by providing more accessible decent affordable housing, and by coordinating and ensuring the existence and accessibility of supportive services provided by the community, non-profits, and through the Federal health programs to residents of the projects. Together these efforts will establish a Continuum of Care for the elderly.

Additionally, in the 2001 budget, the Administration includes funding for the Housing Security Plan, and to continue to implement the Continuum of Care for America's seniors. The budget this year proposes an initiative to increase assisted living opportunities for the elderly. \$50 million is provided for the production of new affordable assisted living units for the low-income elderly. The Administration proposes that HUD partner with HHS and states and localities to better integrate housing assistance with Medicaid funding for services.

OTHER ASSISTED HOUSING PROGRAMS

RENTAL HOUSING ASSISTANCE

Program and Financing (in millions of dollars)

Identification code 86-0206-0-1-999	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Rent supplement	8	5	5
00.02 Homeownership and rental housing assistance (Sections 235 and 236)	21	25	25
00.03 College Housing	6		
00.04 IRP Rehab Grants		190	300
10.00 Total new obligations (object class 41.0)	35	220	330
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	8	7	
21.49 Unobligated balance available, start of year: Contract authority	950	1,053	1,083
21.99 Total unobligated balance, start of year	958	1,060	1,083
22.00 New budget authority (gross)		-7	
22.10 Resources available from recoveries of prior year obligations	130	250	266
22.75 Balance of contract authority withdrawn	6		
23.90 Total budgetary resources available for obligation	1,094	1,303	1,349
23.95 Total new obligations	-35	-220	-330
24.40 Unobligated balance available, end of year	7		
24.49 Unobligated balance, end of year: Contract authority	1,053	1,083	1,019

General and special funds—Continued**RENTAL HOUSING ASSISTANCE—Continued****Program and Financing (in millions of dollars)—Continued**

Identification code 86-0206-0-1-999	1999 actual	2000 est.	2001 est.
24.99 Total unobligated balance, end of year	1,060	1,083	1,019
New budget authority (gross), detail:			
Discretionary:			
40.05 Appropriation (indefinite)	676	664	711
40.36 Preservation prepayment rescission		-7	
40.49 Portion applied to liquidate contract authority	-676	-664	-711
43.00 Appropriation (total discretionary)		-7	
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Obligated balance, start of year	127	39	
72.49 Obligated balance, start of year: Contract authority	11,332	10,616	9,915
72.99 Total unpaid obligations, start of year	11,459	10,655	9,915
73.10 Total new obligations	35	220	330
73.20 Total outlays (gross)	-708	-710	-711
73.45 Adjustments in unexpired accounts	-130	-250	-266
Unpaid obligations, end of year:			
74.40 Obligated balance, end of year	39		
74.49 Obligated balance, end of year: Contract authority	10,616	9,915	9,268
74.99 Total unpaid obligations, end of year	10,655	9,915	9,268
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	708	710	711
Net budget authority and outlays:			
89.00 Budget authority		-7	
90.00 Outlays	708	710	711

Status of Contract Authority (in millions of dollars)

Identification code 86-0206-0-1-999	1999 actual	2000 est.	2001 est.
0100 Balance, start of year	12,282	11,669	10,998
Contract authority:			
0200 Contract authority		-7	
0400 Appropriation to liquidate contract authority	-676	-664	-711
0600 Balance of contract authority withdrawn	6		
0700 Balance, end of year	11,669	10,998	10,287

OTHER ASSISTED HOUSING**Summary of Administrative Commitments**

(in millions of dollars)

	1999 actual	2000 est.	2001 est.
Assistance contracts:			
College Housing	6		
Rent supplement	8	5	5
Homeownership and rental housing assistance (sections 235 and 236)	21	25	25
IRP Rehab Grants		190	300
Administrative commitments, start of year	16	16	16
Administrative commitments, end of year	-16	-16	-16
Total obligations	35	220	330

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 eligible projects. An estimated \$300 million of such grants are expected in 2001.

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 1999, 2000 and 2001.

SUMMARY OF OUTLAYS¹

(in millions of dollars)

	1999 actual	2000 est.	2001 est.
Subsidized housing programs, total	19,438	19,959	20,636
Low-income housing assistance (sec. 8)	15,560	16,090	16,579
Public housing capital fund	3,080	3,159	3,346
Rent supplement	55	56	56
Homeownership assistance (sec. 235)	28	28	28
Rental housing assistance (sec. 236)	609	610	610
College housing grants	15	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	1999 actual	2000 est.	2001 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	11	14	3
22.00 New budget authority (gross)		-11	
22.10 Resources available from recoveries of prior year obligations	3		
23.90 Total budgetary resources available for obligation	14	3	3
24.40 Unobligated balance available, end of year	14	3	3
New budget authority (gross), detail:			
Discretionary:			
40.36 Unobligated balance rescinded		-11	
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	102	81	63
73.20 Total outlays (gross)	-18	-18	-18
73.45 Adjustments in unexpired accounts	-3		
74.40 Unpaid obligations, end of year: Obligated balance, end of year	81	63	45
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	18	18	18
Net budget authority and outlays:			
89.00 Budget authority		-11	
90.00 Outlays	18	18	18

The Homeownership and Opportunity for People Everywhere Program provided affordable homeownership opportunities for low-income families. Units were converted to homeownership from public and Indian housing properties in HOPE 1, from FHA-insured and Government-held multi-family properties in HOPE 2, and from Government-owned or -held single family properties in HOPE 3. HOPE Grants were used for property acquisition, rehabilitation, mortgage subsidies, security measures, and technical assistance. In addition, grants have been devoted to counseling and training of residents, and other activities intended to help them become economically self-sufficient homeowners. No funding is being requested for 2001. 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	1999 actual	2000 est.	2001 est.
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	9	2	
73.20 Total outlays (gross)	-5	-2	
73.40 Adjustments in expired accounts (net)	-1		
74.40 Unpaid obligations, end of year: Obligated balance, end of year	2		
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	5	2	
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	5	2	

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 Public Housing Capital Fund for 2001. Renewals of congregate services contracts for assisted housing are funded within the Housing for Special Populations account. 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	1999 actual	2000 est.	2001 est.
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	2		
73.20 Total outlays (gross)			
73.40 Adjustments in expired accounts (net)	-2		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

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

In 1998, housing counseling was appropriated as a \$20 million set-aside in the HOME Investment Partnerships Program. The program was funded at \$17.5 million as a HOME set-aside in 1999 and at \$15 million in 2000. The Budget proposes Housing Counseling as a \$24 million HOME set-aside for 2001.

SECTION 8 MODERATE REHABILITATION
SINGLE ROOM OCCUPANCY

Program and Financing (in millions of dollars)

Identification code 86-0195-0-1-604	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Homelessness prevention	20		
10.00 Total new obligations (object class 41.0)	20		
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	85	65	
22.21 Unobligated balance transferred to other accounts		-65	
23.90 Total budgetary resources available for obligation	85		

23.95 Total new obligations	-20		
24.40 Unobligated balance available, end of year	65		

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance, start of year	348	337	
73.10 Total new obligations	20		
73.20 Total outlays (gross)	-31		
73.31 Obligated balance transferred to other accounts		-337	
74.40 Unpaid obligations, end of year: Obligated balance, end of year	337		

Outlays (gross), detail:

86.93 Outlays from discretionary balances	31		
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Net budget authority and outlays:

89.00 Budget authority			
90.00 Outlays	31		

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. The 2000 Appropriations Act transferred all balances in this account to the Homeless Assistance Grants account.

MANUFACTURED HOME INSPECTION AND MONITORING

Unavailable Collections (in millions of dollars)

Identification code 86-5271-0-2-376	1999 actual	2000 est.	2001 est.
Balance, start of year:			
01.99 Balance, start of year			
Receipts:			
02.01 Manufactured home inspection and monitoring	15	16	17
Appropriation:			
05.01 Manufactured home inspection and monitoring	-15	-16	-17
07.99 Total balance, end of year			

Program and Financing (in millions of dollars)

Identification code 86-5271-0-2-376	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Transfer to salaries and expenses	1	1	1
00.02 Other program costs	14	15	16
10.00 Total new obligations (object class 25.2)	15	16	17
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	8	9	9
22.00 New budget authority (gross)	15	16	17
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	24	25	26
23.95 Total new obligations	-15	-16	-17
24.40 Unobligated balance available, end of year	9	9	8

New budget authority (gross), detail:

Mandatory:			
60.25 Appropriation (special fund, indefinite)	15	16	17

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance, start of year	2	1	2
73.10 Total new obligations	15	16	17
73.20 Total outlays (gross)	-15	-15	-16
73.45 Adjustments in unexpired accounts	-1		
74.40 Unpaid obligations, end of year: Obligated balance, end of year	1	2	3

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	14	14	15
86.98 Outlays from mandatory balances	1	1	1
87.00 Total outlays (gross)	15	15	16

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	1999 actual	2000 est.	2001 est.
Net budget authority and outlays:			
89.00 Budget authority	15	16	17
90.00 Outlays	15	15	16

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 of \$24 per transportable section is charged to the manufacturers for each manufactured home produced. The fee is used 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 1999, an estimated 375,000 manufactured homes and 631,828 transportable sections were produced.

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

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

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

The estimated annual program activity level will continue at 1,020 filings, approximately the same estimated 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	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
09.00 Reimbursable program	34	31	28
10.00 Total new obligations (object class 25.2)	34	31	28
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	1	1	1
22.00 New budget authority (gross)	34	31	28
23.90 Total budgetary resources available for obligation	35	32	29
23.95 Total new obligations	-34	-31	-28
24.40 Unobligated balance available, end of year	1	1	1
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	34	31	28
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	7	7	6

73.10 Total new obligations	34	31	28
73.20 Total outlays (gross)	-34	-31	-28
74.40 Unpaid obligations, end of year: Obligated balance, end of year	7	6	6
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	34	31	28
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-34	-31	-28
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

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.

FLEXIBLE SUBSIDY FUND

(TRANSFER OF FUNDS)

From the Rental Housing Assistance Fund, all uncommitted balances of excess rental charges as of September 30, [1999] 2000, and any collections made during fiscal year [2000] 2001, 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, 2000.*)

Program and Financing (in millions of dollars)

Identification code 86-4044-0-3-604	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
09.00 Reimbursable program	18	17	18
10.00 Total new obligations (object class 41.0)	18	17	18
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	235	264	286
22.00 New budget authority (gross)	48	39	36
23.90 Total budgetary resources available for obligation	283	303	322
23.95 Total new obligations	-18	-17	-18
24.40 Unobligated balance available, end of year	264	286	305
New budget authority (gross), detail:			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	48	39	36
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	27	28	31
73.10 Total new obligations	18	17	18
73.20 Total outlays (gross)	-17	-14	-20
74.40 Unpaid obligations, end of year: Obligated balance, end of year	28	31	29
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	17	14	20

Offsets:
Against gross budget authority and outlays:
Offsetting collections (cash) from:

88.00	Federal sources	-41	-31	-28
88.40	Non-Federal sources	-7	-8	-8
88.90	Total, offsetting collections (cash)	-48	-39	-36

Net budget authority and outlays:

89.00	Budget authority			
90.00	Outlays	-31	-25	-16

Memorandum (non-add) entries:

92.01	Total investments, start of year: U.S. securities: Par value	150	205	205
92.02	Total investments, end of year: U.S. securities: Par value	205	205	205

Status of Direct Loans (in millions of dollars)

Identification code 86-4044-0-3-604	1999 actual	2000 est.	2001 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	769	786	796
1231	Disbursements: Direct loan disbursements	17	14	20
1251	Repayments: Repayments and prepayments		-4	-4
1290	Outstanding, end of year	786	796	812

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

The budget assumes that the account will continue to serve as a repository of excess rental charges appropriated from the Rental Housing Assistance Fund. Since 1996, these resources have not been used for new reservations but they continue to offset Flexible Subsidy outlays and other discretionary expenditures.

Statement of Operations (in millions of dollars)

Identification code 86-4044-0-3-604	1998 actual	1999 actual	2000 est.	2001 est.	
0101	Revenue	66	54	50	47
0102	Expense	-90	-1		
0105	Net income or loss (-)	-24	53	50	47

Balance Sheet (in millions of dollars)

Identification code 86-4044-0-3-604	1998 actual	1999 actual	2000 est.	2001 est.	
ASSETS:					
Federal assets:					
1101	Fund balances with Treasury	131	108	184	200
Investments in US securities:					
1102	Treasury securities, par	150	205	205	205
1106	Receivables, net	4			
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1601	Direct loans, gross	769	786	796	812
1603	Allowance for estimated uncollectible loans and interest (-)	-692	-692	-717	-731
1699	Value of assets related to direct loans	77	94	79	81
1999	Total assets	362	407	468	486
NET POSITION:					
3100	Appropriated capital	217	217	217	217
3300	Cumulative results of operations	145	190	251	269
3999	Total net position	362	407	468	486
4999	Total liabilities and net position	362	407	468	486

HOMEOWNERSHIP ASSISTANCE FUND

Program and Financing (in millions of dollars)

Identification code 86-4043-0-3-604	1999 actual	2000 est.	2001 est.	
Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year	23	23	23
21.49	Unobligated balance available, start of year: Contract authority	61	61	61
21.99	Total unobligated balance, start of year	84	84	84
22.00	New budget authority (gross)	1		
22.10	Resources available from recoveries of prior year obligations	1		
23.90	Total budgetary resources available for obligation	86	84	84
24.40	Unobligated balance available, end of year	23	23	23
24.49	Unobligated balance, end of year: Contract authority	61	61	61
24.99	Total unobligated balance, end of year	84	84	84

New budget authority (gross), detail:

Mandatory:				
69.00	Offsetting collections (cash)	1		
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance, start of year	-1		
73.45	Adjustments in unexpired accounts	-1		

Offsets:

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

Memorandum (non-add) entries:

92.01	Total investments, start of year: U.S. securities: Par value	18		
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Status of Contract Authority (in millions of dollars)

Identification code 86-4043-0-3-604	1999 actual	2000 est.	2001 est.	
0100	Balance, start of year	61	61	61
0700	Balance, end of year	61	61	61

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

NEHEMIAH HOUSING OPPORTUNITY FUND

Program and Financing (in millions of dollars)

Identification code 86-4071-0-3-604	1999 actual	2000 est.	2001 est.	
Obligations by program activity:				
09.00	Reimbursable program		3	
10.00	Total new obligations (object class 33.0)		3	
Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year	1	3	
22.10	Resources available from recoveries of prior year obligations	2		
23.90	Total budgetary resources available for obligation	3	3	
23.95	Total new obligations		-3	
24.40	Unobligated balance available, end of year	3		

Public enterprise funds—Continued

NEHEMIAH HOUSING OPPORTUNITY FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-4071-0-3-604	1999 actual	2000 est.	2001 est.
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	26	21	16
73.10 Total new obligations		3	
73.20 Total outlays (gross)	-2	-8	-8
73.45 Adjustments in unexpired accounts	-2		
74.40 Unpaid obligations, end of year: Obligated balance, end of year	21	16	8
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	2	8	8
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	2	8	8

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 [2000], 2001 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 **[\$140,000,000,000] \$160,000,000,000.**

During fiscal year [2000], 2001 obligations to make direct loans to carry out the purposes of section 204(g) of the National Housing Act, as amended, shall not exceed **[\$100,000,000] \$250,000,000. 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, \$330,888,000, of which not to exceed \$324,866,000 shall be transferred to the appropriation for "Salaries and expenses"; not to exceed \$4,022,000 shall be transferred to the appropriation for the Office of Inspector General; and not to exceed \$2,000,000 shall be to support a data warehouse operated by the Federal Housing Credit Consortium. In addition, for administrative contract expenses, \$160,000,000: *Provided,* That to the extent guaranteed loan commitments exceed **[\$49,664,000,000] \$65,500,000,000** on or before April 1, [2000], 2001 an additional \$1,400 for administrative contract expenses shall be available for each \$1,000,000 in additional guaranteed loan commitments (including a pro rata amount for any amount below \$1,000,000), but in no case shall funds made available by this proviso exceed \$16,000,000. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.*)

Unavailable Collections (in millions of dollars)

Identification code 86-0183-0-1-371	1999 actual	2000 est.	2001 est.
Balance, start of year:			
01.99 Balance, start of year	1,264		
Receipts:			
02.01 FHA Mutual Mortgage Insurance Guaranteed Loan, negative subsidies	3,559		
04.00 Total: Balances and collections	4,823		
Appropriation:			
05.01 FHA mutual mortgage insurance program account	-4,823		
05.99 Subtotal appropriation	-4,823		
07.99 Total balance, end of year			

Program and Financing (in millions of dollars)

Identification code 86-0183-0-1-371	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.07 Reestimates of loan guarantee negative subsidy	3,789		
00.08 Interest on reestimates of loan guarantee subsidy	705		
00.09 Administrative expenses, salaries & expenses transfer	329	329	329
00.12 Non-overhead administrative expenses for FHA contracts		160	160
00.13 Transfer to Federal Housing Credit Consortium		2	2
10.00 Total new obligations	4,823	491	491
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	4,823	491	491
23.95 Total new obligations	-4,823	-491	-491
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation		491	491
40.20 Appropriation (special fund, definite)	329		
43.00 Appropriation (total discretionary)	329	491	491
Mandatory:			
60.25 Appropriation (special fund, indefinite)	4,494		
70.00 Total new budget authority (gross)	4,823	491	491
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year			40
73.10 Total new obligations	4,823	491	491
73.20 Total outlays (gross)	-4,823	-451	-491
74.40 Unpaid obligations, end of year: Obligated balance, end of year		40	40
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	329	451	451
86.93 Outlays from discretionary balances			40
Outlays from permanent authority:			
86.97 Outlays from new mandatory authority	4,494		
87.00 Total outlays (gross)	4,823	451	491
Net budget authority and outlays:			
89.00 Budget authority	4,823	491	491
90.00 Outlays	4,823	451	491
Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)			
Identification code 86-0183-0-1-371	1999 actual	2000 est.	2001 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Direct loan levels	1	100	250
1159 Total direct loan levels	1	100	250
Guaranteed loan levels supportable by subsidy budget authority:			
2150 MMI Fund, Section 203(b)	123,546	122,658	158,993
2150 Standby commitment authority			
2150 Standby commitment authority	16,454	17,342	1,007
2159 Total loan guarantee levels	140,000	140,000	160,000
Guaranteed loan subsidy (in percent):			
2320 Subsidy rate	-2.62	-1.99	-2.57
2329 Weighted average subsidy rate	-2.62	-1.99	-2.57
Guaranteed loan subsidy budget authority:			
2330 MMI Section 203(b) negative subsidy	-3,129	-2,628	-3,675
2330 Subsidy budget authority—reestimates	4,494		
2339 Total subsidy budget authority	1,365	-2,628	-3,675
Guaranteed loan subsidy outlays:			
2340 Subsidy outlays—MMI 203(b) negative subsidy	-3,129	-2,628	-3,675
2340 Subsidy outlays—reestimates	4,494		
2349 Total subsidy outlays	1,365	-2,628	-3,675
Administrative expense data:			
3510 Budget authority	329	491	491
3580 Outlays from balances			40
3590 Outlays from new authority	329	451	451

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

The Budget proposes to increase the FHA limitation on individual mortgages to insure single family loans with a principal balance at or below the conforming loan limits established by Freddie Mac and Fannie Mae. Under current law FHA cannot insure loans with a principal balance over 87 percent of the conforming loan limit. Raising the FHA loan limit to 100 percent of the Freddie Mac/Fannie Mae conforming loan limit will help approximately 55,000 families purchase their first homes, especially large families and families in high cost areas. These additional loans will generate \$241 million in negative subsidy in the MMI Fund in 2001.

In addition, the Budget proposes legislation to allow FHA to insure a relatively new product on the mortgage market—hybrid adjustable-rate mortgages (ARMs). Using the conventional market as a prototype, hybrid ARMs are defined as adjustable-rate loans that carry an initial fixed interest rate for longer than one year. After the initial fixed-rate period ends, these loans are subject to interest rate adjustments, typically on an annual basis and indexed to the corresponding term Treasury bond yield. FHA intends to develop ARMs with a set interest rate for an initial period of 3, 5, 7, or 10 years, and annual interest rate adjustments thereafter. Hybrid ARMs will substantially enhance FHA's product line, offering a sound mortgage product to borrowers who do not qualify for a fixed-rate mortgage or cannot afford the fixed-rate pricing, but who want to avoid the volatility associated with traditional ARMs. This new product will increase loan endorsement activity by approximately 40,000 loans, resulting in an additional \$114 million in negative subsidy in 2001.

The Budget proposes an aggregate limitation of \$160 billion on commitments to guarantee loans in 2001. The \$20 billion increase over 2000 reflects, in part, the increased volume of business associated with the proposals to increase the FHA mortgage limit and to offer hybrid ARMs.

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

FHA will contribute \$2,000,000 from the FHA—MMI fund to fund efforts by the Federal Housing Credit Consortium to develop a pilot data warehouse for use by the four major housing credit agencies.

Object Classification (in millions of dollars)

Identification code 86-0183-0-1-371	1999 actual	2000 est.	2001 est.
25.2 Other services		160	160
25.3 Purchases of goods and services from Government accounts	329	331	331
41.0 Grants, subsidies, and contributions	4,494		
99.9 Total new obligations	4,823	491	491

FHA—MUTUAL MORTGAGE INSURANCE DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4242-0-3-371	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Direct loans	1	100	250
00.02 Interest paid to Treasury		6	15

00.03 Claims & other		4	8
10.00 Total new obligations	1	110	273
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	3	5	
22.00 New financing authority (gross)	3	110	273
22.60 Portion applied to repay debt		-5	
23.90 Total budgetary resources available for obligation	6	110	273
23.95 Total new obligations	-1	-110	-273
24.40 Unobligated balance available, end of year	5		
New financing authority (gross), detail:			
Mandatory:			
67.15 Authority to borrow (indefinite)		100	250
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	3	10	51
68.47 Portion applied to repay debt			-28
68.90 Spending authority from offsetting collections (total discretionary)	3	10	23
70.00 Total new financing authority (gross)	3	110	273
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	3	3	13
73.10 Total new obligations	1	110	273
73.20 Total financing disbursements (gross)	-2	-100	-250
74.40 Unpaid obligations, end of year: Obligated balance, end of year	3	13	36
87.00 Total financing disbursements (gross)	2	100	250
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25 Interest on uninvested funds		-1	-1
Non-Federal sources:			
88.40 Repayment of principal	-3	-8	-47
88.40 Repayment of interest		-1	-3
88.90 Total, offsetting collections (cash)	-3	-10	-51
Net financing authority and financing disbursements:			
89.00 Financing authority		100	222
90.00 Financing disbursements	-2	90	199

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 \$250 million in 2001 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	1999 actual	2000 est.	2001 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	100	100	250
1112 Unobligated direct loan limitation	-99		
1150 Total direct loan obligations	1	100	250
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	5	3	87

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

Identification code 86-4242-0-3-371	1999 actual	2000 est.	2001 est.
1231 Disbursements: Direct loan disbursements	1	90	227
1251 Repayments: Repayments and prepayments	-3	-6	-28
1263 Write-offs for default: Direct loans			-2
1290 Outstanding, end of year	3	87	284

Balance Sheet (in millions of dollars)

Identification code 86-4242-0-3-371	1998 actual	1999 actual	2000 est.	2001 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	7	8	10	36
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	5	3	87	284
1499 Net present value of assets related to direct loans	5	3	87	284
1999 Total assets	12	11	97	320
LIABILITIES:				
Federal liabilities:				
2103 Treasury borrowing	7	7	88	302
2105 Other liabilities—intragovernmental	3	3	3	6
2207 Non-Federal liabilities: Other liabilities with the public	2	1	6	12
2999 Total liabilities	12	11	97	320
4999 Total liabilities and net position	12	11	97	320

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

Identification code 86-4587-0-3-371	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.08 Interest payments to Treasury	426	460	280
00.09 Administrative expenses (payment of negative subsidy to receipt account)	329		
00.11 Default claims and other	4,948	4,131	4,772
00.12 Payment to liquidating account of value of assets sold		169	
00.91 Subtotal, capital/operating expenses	5,703	4,760	5,052
08.01 Payment of negative subsidy to liquidating account for new business	2,729	2,628	3,674
08.14 Negative subsidy to liquidating account, new legislation	400		
08.91 Subtotal, subsidy activity	3,129	2,628	3,674
10.00 Total new obligations	8,832	7,388	8,726
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	541	2,980	3,377
22.00 New financing authority (gross)	11,271	8,385	8,628
22.60 Portion applied to repay debt		-600	-2,900
23.90 Total budgetary resources available for obligation	11,812	10,765	9,105
23.95 Total new obligations	-8,832	-7,388	-8,726
24.40 Unobligated balance available, end of year	2,980	3,377	379

New financing authority (gross), detail:

Mandatory:			
67.15 Authority to borrow (indefinite)	900	200	200
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	10,371	8,185	8,428
70.00 Total new financing authority (gross)	11,271	8,385	8,628

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance, start of year	-128	-78	-78
73.10 Total new obligations	8,832	7,388	8,726
73.20 Total financing disbursements (gross)	-8,782	-7,388	-8,726
74.40 Unpaid obligations, end of year: Obligated balance, end of year	-78	-78	-78
87.00 Total financing disbursements (gross)	8,782	7,388	8,726

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Transfer of Reestimates from reserves in Liquidating account	-4,494		
88.25 Interest on uninvested funds	-92	-224	-212
Non-Federal sources:			
88.40 Fees and premiums	-3,171	-3,733	-4,658
88.40 Recoveries on defaults	-2,614	-3,838	-3,558
88.40 Gross proceeds from asset sales		-390	
88.90 Total, offsetting collections (cash)	-10,371	-8,185	-8,428

Net financing authority and financing disbursements:

89.00 Financing authority	900	200	200
90.00 Financing disbursements	-1,589	-797	298

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4587-0-3-371	1999 actual	2000 est.	2001 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	140,000	140,000	160,000
2112 Uncommitted loan guarantee limitation	-16,454	-17,342	-1,007
2150 Total guaranteed loan commitments	123,546	122,658	158,993

Cumulative balance of guaranteed loans outstanding:

2210 Outstanding, start of year	309,309	355,608	429,966
2231 Disbursements of new guaranteed loans	113,174	122,341	149,883
2251 Repayments and prepayments	-62,098	-44,493	-59,708
Adjustments:			
2261 Terminations for default that result in loans receivable	-35	-14	-26
2262 Terminations for default that result in acquisition of property	-4,664	-3,440	-4,273
2263 Terminations for default that result in claim payments	-78	-36	-46
2290 Outstanding, end of year	355,608	429,966	515,796

Memorandum:

2299 Guaranteed amount of guaranteed loans outstanding, end of year	355,608	429,966	515,796
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Addendum:

Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	348	369	35
2331 Disbursements for guaranteed loan claims	35	14	26
2351 Repayments of loans receivable	-9	-1	-1
2364 Other adjustments, net	-5	-347	-3
2390 Outstanding, end of year	369	35	57

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	1998 actual ¹	1999 actual	2000 est.	2001 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	730	3,228	3,586	588
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501 Defaulted guaranteed loans receivable, gross	258	369	35	57

1504	Foreclosed property	2,045	2,820	1,425	1,299
1505	Allowance for subsidy cost	-880	-1,363	-1,249	-1,249
1599	Net value of assets related to defaulted guaranteed loan	1,423	1,826	211	107
1901	Other Federal assets: Other assets	4,713	388		
1999	Total assets	6,866	5,442	3,797	695
LIABILITIES:					
Federal liabilities:					
2103	Federal liabilities, Debt	5,482	6,382	5,982	3,282
2105	Other liabilities—intragovernmental	34	1,571		
Non-Federal liabilities:					
2201	Accounts payable	205	34		
2204	Liabilities for loan guarantees	873	-2,692	-2,694	-3,604
2207	Other	67	147	509	1,017
2999	Total liabilities	6,661	5,442	3,797	695
NET POSITION:					
3300	Cumulative results of operations	205			
3999	Total net position	205			
4999	Total liabilities and net position	6,866	5,442	3,797	695

¹As reflected in the 2000 Budget.

FHA—MUTUAL MORTGAGE AND COOPERATIVE HOUSING INSURANCE FUNDS LIQUIDATING ACCOUNT

Unavailable Collections (in millions of dollars)

Identification code 86-4070-0-3-371	1999 actual	2000 est.	2001 est.
Balance, start of year:			
01.99 Balance, start of year			
Appropriation:			
05.01 Mutual mortgage and cooperative housing insurance funds liquidating account			355
07.99 Total balance, end of year			355

Program and Financing (in millions of dollars)

Identification code 86-4070-0-3-371	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.02 Transfer of Reestimates amount	3,230		
Operating expenses:			
00.03 Other operating costs	6	6	6
00.04 Administrative contract expenses	118		
00.91 Total operating expenses	3,354	6	6
Capital investment:			
01.02 Assignment of defaulted mortgages	11		
01.03 Acquisition of real properties	1,078	273	183
01.05 Acquisition of other assets	6	6	6
01.07 Capitalized property expenses	142	113	39
01.08 Loss mitigation activities	6	9	5
01.09 Preforeclosure sale claims	11	7	5
01.91 Total capital investment	1,254	408	238
10.00 Total new obligations	4,608	414	244
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	14,392	14,736	18,973
22.00 New budget authority (gross)	4,939	4,651	4,986
22.10 Resources available from recoveries of prior year obligations	13		
23.90 Total budgetary resources available for obligation	19,344	19,387	23,959
23.95 Total new obligations	-4,608	-414	-244
24.40 Unobligated balance available, end of year	14,736	18,973	23,716

New budget authority (gross), detail:

Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)			355
68.26 Offsetting collections (unavailable balances)			-355
Mandatory:			
69.00 Offsetting collections (cash)	4,939	4,651	4,986
70.00 Total new budget authority (gross)	4,939	4,651	4,986

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance, start of year	706	681	381
73.10 Total new obligations	4,608	414	244
73.20 Total outlays (gross)	-4,620	-714	-444
73.45 Adjustments in unexpired accounts	-13		
74.40 Unpaid obligations, end of year: Obligated balance, end of year	681	381	181

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	3,914	5	63
86.98 Outlays from mandatory balances	706	709	381
87.00 Total outlays (gross)	4,620	714	444

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Payment from financing account	-2,729	-2,628	-3,674
88.00 Legislative savings	-400		
88.20 Interest on U.S. securities	-983	-1,095	-1,354
Non-Federal sources:			
88.40 Fees and premiums	-65	-55	-47
88.40 Rebate of unearned prepaid premiums collected		13	
88.40 Proceeds from sale of real property	-762	-690	-263
88.40 Proceeds from sale of mortgage notes		-169	
88.40 Repayment of mortgage notes and sales contracts	-1	-1	
88.40 Interest and operating income	-14	-6	
88.40 Recoveries on defaulted mortgages	-18	-17	
88.40 Miscellaneous collections	-32		
88.40 Other income	65	-3	-3
88.90 Total, offsetting collections (cash)	-4,939	-4,651	-5,341

Net budget authority and outlays:

89.00 Budget authority			-355
90.00 Outlays	-319	-3,937	-4,897

Memorandum (non-add) entries:

92.01 Total investments, start of year: U.S. securities: Par value	14,344	14,942	18,642
92.02 Total investments, end of year: U.S. securities: Par value	14,942	18,642	23,242

Status of Direct Loans (in millions of dollars)

Identification code 86-4070-0-3-371	1999 actual	2000 est.	2001 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	5	4	
1251 Repayments: Repayments and prepayments	-1	-1	
1264 Write-offs for default: Other adjustments, net		-3	
1290 Outstanding, end of year	4		

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4070-0-3-371	1999 actual	2000 est.	2001 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	71,030	55,866	47,384
2251 Repayments and prepayments	-14,065	-8,193	-6,704
Adjustments:			
2261 Terminations for default that result in loans receivable	-11	-5	-3
2262 Terminations for default that result in acquisition of property	-1,076	-273	-183
2263 Terminations for default that result in claim payments	-12	-11	-7
2264 Other adjustments, net			
2290 Outstanding, end of year	55,866	47,384	40,487

Memorandum:

2299 Guaranteed amount of guaranteed loans outstanding, end of year	55,866	47,384	40,487
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Addendum:

Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	294	270	4
2331 Disbursements for guaranteed loan claims	11	5	3
2351 Repayments of loans receivable	-18	-186	

Credit accounts—Continued

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

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

Identification code 86-4070-0-3-371		1999 actual	2000 est.	2001 est.
2361	Write-offs of loans receivable	-17	-85	-1
2390	Outstanding, end of year	270	4	6

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)

	1999 actual ¹	2000 est.	2001 est.
Insurance initiation:			
Mortgage insurance commitments (units)	1,287,654	1,191,988	1,473,620
Mortgage insurance written (in fiscal year):			
Units	1,219,469	1,206,533	1,401,626
Amount	\$113,174	\$122,341	\$149,883
Insurance maintenance: Outstanding balance of insurance in force, end of year:			
Mortgage insurance	\$411,474	\$477,351	\$556,283

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		1998 actual ¹	1999 actual ²	2000 est.	2001 est.
0101	Revenue	3,927	5,768	3,812	4,157
0102	Expense	-5,130	-382	-1,351	-279
0105	Net income or loss (-)	-1,203	5,386	2,461	3,878

¹ As reflected in the 2000 Budget.² Estimated result on GAAP basis pending final audit.

Balance Sheet (in millions of dollars)

Identification code 86-4070-0-3-371		1998 actual ¹	1999 actual	2000 est.	2001 est.
ASSETS:					
Federal assets:					
1101	Fund balances with Treasury	561	346	277	575
Investments in US securities:					
Treasury securities, par:					
1102	Treasury securities, par	14,344	14,942	18,642	23,242
1102	Unamortized net premium/discount	-236	-309	-307	-383
1106	Receivables, net	174	298	175	175
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1601	Direct loans, gross	5	4		
1603	Allowance for estimated uncollectible loans and interest (-)	-4	-2		
1699	Value of assets related to direct loans	1	2		
1701	Defaulted guaranteed loans, gross	655	647	6	6
1703	Allowance for estimated uncollectible loans and interest (-)	-333	-339	-6	-6
1704	Defaulted guaranteed loans and interest receivable, net	322	308		
1705	Allowance for uncollectibles from foreclosed property	-316	-367	-103	-39
1706	Foreclosed property	779	899	252	96
1799	Value of assets related to loan guarantees	785	840	149	57
1901	Other Federal assets: Other assets	95	1,636	1,639	1,642
1999	Total assets	15,724	17,755	20,575	25,308
LIABILITIES:					
Federal liabilities: Other					
2105	Intragovernmental liabilities	3,384	356		
Non-Federal liabilities:					
2201	Accounts payable	153	205	164	131
2206	Pension and other actuarial liabilities	1,039	667	533	427
2207	Unearned revenue and advances, and other	1,024	1,017	813	651
2999	Total liabilities	5,600	2,245	1,510	1,209
NET POSITION:					
3100	Appropriated capital	18	18	18	18
3300	Cumulative results of operations	10,106	15,492	19,048	24,081
3999	Total net position	10,124	15,510	19,066	24,099
4999	Total liabilities and net position	15,724	17,755	20,576	25,308

¹ As reflected in the 2000 Budget.

Object Classification (in millions of dollars)

Identification code 86-4070-0-3-371		1999 actual	2000 est.	2001 est.
25.2	Other services	124	6	6
32.0	Land and structures	1,223	386	222
33.0	Investments and loans	17	11	9
41.0	Grants, subsidies, and contributions	3,230		
42.0	Insurance claims and indemnities	14	11	7
99.9	Total new obligations	4,608	414	244

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), [S153,000,000, including not to exceed \$153,000,000 from unobligated balances previously appropriated under this heading] \$101,000,000, 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 [S18,100,000,000] \$21,000,000,000: *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.

Gross obligations for the principal amount of direct loans, as authorized by sections 204(g), 207(l), 238, and 519(a) of the National Housing Act, shall not exceed \$50,000,000; of which not to exceed \$30,000,000 shall be for bridge financing in connection with the sale of multifamily real properties owned by the Secretary and formerly insured under such Act; and of which not to exceed \$20,000,000 shall be for loans to nonprofit and governmental entities in connection with the sale of single-family real properties owned by the Secretary and formerly insured under such Act.

In addition, for administrative expenses necessary to carry out the guaranteed and direct loan programs, \$211,455,000 [(including not to exceed \$147,000,000 from unobligated balances previously appropriated under this heading)], of which \$193,134,000, shall be transferred to the appropriation for "Salaries and expenses"; and of which \$18,321,000 shall be transferred to the appropriation for the Office of Inspector General. In addition, for administrative contract expenses necessary to carry out the guaranteed and direct loan programs, \$144,000,000: *Provided*, That to the extent guaranteed loan commitments exceed [\$7,263,000,000] \$8,426,000,000 on or before April 1, [2000] 2001, an additional \$19,800 for administrative contract expenses shall be available for each \$1,000,000 in additional guaranteed loan commitments over [\$7,263,000,000] \$8,426,000,000 (including a pro rata amount for any increment below \$1,000,000), but in no case shall funds made available by this proviso exceed \$14,400,000. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.*)

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 86-0200-0-1-371	1999 actual	2000 est.	2001 est.
0101 FHA-General and special risk, negative subsidies	159	229	149
0102 FHA-General and special risk, downward reestimates of subsidies	154		

Program and Financing (in millions of dollars)

Identification code 86-0200-0-1-371	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.02 Prior year adjustment	108		
00.04 Guaranteed loan subsidy	182	153	101
00.07 Reestimate of credit subsidy	233		
00.09 Administrative expenses, salaries & expenses transfer	211	211	211
00.10 Administrative contract expenses		144	144
10.00 Total new obligations	734	508	456

Budgetary resources available for obligation:

21.40 Unobligated balance available, start of year	443	250	4
22.00 New budget authority (gross)	541	262	456
23.90 Total budgetary resources available for obligation	984	512	460
23.95 Total new obligations	-734	-508	-456
24.40 Unobligated balance available, end of year	250	4	4

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	292	262	456
50.05 Reappropriation (indefinite)	16		
Mandatory:			
60.05 Appropriation (indefinite)	233		
70.00 Total new budget authority (gross)	541	262	456

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance, start of year	-15	78	105
73.10 Total new obligations	734	508	456
73.20 Total outlays (gross)	-638	-479	-469
73.40 Adjustments in expired accounts (net)	-3		
74.40 Unpaid obligations, end of year: Obligated balance, end of year	78	105	93

Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	272	226	395
86.93 Outlays from discretionary balances	133	253	74
86.97 Outlays from new mandatory authority	233		
87.00 Total outlays (gross)	638	479	469

Net budget authority and outlays:

89.00 Budget authority	541	262	456
90.00 Outlays	638	479	469

Summary of Budget Authority and Outlays

	(in millions of dollars)		
Enacted/requested:	1999 actual	2000 est.	2001 est.
Budget Authority	541	262	456
Outlays	638	479	469
Supplemental proposal:			
Budget Authority		49	
Outlays		37	12
Total:			
Budget Authority	541	311	456
Outlays	638	516	481

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

Identification code 86-0200-0-1-371	1999 actual	2000 est.	2001 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Single-family PMMs	20	20	20
1150 Multifamily bridge loans	30	30	30
1159 Total direct loan levels	50	50	50

Guaranteed loan levels supportable by subsidy budget authority:

2150 Apartments NC/SC	2,214	1,442	2,304
2150 Mobile Home Parks	1		
2150 221d3 NP/Coop owned apts	49	35	49
2150 Tax Credits NC	29	102	105
2150 Mixed Income (Hope d4)	6	4	9
2150 Apartments Refinance	981	886	912
2150 241a Supplemental Loans for Apts	51	38	54
2150 Operating Loss Loans for Apts (plus 232)	11	9	13
2150 HFA Risk Sharing		661	678
2150 HFA NC@50 (542c)	145		
2150 HFA NC@90 (542c)	20		
2150 GSE Risk Sharing	19	792	816
2150 FHA Full Insurance for Health Care Facilities (plus 241/232)	816	409	421
2150 Health Care Refinances		326	336
2150 Hospitals	230	1,030	1,030
2150 Single Family Programs		5,984	8,137
2150 Section 234: Condominiums	10,397	5,984	8,137
2150 Section 203(k): Rehabilitation Mortgages	1,430	985	1,339
2150 Section 221(d)(2): Low Income Housing	30	19	
2150 Title I Programs			
2150 Property Improvements	482	340	464
2150 Manufactured housing	13	8	10
2150 Standby authority	1,176	5,030	4,323
2159 Total loan guarantee levels	18,100	18,100	21,000

Guaranteed loan subsidy (in percent):

2320 Apartments NC/SR	7.09	7.12	3.35
2320 Mobile Home Parks	7.09	0.00	0.00
2320 221d3 NP/Coop owned apts	17.99	15.44	17.22
2320 Tax Credits NC	-0.88	-0.57	-1.75
2320 Mixed Income (Hope IV)	12.13	11.81	3.35
2320 Apartmentst Refinance	-0.78	-1.34	-1.11
2320 241a Supplemental Loans for Apts	17.06	13.88	22.08
2320 Operating Loss Loans for Apts (plus 232's)	25.15	25.10	22.55
2320 HFA Risk Sharing	0.00	-0.45	-1.14
2320 HFA NC@50% (542c)	-0.23	0.00	0.00
2320 HFA NC@90% (542c)	-0.88	0.00	0.00
2320 GSE Risk Sharing	-1.01	-1.88	-1.52
2320 FHA Full Insurance for Health Care Facilities (plus 241/232)	-0.70	-2.79	-2.07
2320 Health Care Refinance	0.00	-1.90	-1.38
2320 Hospital	1.53	-1.60	-1.77
2320 Single Family Programs	0.00	0.00	0.00
2320 Section234: Condominiums	-1.32	0.26	-0.69
2320 Section 203(k): Rehabilitation Mortgages	-1.32	1.75	-0.11
2320 Section 221(d)(2): Low Income Housing	-1.32	4.49	0.00
2320 Title I Programs	0.00	0.00	0.00

Credit accounts—Continued

FHA—GENERAL AND SPECIAL RISK 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 86-0200-0-1-371	1999 actual	2000 est.	2001 est.
2320 Property Improvements	-1.22	0.87	-0.06
2320 Manufactured housing	-3.13	0.97	0.14
2329 Weighted average subsidy rate	0.03	0.67	-0.12
Guaranteed loan subsidy budget authority:			
2330 Subsidy budget authority	97		101
2330 Subsidy rate reestimate	233		
2330 Negative Subsidy Receipts	-159	-83	-122
2339 Total subsidy budget authority	171	-83	-21
Guaranteed loan subsidy outlays:			
2340 Subsidy outlays	194	160	114
2340 Subsidy reestimate outlays	233		
2340 Negative Subsidy Receipts	-159	-83	-122
2349 Total subsidy outlays	268	77	-8
Administrative expense data:			
3510 Budget authority, S&E Transfer	211	117	211
3510 Budget authority, FHA		144	144
3580 Outlays from balances		94	
3590 Outlays from new authority	211	225	355

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.

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.

Object Classification (in millions of dollars)

Identification code 86-0200-0-1-371	1999 actual	2000 est.	2001 est.
25.1 Advisory and assistance services		144	144
25.3 Purchases of goods and services from Government accounts	211	211	211
41.0 Grants, subsidies, and contributions	523	153	101
99.9 Total new obligations	734	508	456

FHA—GENERAL AND SPECIAL RISK GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4077-0-3-371	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Capital investment, claims and other:			
00.01 Default claims and other	819	714	796
00.05 Interest paid to Treasury	118		
00.08 Asset sale negative subsidy payment to the receipt account			146
00.09 Asset sale payment to liquidating account		118	110
00.10 Value paid to liquidating account for guarantees refinanced under 223(a)(7)	2	3	3
08.01 Payment of negative subsidy to receipt account	159	83	122
08.02 Downward subsidy rate reestimate	154		
10.00 Total new obligations	1,252	918	1,177

Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	1,095	1,907	2,394
22.00 New financing authority (gross)	2,291	1,651	1,534
22.10 Resources available from recoveries of prior year obligations	6		
22.60 Portion applied to repay debt	-233	-246	-246
23.90 Total budgetary resources available for obligation	3,159	3,312	3,682
23.95 Total new obligations	-1,252	-918	-1,177
24.40 Unobligated balance available, end of year	1,907	2,394	2,505

New financing authority (gross), detail:			
Mandatory:			
67.15 Authority to borrow (indefinite)	750	200	200
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1,541	1,451	1,334
70.00 Total new financing authority (gross)	2,291	1,651	1,534

Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	-15	-36	-15
73.10 Total new obligations	1,252	918	1,177
73.20 Total financing disbursements (gross)	-1,267	-897	-1,162
73.45 Adjustments in unexpired accounts	-6		
74.40 Unpaid obligations, end of year: Obligated balance, end of year	-36	-15	
87.00 Total financing disbursements (gross)	1,267	897	1,162

Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Payments from program account	-210	-153	-101
88.00 Repayment of principal and interest from liquidating account	-273	-273	-273
88.00 Subsidy reestimate from program account	-233		
88.25 Interest on uninvested funds	-119	-81	-81
Non-Federal sources:			
88.40 Fees and premiums	-340	-397	-445
88.40 Recoveries on defaulted mortgages	-45	-1	-2
88.40 Title I recoveries	-17	-24	-6
88.40 Single family property recoveries	-314	-307	-182
88.40 Other recoveries	-6		
88.40 Gross Proceeds from sale of mortgage notes (liquidating)		-118	-110
88.40 Gross Proceeds from Mortgage Note Sales		-104	-143
88.40 Multifamily property recoveries	-1	7	9
88.40 Prior Period Adjustment- Subsidy	17		
88.90 Total, offsetting collections (cash)	-1,541	-1,451	-1,334

Net financing authority and financing disbursements:			
89.00 Financing authority	750	200	200
90.00 Financing disbursements	-274	-554	-172

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4077-0-3-371	1999 actual	2000 est.	2001 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	18,100	18,100	21,000
2112 Uncommitted loan guarantee limitation	-1,176	-5,030	-4,323
2150 Total guaranteed loan commitments	16,924	13,070	16,677
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	52,697	59,692	67,406
2231 Disbursements of new guaranteed loans	16,074	13,070	16,429
2251 Repayments and prepayments	-8,331	-4,642	-4,602
Adjustments:			
2261 Terminations for default that result in loans receivable	-243	-407	-508
2262 Terminations for default that result in acquisition of property	-494	-307	-289
2263 Terminations for default that result in claim payments	-11		
2290 Outstanding, end of year	59,692	67,406	78,436

Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	59,692	67,406	78,436
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	381	491	793
2331	Disbursements for guaranteed loan claims	243	407	508
2351	Repayments of loans receivable	-17	-105	-145
2361	Write-offs of loans receivable	-116		
2390	Outstanding, end of year	491	793	1,156

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	1998 actual	1999 actual	2000 est.	2001 est.	
ASSETS:					
Federal assets:					
1101	Fund balances with Treasury	1,080	1,897	1,633	1,633
Investments in US securities:					
1107	Borrowings receivable from liquidating account			202	202
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:					
1501	Defaulted guaranteed loans receivable, gross	381	491	793	1,156
1504	Foreclosed property	308	347	598	598
1505	Allowance for subsidy cost	-443	-539	-1,061	-1,061
1599	Net value of assets related to defaulted guaranteed loan	246	299	330	693
1901	Other Federal assets: Other assets		787		
1999	Total assets	1,326	2,983	2,165	2,528
LIABILITIES:					
Federal liabilities:					
2101	Accounts payable Intragovernmental		4		
2103	Debt	1,089	1,606	1,555	1,386
2105	Payable to Special Receipt Account for Subsidy Reestimate		303		
Non-Federal liabilities:					
2204	Liabilities for loan guarantees	237	1,056	610	1,142
2207	Other		14		
2999	Total liabilities	1,326	2,983	2,165	2,528
4999	Total liabilities and net position	1,326	2,983	2,165	2,528

¹ Preliminary results pending final audit. Subsidy reestimates for fiscal year 1999 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	1998 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01	Direct loans	15	15
00.02	Interest paid to Treasury	2	2
10.00	Total new obligations	17	17
Budgetary resources available for obligation:			
21.40	Unobligated balance available, start of year	1	1
22.00	New financing authority (gross)	1	16
23.90	Total budgetary resources available for obligation	1	17
23.95	Total new obligations	-17	-17

24.40	Unobligated balance available, end of year	1	1	1
New financing authority (gross), detail:				
Mandatory:				
67.15	Authority to borrow (indefinite)		15	15
Spending authority from offsetting collections:				
Discretionary:				
68.00	Offsetting collections (cash)	1	2	2
68.47	Portion applied to repay debt		-1	-1
68.90	Spending authority from offsetting collections (total discretionary)	1	1	1
70.00	Total new financing authority (gross)	1	16	16
Change in unpaid obligations:				
73.10	Total new obligations		17	17
73.20	Total financing disbursements (gross)	-1	-17	-17
87.00	Total financing disbursements (gross)	1	17	17
Offsets:				
Against gross financing authority and financing disbursements:				
88.40	Offsetting collections (cash) from: Interest received on loans	-1	-2	-2
Net financing authority and financing disbursements:				
89.00	Financing authority		14	14
90.00	Financing disbursements	-1	15	15

Status of Direct Loans (in millions of dollars)

Identification code 86-4105-0-3-371	1999 actual	2000 est.	2001 est.	
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans	50	50	50
1112	Unobligated direct loan limitation	-50	-33	-33
1150	Total direct loan obligations		17	17
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year		1	17
1231	Disbursements: Direct loan disbursements	1	17	17
1251	Repayments: Repayments and prepayments		-1	-1
1290	Outstanding, end of year	1	17	33

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and thereafter (including loan modifications) for FHA's General Insurance and Special Risk Insurance Fund programs. The amounts in this account are a means of financing and are not included in the budget totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

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

Balance Sheet (in millions of dollars)

Identification code 86-4105-0-3-371	1998 actual	1999 actual	2000 est.	2001 est.	
ASSETS:					
Net value of assets related to post-1991 direct loans receivable:					
1401	Direct loans receivable, gross	1	1	17	33
1499	Net present value of assets related to direct loans	1	1	17	33
1999	Total assets	1	1	17	33
LIABILITIES:					
Federal liabilities:					
2103	Treasury borrowing	1	1	16	32
2104	Resources payable to Treasury			1	1

Credit accounts—Continued

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

Balance Sheet (in millions of dollars)—Continued

Identification code 86-4105-0-3-371	1998 actual	1999 actual	2000 est.	2001 est.
2999 Total liabilities	1	1	17	33
4999 Total liabilities and net position	1	1	17	33

FHA—LOAN GUARANTEE RECOVERY FUND—FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4106-0-3-371	1999 actual	2000 est.	2001 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	1	1	3
22.00 New financing authority (gross)		2	2
23.90 Total budgetary resources available for obligation	1	3	5
23.95 Total new obligations			
24.40 Unobligated balance available, end of year	1	3	5

New financing authority (gross), detail:

Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)		2	2

Offsets:

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

Net financing authority and financing disbursements:

89.00 Financing authority			
90.00 Financing disbursements		-2	-2

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4106-0-3-371	1999 actual	2000 est.	2001 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	8	7	
2113 Uncommitted limitation carried forward	-7		
2150 Total guaranteed loan commitments	1	7	
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	1	2	6
2231 Disbursements of new guaranteed loans	1	4	4
2290 Outstanding, end of year	2	6	10

Memorandum:

2299 Guaranteed amount of guaranteed loans outstanding, end of year	2	6	10
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Balance Sheet (in millions of dollars)

Identification code 86-4106-0-3-371	1998 actual	1999 actual	2000 est.	2001 est.
ASSETS:				
Investments in US securities:				
1102 Federal assets: Treasury securities, par	1	1	3	5
1999 Total assets	1	1	3	5
LIABILITIES:				
2204 Non-Federal liabilities: Liabilities for loan guarantees	1	1	3	5
2999 Total liabilities	1	1	3	5
4999 Total liabilities and net position	1	1	3	5

Section 4 of the Church Arson Prevention Act of 1996 (P.L. 104-155), entitled "Loan Guarantee Recovery Fund," author-

izes the Secretary of Housing and Urban Development to guarantee loans made by financial institutions to assist certain nonprofit organizations that were damaged as a result of acts of arson or terrorism.

FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS LIQUIDATING ACCOUNT

Unavailable Collections (in millions of dollars)

Identification code 86-4072-0-3-371	1999 actual	2000 est.	2001 est.
Balance, start of year:			
01.99 Balance, start of year		7	7
06.20 Reduction pursuant to Public Law 106-51	7		
07.99 Total balance, end of year	7	7	7

Program and Financing (in millions of dollars)

Identification code 86-4072-0-3-371	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Operating expenses:			
00.02 Interest on debentures	22	22	22
00.03 Other operating costs	18	18	18
00.04 Administrative Contract Expenses	126		
00.05 Legislative savings repayments	273	273	273
00.06 PAE & 3rd party restructuring fees		101	101
00.91 Total operating expenses	439	414	414
Capital investment: Claims and other:			
01.01 Acquisition of defaulted Title I notes	-14	12	11
01.02 Assignment of mortgages	161	149	181
01.03 Acquisition of real properties	126	115	97
01.04 Rehabilitation of real properties	62	42	65
01.05 Rehabilitation Grants	59	43	65
01.07 Capitalized property expenses	118	79	69
01.08 Loss on defaulted guaranteed loans	3	3	3
01.10 Tax advances on held mortgages	66	66	66
01.11 Mark-To-Market Restructures	24	229	2,010
01.12 Mark-to-market rehabilitation		18	18
01.91 Total capital investment	605	756	2,585
10.00 Total new obligations	1,044	1,170	2,999

Budgetary resources available for obligation:

21.40 Unobligated balance available, start of year	2,029	393	
22.00 New budget authority (gross)	628	1,216	3,045
22.10 Resources available from recoveries of prior year obligations	10		
22.40 Capital transfer to general fund	-1,094	-393	
22.60 Portion applied to repay debt	-135	-46	-46
23.90 Total budgetary resources available for obligation	1,438	1,170	2,999
23.95 Total new obligations	-1,044	-1,170	-2,999
24.40 Unobligated balance available, end of year	393		

New budget authority (gross), detail:

Mandatory:			
60.05 Appropriation (indefinite)		502	2,346
67.15 Authority to borrow (indefinite)	76	46	46
69.00 Offsetting collections (cash)	559	668	653
69.75 Reduction pursuant to P.L. 106-51	-7		
69.90 Spending authority from offsetting collections (total mandatory)	552	668	653
70.00 Total new budget authority (gross)	628	1,216	3,045

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance, start of year	523	499	499
73.10 Total new obligations	1,044	1,170	2,999
73.20 Total outlays (gross)	-1,057	-1,170	-2,999
73.45 Adjustments in unexpired accounts	-10		
74.40 Unpaid obligations, end of year: Obligated balance, end of year	499	499	499

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	628	1,170	2,999
86.98 Outlays from mandatory balances	429		

87.00	Total outlays (gross)	1,057	1,170	2,999
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Non-Federal sources:				
88.40	Fees and premiums	-177	-160	-160
88.40	Rebates of insurance premiums	10	10	10
88.40	Multifamily foreclosure sales		-95	-97
88.40	Proceeds from sale of real property	-100	-96	-105
88.40	Proceeds from sale of mortgage notes	-11	-118	-110
88.40	MTM second mortgage repayments		-12	-16
88.40	Prior year adjustment	17		
88.40	Recoveries on defaulted mortgages	-196	-158	-137
88.40	Interest and operating income	-70	-6	-5
88.40	Other interest, dividends and revenue	-29	-30	-30
88.40	Modification subsidy & transfers from financing acct.	-2	-3	-3
88.40	Payment from the Financing Account	-1		
88.90	Total, offsetting collections (cash)	-559	-668	-653
Net budget authority and outlays:				
89.00	Budget authority	69	548	2,392
90.00	Outlays	499	502	2,346

Memorandum (non-add) entries:				
92.01	Total investments, start of year: U.S. securities: Par value	6	5	6
92.02	Total investments, end of year: U.S. securities: Par value	5	6	6

Status of Direct Loans (in millions of dollars)

Identification code 86-4072-0-3-371				
		1999 actual	2000 est.	2001 est.
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	72	68	64
1251	Repayments: Repayments and prepayments	-2	-2	-2
1264	Write-offs for default: Other adjustments, net	-2	-2	-2
1290	Outstanding, end of year	68	64	60

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4072-0-3-371				
		1999 actual	2000 est.	2001 est.
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	36,590	32,905	30,053
2251	Repayments and prepayments	-3,377	-2,017	-651
Adjustments:				
2261	Terminations for default that result in loans receivable	-172	-136	-170
2262	Terminations for default that result in acquisition of property	-126	-115	-97
2263	Terminations for default that result in claim payments	-24	-571	-1,222
2264	Other adjustments, net	14	-13	-11
2290	Outstanding, end of year	32,905	30,053	27,902
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	32,905	30,053	27,902
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	1,989	1,890	1,497
2331	Disbursements for guaranteed loan claims	172	136	170
2351	Repayments of loans receivable	-215	-300	-294
2361	Write-offs of loans receivable	-56	-229	-652
2390	Outstanding, end of year	1,890	1,497	721

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 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.

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		1998 actual ¹	1999 actual ²	2000 est.	2001 est.
0101	Revenue	1,393	640	304	556
0102	Expense	-1,649	-1,143	-1,393	-1,321
0105	Net income or loss (-)	-256	-503	-1,089	-765

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

Balance Sheet (in millions of dollars)

Identification code 86-4072-0-3-371					
		1998 actual ¹	1999 actual	2000 est.	2001 est.
ASSETS:					
Federal assets:					
1101	Fund balances with Treasury	2,545	845		
Investments in US securities:					
Treasury securities, par:					
1102	Treasury securities, par		5		
1102	Unamortized net premium/discount		-2		
1106	Receivables, net	3	4	3	3
1206	Non-Federal assets: Receivables, net	51		86	86
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1601	Direct loans, gross	72	68	64	60
1603	Allowance for estimated uncollectible loans and interest (-)	-56	-43	-51	-47
1699	Value of assets related to direct loans	16	25	13	13
1701	Defaulted guaranteed loans, gross	2,044	2,492	1,701	1,701
1703	Allowance for estimated uncollectible loans and interest (-)	-1,464	-1,771	-1,208	-1,208
1704	Defaulted guaranteed loans and interest receivable, net	580	721	493	493
1705	Allowance for uncollectibles from foreclosed property	-384	-561	-150	-150
1706	Foreclosed property	255	651	244	244
1799	Value of assets related to loan guarantees	451	811	587	587
1901	Other Federal assets: Other assets	270	150	330	330
1999	Total assets	3,336	1,838	1,019	1,019
LIABILITIES:					
2101	Federal liabilities: Accounts payable	136	499	363	363
Non-Federal liabilities:					
2201	Accounts payable	561		443	443
2206	Pension and other actuarial liabilities	6,810	6,372	6,000	6,000
2207	Unearned revenue and advances	123	598	124	124
2999	Total liabilities	7,630	7,469	6,930	6,930
NET POSITION:					
3100	Appropriated capital	7,264		8,532	8,532

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

Identification code 86-4072-0-3-371	1998 actual ¹	1999 actual	2000 est.	2001 est.
3300 Cumulative results of operations	-11,558	-5,632	-14,443	-14,443
3999 Total net position	-4,294	-5,632	-5,911	-5,911
4999 Total liabilities and net position	3,336	1,837	1,019	1,019

¹ As reflected in 1999 Budget.² Preliminary pending final audit.**Object Classification (in millions of dollars)**

Identification code 86-4072-0-3-371	1999 actual	2000 est.	2001 est.
25.1 Advisory and assistance services	126		
25.2 Other services	18	119	119
32.0 Land and structures	365	279	296
33.0 Investments and loans	171	408	2,220
42.0 Insurance claims and indemnities	69	69	69
43.0 Interest and dividends	22	22	22
44.0 Repayments to financing account	273	273	273
99.9 Total new obligations	1,044	1,170	2,999

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND LIQUIDATING ACCOUNT**Program and Financing (in millions of dollars)**

Identification code 86-4115-0-3-371	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Capital investment:			
00.01 Housing for the elderly or handicapped loans	1	3	3
00.02 Maintenance security and collateral	1	1	2
00.91 Subtotal, capital investment	2	4	5
01.01 Operating expenses: Interest on borrowings	402	274	232
10.00 Total new obligations	404	278	237
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	1,189	900	
22.00 New budget authority (gross)	772	751	751
22.10 Resources available from recoveries of prior year obligations	9		
22.60 Portion applied to repay debt	-665	-1,372	-514
23.90 Total budgetary resources available for obligation	1,305	279	237
23.95 Total new obligations	-404	-278	-237
24.40 Unobligated balance available, end of year	900		
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	772	751	751
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	200	214	127
73.10 Total new obligations	404	278	237
73.20 Total outlays (gross)	-382	-365	-267
73.45 Adjustments in unexpired accounts	-9		
74.40 Unpaid obligations, end of year: Obligated balance, end of year	214	127	97
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	382	365	267
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-772	-751	-751
Net budget authority and outlays:			
89.00 Budget authority			

90.00 Outlays	-389	-386	-484
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Status of Direct Loans (in millions of dollars)

Identification code 86-4115-0-3-371	1999 actual	2000 est.	2001 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	8,143	8,045	7,958
1231 Disbursements: Direct loan disbursements	3		
1251 Repayments: Repayments and prepayments	-99	-87	-86
1264 Write-offs for default: Other adjustments, net	-2		
1290 Outstanding, end of year	8,045	7,958	7,872

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

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

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

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

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

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

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

Statement of Operations (in millions of dollars)

Identification code 86-4115-0-3-371	1998 actual	1999 actual	2000 est.	2001 est.
0101 Revenue	691	685	664	665
0102 Expense	-489	-403	-275	-234
0105 Net income or loss (-)	202	282	389	431

Balance Sheet (in millions of dollars)

Identification code 86-4115-0-3-371	1998 actual	1999 actual	2000 est.	2001 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	1,389	1,114	127	97
Non-Federal assets:				
1206 Receivables, net	82	84	84	84
1207 Advances and prepayments		8		
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	8,143	8,044	7,957	7,872
1603 Allowance for estimated uncollectible loans and interest (-)	-20	-20	-20	-20
1604 Direct loans and interest receivable, net	8,123	8,024	7,937	7,852
1606 Acquired Real Property	1	3		
1699 Value of assets related to direct loans	8,124	8,027	7,937	7,852
1999 Total assets	9,595	9,233	8,148	8,033
LIABILITIES:				
Federal liabilities:				
2102 Interest payable	166	203	138	117

2103	Debt	5,293	4,628	2,978	2,464
2104	Resources payable to Treasury	4,126	4,395	5,027	5,446
2207	Non-Federal liabilities: Other	9	6	6	6
2999	Total liabilities	9,594	9,232	8,149	8,033
4999	Total liabilities and net position	9,594	9,232	8,149	8,033

Object Classification (in millions of dollars)

Identification code 86-4115-0-3-371	1999 actual	2000 est.	2001 est.
32.0 Land and structures	1	1	2
33.0 Investments and loans	1	3	3
43.0 Interest and dividends	402	274	232
99.9 Total new obligations	404	278	237

NONPROFIT SPONSOR ASSISTANCE LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4042-0-3-604	1999 actual	2000 est.	2001 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	6	6	
22.00 New budget authority (gross)		-6	
23.90 Total budgetary resources available for obligation	6		
24.40 Unobligated balance available, end of year	6		
New budget authority (gross), detail:			
Discretionary:			
40.36 Unobligated balance rescinded		-6	
Net budget authority and outlays:			
89.00 Budget authority		-6	
90.00 Outlays			

Status of Direct Loans (in millions of dollars)

Identification code 86-4042-0-3-604	1999 actual	2000 est.	2001 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	1998 actual	1999 actual	2000 est.	2001 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury		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
NET POSITION:				
3100 Appropriated capital		6	6	6
3999 Total net position		6	6	6
4999 Total liabilities and net position		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 \$779 million in 2000 and \$783 million in 2001.

Credit accounts:

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

[During fiscal year 2000, new] New commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act, as amended (12 U.S.C. 1721(g)), shall not exceed \$200,000,000,000, to remain available until September 30, 2002.

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". In addition, for administrative contract expenses, \$40,000,000, to remain available until September 30, 2002: Provided, That to the extent guarantee commitments exceed \$42,460,000,000 on or before April 1, 2001, an additional \$400 for administrative contract expenses shall be available for each \$1,000,000 in additional guarantee commitments (including a pro-rata amount for any amount below \$1,000,000), but in no case shall funds made available by this proviso exceed \$10,000,000. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.)

Unavailable Collections (in millions of dollars)

Identification code 86-0186-0-1-371	1999 actual	2000 est.	2001 est.
Balance, start of year:			
01.99 Balance, start of year	355	701	7,222
Receipts:			
02.01 Guarantees of mortgage backed securities guarantee loans, negative subsidies	355	6,530	721
04.00 Total: Balances and collections	710	7,231	7,943
Appropriation:			
05.01 Guarantees of mortgage-backed securities loan guarantee program account	-9	-9	-9
07.99 Total balance, end of year	701	7,222	7,934

Program and Financing (in millions of dollars)

Identification code 86-0186-0-1-371	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Administrative expenses, salaries and expenses	9	9	9
00.02 Administrative Contract Expenses			40
10.00 Total new obligations	9	9	49
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	9	9	49
23.95 Total new obligations	-9	-9	-49

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

(INCLUDING TRANSFER OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-0186-0-1-371	1999 actual	2000 est.	2001 est.
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			40
40.20 Appropriation (special fund, definite)	9	9	9
43.00 Appropriation (total discretionary)	9	9	49
Change in unpaid obligations:			
73.10 Total new obligations	9	9	49
73.20 Total outlays (gross)	-9	-9	-49
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	9	9	49
Net budget authority and outlays:			
89.00 Budget authority	9	9	49
90.00 Outlays	9	9	49
Memorandum (non-add) entries:			
92.01 Total Investments, start of year: U.S. securities: Par value ¹			6,189
92.02 Total Investments, end of year: U.S. securities: Par value ¹		6,189	6,554

¹These invested balances are shown in the program account for presentation purposes only. Actual balances are in the receipt account.

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

Identification code 86-0186-0-1-371	1999 actual	2000 est.	2001 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Loan guarantee levels	163,508	114,311	96,262
2150 Standby commitment authority	36,492	85,689	103,738
2159 Total loan guarantee levels	200,000	200,000	200,000
Guaranteed loan subsidy (in percent):			
2320 Subsidy rate	-0.42	-0.33	-0.36
2329 Weighted average subsidy rate	-0.42	-0.33	-0.36
Guaranteed loan subsidy budget authority:			
2330 Subsidy budget authority	-355	-341	-356
2339 Total subsidy budget authority	-355	-341	-356
Guaranteed loan subsidy outlays:			
2340 Subsidy outlays	-355	-341	-356
2349 Total subsidy outlays	-355	-341	-356
Administrative expense data:			
3510 Budget authority	9	9	49
3590 Outlays from new authority	9	9	49

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.

Object Classification (in millions of dollars)

Identification code 86-0186-0-1-371	1999 actual	2000 est.	2001 est.
25.2 Other services			40
25.3 Purchases of goods and services from Government accounts	9	9	9
99.9 Total new obligations	9	9	49

GUARANTEES OF MORTGAGE-BACKED SECURITIES FINANCING ACCOUNT**Program and Financing (in millions of dollars)**

Identification code 86-4240-0-3-371	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Operating expenses	39	51	54
00.02 Capital investment		140	133
08.01 Payment to receipt account for negative subsidy	355	341	356
10.00 Total new obligations	394	532	543
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	415	496	570
22.00 New financing authority (gross)	475	606	604
23.90 Total budgetary resources available for obligation	890	1,102	1,174
23.95 Total new obligations	-394	-532	-543
24.40 Unobligated balance available, end of year	496	570	631
New financing authority (gross), detail:			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	475	606	604
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	8	11	16
73.10 Total new obligations	394	532	543
73.20 Total financing disbursements (gross)	-392	-527	-540
74.40 Unpaid obligations, end of year: Obligated balance, end of year	11	16	18
87.00 Total financing disbursements (gross)	392	527	540
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25 Interest on uninvested funds	-38	-29	-29
Non-Federal sources:			
88.40 Guarantee Fees	-362	-365	-369
88.40 Commitment and other fees	-55	-49	-46
88.40 Multiclass fees	-20	-29	-32
88.40 Repayment of advances		-134	-128
88.90 Total, offsetting collections (cash)	-475	-606	-604
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements	-83	-79	-64
Status of Guaranteed Loans (in millions of dollars)			
Identification code 86-4240-0-3-371	1999 actual	2000 est.	2001 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	200,000	200,000	200,000
2112 Uncommitted loan guarantee limitation	-36,492	-85,689	-103,738
2150 Total guaranteed loan commitments	163,508	114,311	96,262
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	445,615	569,312	599,567
2231 Disbursements of new guaranteed loans	163,508	114,311	96,262
2251 Repayments and prepayments	-39,811	-84,056	-88,825
2290 Outstanding, end of year	569,312	599,567	607,004
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	569,312	599,567	607,004

Operating Results.—Fee collections, interest, and other income are expected to exceed expenses by \$79 million in 1999; \$82 million in 2000 and \$67 million in 2001. These amounts will be retained against losses that may be incurred on guarantees.

Balance Sheet (in millions of dollars)

Identification code 86-4240-0-3-371	1998 actual	1999 actual	2000 est.	2001 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	423	507	586	650
1206 Non-Federal assets: Receivables, net	2	30	27	26
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross			4	7
1699 Value of assets related to direct loans			4	7
1999 Total assets	425	537	617	683
LIABILITIES:				
Non-Federal liabilities:				
2201 Accounts payable	10	40	43	45
2207 Other			201	253
2999 Total liabilities	10	40	244	298
NET POSITION:				
3300 Cumulative results of operations	415	496	373	386
3999 Total net position	415	496	373	386
4999 Total liabilities and net position	425	536	617	684

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

GUARANTEES OF MORTGAGE-BACKED SECURITIES LIQUIDATING ACCOUNT

Unavailable Collections (in millions of dollars)

Identification code 86-4238-0-3-371	1999 actual	2000 est.	2001 est.
Balance, start of year:			
01.99 Balance, start of year			
03.00 Offsetting collections			50
07.99 Total balance, end of year			50

Program and Financing (in millions of dollars)

Identification code 86-4238-0-3-371	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Functional services	1	2	2
Operating expenses:			
00.02 Default expenses	3	3	3
00.03 Servicing expenses	3	3	3
00.04 Other expenses	2	2	2
00.05 Administrative contract expenses		50	
00.91 Total operating expenses	9	60	10
Capital investment:			
01.01 Advances of guaranty payments	101	111	100
Other:			
02.01 Transfer to Receipt Account		6,189	
10.00 Total new obligations	110	6,360	110
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	5,508	5,826	
22.00 New budget authority (gross)	428	532	109
23.90 Total budgetary resources available for obligation	5,936	6,358	109
23.95 Total new obligations	-110	-6,360	-110
24.40 Unobligated balance available, end of year	5,826		

New budget authority (gross), detail:

Discretionary:			
Mandatory:			
69.00 Offsetting collections (cash)	428	532	159
	428	532	109

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance, start of year ¹	-74	-57	-55
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73.10 Total new obligations	110	6,360	110
73.20 Total outlays (gross)	-93	-6,358	-35
74.40 Unpaid obligations, end of year: Obligated balance, end of year	-57	-55	20

Outlays (gross), detail:

86.90 Outlays from new discretionary authority			-50
86.97 Outlays from new mandatory authority	93	532	85
86.98 Outlays from mandatory balances		5,826	
87.00 Total outlays (gross)	93	6,358	35

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Federal sources (financing account)			
88.00 Federal sources (financing account)		-50	-50
88.20 Interest on U.S. securities	-323	-364	
Non-Federal sources:			
88.40 Repayments of guaranteed payments	-95	-106	-95
88.40 Servicing income	-8	-8	-8
88.40 Repayments on mortgages	-1	-1	-1
88.40 Other Fees	-1	-3	-5
88.90 Total, offsetting collections (cash)	-428	-532	-159

Net budget authority and outlays:

89.00 Budget authority			-50
90.00 Outlays	-336	5,826	-124

Memorandum (non-add) entries:

92.01 Total investments, start of year: U.S. securities: Par value	5,449	5,781	
92.02 Total investments, end of year: U.S. securities: Par value	5,781		

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	1999 actual	2000 est.	2001 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	358	360	342
1232 Disbursements: Purchase of loans assets from the public	101	112	101
1252 Repayments: Proceeds from loan asset sales to the public or discounted	-95	-108	-98
1264 Write-offs for default: Other adjustments, net	-4	-22	-20
1290 Outstanding, end of year	360	342	325

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4238-0-3-371	1999 actual	2000 est.	2001 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	96,009	156	156
2251 Repayments and prepayments	-95,853		-2
2290 Outstanding, end of year	156	156	154
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	156	156	154

Operating results.—Fee collections, interest, and other income are expected to exceed expenses by \$326 million in 1999, \$365 million in 2000 and \$4 million in 2001. 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	1998 actual	1999 actual	2000 est.	2001 est.
0101 Revenue	112	329	374	13
0102 Expense	-52	-3	-9	-9
0105 Net income or loss (-)	60	326	365	4
0199 Total comprehensive income	60	326	365	4

Credit accounts—Continued

GUARANTEES OF MORTGAGE-BACKED SECURITIES LIQUIDATING ACCOUNT—Continued

Balance Sheet (in millions of dollars)

Identification code 86-4238-0-3-371	1998 actual	1999 actual	2000 est.	2001 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	1	3	3	4
Investments in US securities:				
1102 Treasury securities, par	5,449	5,778		
1106 Receivables, net	73	70	75	6
1206 Non-Federal assets: Receivables, net	31	1	2	
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	358	360	340	323
1603 Allowance for estimated uncollectible loans and interest (-)	-325	-326	-192	-181
1699 Value of assets related to direct loans	33	34	148	142
1999 Total assets	5,587	5,886	228	152
LIABILITIES:				
Non-Federal liabilities:				
2201 Accounts payable	35	17	20	24
2207 Other	512	512	101	15
2999 Total liabilities	547	529	121	39
NET POSITION:				
3300 Cumulative results of operations	5,039	5,357	107	112
3999 Total net position	5,039	5,357	107	112
4999 Total liabilities and net position	5,586	5,886	228	151

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	1999 actual	2000 est.	2001 est.
25.2 Other services	9	60	10
33.0 Investments and loans	101	111	100
92.0 Undistributed		6,189	
99.9 Total new obligations	110	6,360	110

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**] **\$62,000,000**, to remain available until September 30, [**2001: Provided, That of the amount provided under this heading, \$10,000,000**] **2002, of which \$12,000,000** shall be for the Partnership for Advancing Technology in Housing (PATH) Initiative [and **\$500,000** shall be for a commission established in section 525 of title V of this Act]. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.*)

Program and Financing (in millions of dollars)

Identification code 86-0108-0-1-451	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Housing Research	47	36	50
00.02 PATH	10	10	12
00.03 International Activities		10	
00.04 Commission on Affordable Housing		1	

10.00 Total new obligations	57	57	62
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	11	12	
22.00 New budget authority (gross)	58	45	62
23.90 Total budgetary resources available for obligation	69	57	62
23.95 Total new obligations	-57	-57	-62
24.40 Unobligated balance available, end of year	12		

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	48	45	62
42.00 Transferred from other accounts	10		
43.00 Appropriation (total discretionary)	58	45	62

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance, start of year	22	52	56
73.10 Total new obligations	57	57	62
73.20 Total outlays (gross)	-27	-53	-56
74.40 Unpaid obligations, end of year: Obligated balance, end of year	52	56	62

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	11	18	25
86.93 Outlays from discretionary balances	16	35	31
87.00 Total outlays (gross)	27	53	56

Net budget authority and outlays:

89.00 Budget authority	58	45	62
90.00 Outlays	27	53	56

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 2001, the research program will focus on activities to support research examining the implications of significant changes in public and assisted housing policy and the impacts of welfare reform on HUD-assisted households and HUD-subsidized developments. National Housing Surveys will continue in 2001. Research and evaluation will support the Department in carrying out its responsibilities under the Government Performance and Results Act.

The 2001 request includes \$12 million to continue the Partnership for Advancing Technologies in Housing (PATH). Launched by President Clinton on May 4, 1998, PATH is a key component of the President's program to improve the housing technology infrastructure of the United States and to reduce carbon emissions. A public/private partnership, PATH joins together key Federal agencies, with leaders from the home building, product manufacturing, insurance, and financial industries to develop and deploy the technologies for the next generation of American housing.

Object Classification (in millions of dollars)

Identification code 86-0108-0-1-451	1999 actual	2000 est.	2001 est.
25.2 Other services	52	52	56
41.0 Grants, subsidies, and contributions	5	5	6
99.9 Total new obligations	57	57	62

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, [\$44,000,000] \$50,000,000, to remain available until September 30, [2001] 2002, of which [\$24,000,000] \$29,000,000 shall be to carry out activities pursuant to such section 561: *Provided*, That no funds made available under this heading shall be used to lobby the executive or legislative branches of the Federal Government in connection with a specific contract, grant or loan. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.*)

Program and Financing (in millions of dollars)

Identification code 86-0144-0-1-751	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Fair housing assistance	13	30	21
00.02 Fair housing initiatives	22	40	29
10.00 Total new obligations (object class 41.0)	35	70	50
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	22	26	.....
22.00 New budget authority (gross)	40	44	50
23.90 Total budgetary resources available for obligation	62	70	50
23.95 Total new obligations	-35	-70	-50
23.98 Unobligated balance expiring or withdrawn	-1	.....	.....
24.40 Unobligated balance available, end of year	26	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	40	44	50
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	30	34	68
73.10 Total new obligations	35	70	50
73.20 Total outlays (gross)	-31	-36	-31
74.40 Unpaid obligations, end of year: Obligated balance, end of year	34	68	87
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	3	.....	.....
86.93 Outlays from discretionary balances	28	36	31
87.00 Total outlays (gross)	31	36	31
Net budget authority and outlays:			
89.00 Budget authority	40	44	50
90.00 Outlays	31	36	31

The Budget proposes an appropriation of \$50 million in 2001 for fair housing activities to fund programs, consistent with the President's "One America" policy, which will continue to support efforts to end housing discrimination. Of the amount requested, \$21 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 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 that will contribute to the Department's goal of doubling

enforcement actions and will result in other enforcement outcomes that are a critical component of the Administration's attack on discrimination. It is estimated that the number of new State and local agencies with laws equivalent to the Fair Housing Act will increase to 93 in 2001 from 88 in 2000. Of the \$21 million requested for FHAP, \$3.5 million will be used to fund an innovative Fair Housing Partnership between State and local fair housing enforcement agencies and private fair housing groups. The partnership will require its participants to focus their fair housing activities to foster substantial and new fair housing results that individual organizations could not achieve alone.

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, \$7.5 million will be used to fund the final year of a three-year audit-based enforcement initiative which will continue to address the existence of both blatant and subtle forms of housing discrimination confirmed through testing experience.

\$2.5 million will be used to fund the Project for Accessibility Training and Technical Assistance (PATTA). PATTA will provide training and technical assistance to housing providers on designing and constructing properties to be in compliance with the accessibility requirements of the Fair Housing Act. \$1 million will be used to establish an academy to conduct HUD-approved training, primarily in the areas of testing and self-monitoring, to fair housing organizations and industry. It will be a joint venture combining an institution of higher learning and a private fair housing group. Additional FHIP funding will support extended testing and other anti-discrimination activities by private fair housing groups. Funding for FHIP will also include \$3.5 million for the Fair Housing Partnership, as discussed above.

OFFICE OF LEAD HAZARD CONTROL

Federal Funds

General and Special Funds:

LEAD HAZARD REDUCTION

(INCLUDING TRANSFER OF FUNDS)

For the Lead Hazard Reduction Program, as authorized by sections 1011 and 1053 of the Residential Lead-Based Hazard Reduction Act of 1992, [\$80,000,000] \$120,000,000 to remain available until expended, of which [\$1,000,000 shall be for CLEARCorps and] \$10,000,000 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[: *Provided*, That all balances for the Lead Hazard Reduction Programs previously funded in the Annual Contributions for Assisted Housing and Community Development Block Grant accounts shall be transferred to this account, to be available for the purposes for which they were originally appropriated]. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.*)

Program and Financing (in millions of dollars)

Identification code 86-0174-0-1-451	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Lead abatement	18	144	120
10.00 Total new obligations (object class 41.0)	18	144	120
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year .....	.....	62	.....

General and Special Funds—Continued

LEAD HAZARD REDUCTION—Continued
(INCLUDING TRANSFER OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-0174-0-1-451	1999 actual	2000 est.	2001 est.
22.00 New budget authority (gross)	80	80	120
22.22 Unobligated balance transferred from other accounts		2	
23.90 Total budgetary resources available for obligation	80	144	120
23.95 Total new obligations	-18	-144	-120
24.40 Unobligated balance available, end of year	62		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	80	80	120
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year		16	286
73.10 Total new obligations	18	144	120
73.20 Total outlays (gross)	-2	-80	-81
73.32 Obligated balance transferred from other accounts		206	
74.40 Unpaid obligations, end of year: Obligated balance, end of year	16	286	325
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	2	2	2
86.93 Outlays from discretionary balances		78	79
87.00 Total outlays (gross)	2	80	81
Net budget authority and outlays:			
89.00 Budget authority	80	80	120
90.00 Outlays	2	80	81

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

The President's Task Force on Children's Environmental Health and Safety Risk has developed a ten-year, interagency strategy to eliminate lead poisoning in children. The 2001 Budget includes a 50 percent increase, to \$90 million, for HUD's Lead Hazard Control Grant program as a major part of this ambitious strategy.

The Lead Hazard Control Grant Program 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 new, low cost approaches to hazard control that can be replicated across the nation.

The Healthy Homes Initiative will enable the Department to control additional childhood diseases and injuries that are caused by housing related factors. The initiative will allow for a demonstration that evaluates the methods of controlling two or more housing related diseases through a single intervention. A public education/outreach effort, to enable the public to act effectively to protect their children, will also be conducted.

The Office of Lead Hazard Control will continue its Technical Assistance Program which will include a program to conduct lead-based paint compliance checks, provide technical assistance for State and local agencies, private property owners, HUD programs and field offices, and professional organizations; provide quality control to ensure that the evaluation

and control of lead-based paint hazards is done properly in HUD associated housing; provide for the development of standards, technical guidance material and regulations; and provide for the development of streamlined measures of testing, hazard control, cleanup, clearance, and public education.

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. Starting in 1999 the program was funded as a separate, stand-alone program.

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, **[\$1,005,733,000]** *\$1,094,733,000*, of which \$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, \$1,000,000 shall be provided from the "Community development block grants program" account, *up to \$1,000,000 shall be provided from the "America's Private Investment Companies Program" account*, \$150,000 shall be provided by transfer from the "Title VI Indian federal grantees program" account, and \$200,000 shall be provided by transfer from the "Indian housing loan guarantee fund program" account: **[Provided,** That the Secretary is prohibited from using any funds under this heading or any other heading in this Act from employing more than 77 schedule C and 20 noncareer Senior Executive Service employees: *Provided further,* That the Secretary is prohibited from using funds under this heading or any other heading in this Act to employ more than 9,300 employees: *Provided further,* That the Secretary is prohibited from using funds under this heading or any other heading in this Act to convert any external community builders to career employees, and after September 1, 2000 to employ any external community builders: *Provided further,* That the Secretary is prohibited from using funds under this heading or any other heading in this Act to employ more than 14 employees in the Office of Public Affairs: *Provided further,* That of the amount made available under this heading, \$2,000,000 shall be for the Millennial Housing Commission as established under section 206.] *(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.)*

Program and Financing (in millions of dollars)

Identification code 86-0143-0-1-999	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Direct program:			
00.01 Housing, mortgage credit, regulatory and energy conservation	174	174	206
00.02 Community planning and development programs	29	29	35
00.03 Equal opportunity and research programs	32	32	38
00.04 Departmental management, legal and audit services	28	28	34
00.05 Field direction and administration	206	214	252
09.01 Reimbursable program	534	529	530
09.99 Total reimbursable program	534	529	530
10.00 Total new obligations	1,003	1,006	1,095
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	1,006	1,006	1,095
23.95 Total new obligations	-1,003	-1,006	-1,095
23.98 Unobligated balance expiring or withdrawn	-3		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	457	477	565
42.00 Transferred from other accounts	15		

43.00	Appropriation (total discretionary)	472	477	565
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	534	529	530
70.00	Total new budget authority (gross)	1,006	1,006	1,095
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance, start of year	185	163	160
73.10	Total new obligations	1,003	1,006	1,095
73.20	Total outlays (gross)	-1,028	-1,006	-1,073
73.40	Adjustments in expired accounts (net)	3	-3	12
74.40	Unpaid obligations, end of year: Obligated balance, end of year	163	160	193
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	915	897	965
86.93	Outlays from discretionary balances	113	109	109
87.00	Total outlays (gross)	1,028	1,006	1,073
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-534	-529	-530
Net budget authority and outlays:				
89.00	Budget authority	472	477	565
90.00	Outlays	493	477	543

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	1999 actual	2000 est.	2001 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	233	255	294
11.3	Other than full-time permanent	17	18	21
11.5	Other personnel compensation	6	7	8
11.9	Total personnel compensation	256	280	323
12.1	Civilian personnel benefits	56	61	69
21.0	Travel and transportation of persons	7	7	11
22.0	Transportation of things	1		1
23.1	Rental payments to GSA	38	40	48
23.3	Communications, utilities, and miscellaneous charges	15	16	19
24.0	Printing and reproduction	2	2	2
25.1	Advisory and assistance services	69	51	68
25.2	Other services	6	5	6
25.3	Purchases of goods and services from Government accounts	10	8	10
25.4	Operation and maintenance of facilities	5	4	5
26.0	Supplies and materials	3	2	2
31.0	Equipment	3	1	1
99.0	Subtotal, direct obligations	471	477	565
99.0	Reimbursable obligations	532	529	530
99.9	Total new obligations	1,003	1,006	1,095

Personnel Summary

Identification code 86-0143-0-1-999	1999 actual	2000 est.	2001 est.	
Direct:				
1001	Total compensable workyears: Full-time equivalent employment	4,210	4,363	4,804
Reimbursable:				
2001	Total compensable workyears: Full-time equivalent employment	4,747	4,837	4,496

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, **[\$83,000,000] \$84,000,000**, of which \$22,343,000 shall be provided from the various funds of the Federal Housing Administration and \$10,000,000 shall be provided from the amount earmarked for Operation Safe Home in the appropriation for "Drug elimination grants for low-income housing": *Provided*, That the Inspector General shall have independent authority over all personnel issues within the Office of Inspector General. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.*)

Program and Financing (in millions of dollars)

Identification code 86-0189-0-1-451	1999 actual	2000 est.	2001 est.	
Obligations by program activity:				
00.01	Direct program	38	61	52
09.01	Reimbursable program	33	32	32
10.00	Total new obligations	71	93	84
Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year		10	
22.00	New budget authority (gross)	83	83	84
23.90	Total budgetary resources available for obligation	83	93	84
23.95	Total new obligations	-71	-93	-84
23.98	Unobligated balance expiring or withdrawn	-1		
24.40	Unobligated balance available, end of year	10		
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	50	51	52
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	33	32	32
70.00	Total new budget authority (gross)	83	83	84
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance, start of year	24	52	32
73.10	Total new obligations	71	93	84
73.20	Total outlays (gross)	-42	-112	-87
74.40	Unpaid obligations, end of year: Obligated balance, end of year	52	32	29
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	41	71	72
86.93	Outlays from discretionary balances	1	41	15
87.00	Total outlays (gross)	42	112	87
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-33	-32	-32
Net budget authority and outlays:				
89.00	Budget authority	50	51	52
90.00	Outlays	9	80	55

Summary of Budget Authority and Outlays

(in millions of dollars)			
Enacted/requested:	1999 actual	2000 est.	2001 est.
Budget Authority	50	51	52
Outlays	9	80	55
Supplemental proposal:			
Budget Authority		-6	6
Outlays		-5	4
Total:			
Budget Authority	50	45	58
Outlays	9	75	59

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 and contract audit.

General and special funds—Continued

OFFICE OF INSPECTOR GENERAL—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

Internal audits review and evaluate all facets of agency operations. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations.

Object Classification (in millions of dollars)

Identification code 86-0189-0-1-451	1999 actual	2000 est.	2001 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	19	26	26
11.5 Other personnel compensation	2	3	3
11.9 Total personnel compensation	21	29	29
12.1 Civilian personnel benefits	5	8	6
21.0 Travel and transportation of persons	3	5	5
23.1 Rental payments to GSA	2	3	3
23.3 Communications, utilities, and miscellaneous charges	1	3	3
25.1 Advisory and assistance services	1	7	2
25.3 Purchases of goods and services from Government accounts	3	3	2
31.0 Equipment	2	3	2
99.0 Subtotal, direct obligations	38	61	52
99.0 Reimbursable obligations	33	32	32
99.9 Total new obligations	71	93	84

Personnel Summary

Identification code 86-0189-0-1-451	1999 actual	2000 est.	2001 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment	312	374	329
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	266	331	331

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, including not to exceed \$500 for official reception and representation expenses, **[\$19,493,000] \$25,800,000**, 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, 2000.*)

Unavailable Collections (in millions of dollars)

Identification code 86-5272-0-2-371	1999 actual	2000 est.	2001 est.
Balance, start of year:			
01.99 Balance, start of year			
Receipts:			
02.01 Office of federal housing enterprise oversight	16	19	26
Appropriation:			
05.01 Office of federal housing enterprise oversight	-16	-19	-26
07.99 Total balance, end of year			

Program and Financing (in millions of dollars)

Identification code 86-5272-0-2-371	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Direct program	16	19	26
10.00 Total new obligations	16	19	26
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	16	19	26
23.95 Total new obligations	-16	-19	-26
New budget authority (gross), detail:			
Discretionary:			
40.20 Appropriation (special fund, definite)	16	19	26
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	5	4	4
73.10 Total new obligations	16	19	26
73.20 Total outlays (gross)	-16	-19	-25
74.40 Unpaid obligations, end of year: Obligated balance, end of year	4	4	5
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	12	15	21
86.93 Outlays from discretionary balances	4	4	4
87.00 Total outlays (gross)	16	19	25
Net budget authority and outlays:			
89.00 Budget authority	16	19	26
90.00 Outlays	16	19	25

This appropriation funds the Office of Federal Housing Enterprise Oversight (the Office), which was established in 1992 to regulate the financial safety and soundness of two housing Government Sponsored Enterprises (GSEs)—Fannie Mae and Freddie Mac. The Office was authorized in the Federal Housing Enterprise Safety and Soundness Act of 1992, which also instituted a risk-based capital standard for the GSEs, and gave the regulator enhanced authority to enforce those standards. The office is also required by statute to conduct on-site annual examinations at the GSEs to determine the condition of each enterprise for the purpose of ensuring their financial safety and soundness.

Object Classification (in millions of dollars)

Identification code 86-5272-0-2-371	1999 actual	2000 est.	2001 est.
11.1 Personnel compensation: Personnel Compensation	7	10	12
12.1 Civilian personnel benefits	1	2	3
23.2 Rental payments to others	2	2	3
25.2 Other services	4	4	6
31.0 Equipment	1	1	2
99.0 Subtotal, direct obligations	15	19	26
99.5 Below reporting threshold	1		
99.9 Total new obligations	16	19	26

Personnel Summary

Identification code 86-5272-0-2-371	1999 actual	2000 est.	2001 est.
1001 Total compensable workyears: Full-time equivalent employment	73	95	118

Intragovernmental funds:

WORKING CAPITAL FUND

Program and Financing (in millions of dollars)

Identification code 86-4586-0-4-451	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
09.01 Reimbursable program	348	266	390

10.00	Total new obligations	348	266	390
Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year	57	32	
22.00	New budget authority (gross)	319	266	390
22.10	Resources available from recoveries of prior year obligations	5	-32	
23.90	Total budgetary resources available for obligation	381	266	390
23.95	Total new obligations	-348	-266	-390
24.40	Unobligated balance available, end of year	32		
New budget authority (gross), detail:				
Mandatory:				
69.00	Offsetting collections (cash)	305	266	390
69.10	From Federal sources: Change in receivables and unpaid, unfilled orders	12		
69.15	From Federal sources: Adjustments to receivables and unpaid, unfilled orders	2		
69.90	Spending authority from offsetting collections (total mandatory)	319	266	390
Change in unpaid obligations:				
Unpaid obligations, start of year:				
72.40	Obligated balance, start of year	-13	21	34
72.95	From Federal sources: Receivables and unpaid, unfilled orders	9	21	21
72.99	Total unpaid obligations, start of year	-4	42	55
73.10	Total new obligations	348	266	390
73.20	Total outlays (gross)	-296	-285	-390
73.45	Adjustments in unexpired accounts	-5	32	
Unpaid obligations, end of year:				
74.40	Obligated balance, end of year	21	34	34
74.95	From Federal sources: Receivables and unpaid, unfilled orders	21	21	21
74.99	Total unpaid obligations, end of year	42	55	55
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	296	285	390
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-305	-266	-390
Against gross budget authority only:				
88.95	From Federal sources: Change in receivables and unpaid, unfilled orders	-12		
88.96	From Federal sources: Adjustment to receivables and unpaid, unfilled orders	-2		
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	-9	19	

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	1999 actual	2000 est.	2001 est.
11.1 Personnel compensation: Full-time permanent	24	18	27
12.1 Civilian personnel benefits	5	4	6
21.0 Travel and transportation of persons	1	1	1
23.3 Communications, utilities, and miscellaneous charges	54	42	59
25.1 Advisory and assistance services	223	170	252
26.0 Supplies and materials	1	1	1
31.0 Equipment	40	30	44
99.9 Total new obligations	348	266	390

Personnel Summary

Identification code 86-4586-0-4-451	1999 actual	2000 est.	2001 est.
2001 Total compensable workyears: Full-time equivalent employment	355	462	462

ADMINISTRATIVE PROVISIONS

SEC. 201. 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.

FAIR HOUSING AND FREE SPEECH

SEC. 202. None of the amounts made available under this Act may be used during fiscal year [2000] 2001 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.

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS GRANTS

SEC. 203. [Section 207 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999, is amended by striking wherever it occurs "fiscal year 1999 and 2000" and inserting "fiscal years 1999 and 2000".]

(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 2001 that are allocated under such section, the Secretary of Housing and Urban Development shall allocate and make a grant, in the amount determined under subsection (b), for any State that—

(1) received an allocation in a prior fiscal year under clause (i) of such section; and

(2) is not otherwise eligible for an allocation for fiscal year 2001 under such clause (ii) because the areas in the State outside of the metropolitan statistical areas that qualify under clause (i) in fiscal year 2000 do not have the number of cases of acquired immunodeficiency syndrome required under such clause.

(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) of such section 845(c)(1)(A) in fiscal year 2000, in proportion to AIDS cases among cities and States that qualify under clauses (i) and (ii) of such section and States deemed eligible under subsection (a).

(c) *ENVIRONMENTAL REVIEW.* Section 856 of the Act is amended by adding the following new subsection at the end:

"(h) *ENVIRONMENTAL REVIEW.*—For purposes of environmental review, a grant under this subtitle 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, and shall be subject to the regulations issued by the Secretary to implement such section."

[REPROGRAMMING]

[SEC. 204. Of the amounts made available under the sixth undesignated paragraph under the heading "COMMUNITY PLANNING AND DEVELOPMENT—COMMUNITY DEVELOPMENT BLOCK GRANTS" in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999 (Public Law 105-276; 112 Stat. 2477) for the Economic Development Initiative (EDI) for grants for targeted economic investments, the \$1,000,000 to be made available (pursuant to the related provisions of the joint explanatory statement in the conference report to accompany such Act (House Report No. 105-769, 105th Congress, 2d session)) to the City of Redlands, California, for the redevelopment initiatives near the historic Fox Theater shall, notwithstanding such provisions, be made available to such city for the following purposes:

(1) \$700,000 shall be for renovation of the City of Redlands Fire Station No. 1;

[REPROGRAMMING]—Continued

(2) \$200,000 shall be for renovation of the Mission Gables House at the Redlands Bowl historic outdoor amphitheater; and

(3) \$100,000 shall be for the preservation of historic Hillside Cemetery.]

[ADJUSTMENTS TO INCOME ELIGIBILITY FOR UNUSUALLY HIGH OR LOW FAMILIES INCOMES IN ASSISTED HOUSING]

[SEC. 205. Section 16 of the United States Housing Act of 1937 is amended—

(1) in subsection (a)(2)(A), by inserting before the period the following: “; except that the Secretary may establish income ceilings higher or lower than 30 percent of the area median income on the basis of the Secretary’s findings that such variations are necessary because of unusually high or low family incomes”; and

(2) in subsection (c)(3), by inserting before the period the following: “; except that the Secretary may establish income ceilings higher or lower than 30 percent of the area median income on the basis of the Secretary’s findings that such variations are necessary because of unusually high or low family incomes.”]

[MILLENNIAL HOUSING COMMISSION]

[SEC. 206. (a) ESTABLISHMENT.—There is hereby established a commission to be known as the Millennial Housing Commission (in this section referred to as the “Commission”).

(b) STUDY.—The duty of the Commission shall be to conduct a study that examines, analyzes, and explores—

(1) the importance of housing, particularly affordable housing which includes housing for the elderly, to the infrastructure of the United States;

(2) the various possible methods for increasing the role of the private sector in providing affordable housing in the United States, including the effectiveness and efficiency of such methods; and

(3) whether the existing programs of the Department of Housing and Urban Development work in conjunction with one another to provide better housing opportunities for families, neighborhoods, and communities, and how such programs can be improved with respect to such purpose.

(c) MEMBERSHIP.—

(1) NUMBER AND APPOINTMENT.—The Commission shall be composed of 22 members, appointed not later than January 1, 2000, as follows:

(A) Two co-chairpersons appointed by—

(i) one co-chairperson appointed by a committee consisting of the chairmen of the Subcommittees on the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies of the Committees on Appropriations of the House of Representatives and the Senate, and the chairman of the Subcommittee on Housing and Community Opportunities of the House of Representatives and the chairman of the Subcommittee on Housing and Transportation of the Senate; and

(ii) one co-chairperson appointed by a committee consisting of the ranking minority members of the Subcommittees on the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies of the Committees on Appropriations of the House of Representatives and the Senate, and the ranking minority member of the Subcommittee on Housing and Community Opportunities of the House of Representatives and the ranking minority member of the Subcommittee on Housing and Transportation of the Senate.

(B) Ten members appointed by the Chairman and Ranking Minority Member of the Committee on Appropriations of the House of Representatives and the Chairman and Ranking Minority Member of the Committee on Banking and Financial Services of the House of Representatives.

(C) Ten members appointed by the Chairman and Ranking Minority Member of the Committee on Appropriations of the Senate and the Chairman and Ranking Minority Member of the Committee on Banking, Housing, and Urban Affairs of the Senate.

(2) QUALIFICATIONS.—Appointees should have proven expertise in directing, assembling, or applying capital resources from a variety of sources to the successful development of affordable housing or the revitalization of communities, including economic and job development.

(3) VACANCIES.—Any vacancy on the Commission shall not affect its powers and shall be filled in the manner in which the original appointment was made.

(4) CHAIRPERSONS.—The members appointed pursuant to paragraph (1)(A) shall serve as co-chairpersons of the Commission.

(5) PROHIBITION OF PAY.—Members of the Commission shall serve without pay.

(6) TRAVEL EXPENSES.—Each member of the Commission shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(7) QUORUM.—A majority of the members of the Commission shall constitute a quorum but a lesser number may hold hearings.

(8) MEETINGS.—The Commission shall meet at the call of the Chairpersons.

(d) DIRECTOR AND STAFF.—

(1) DIRECTOR.—The Commission shall have a Director who shall be appointed by the Chairperson. The Director shall be paid at a rate not to exceed the rate of basic pay payable for level V of the Executive Schedule.

(2) STAFF.—The Commission may appoint personnel as appropriate. The staff of the Commission shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates.

(3) EXPERTS AND CONSULTANTS.—The Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay payable for the General Schedule.

(4) STAFF OF FEDERAL AGENCIES.—Upon request of the Commission, the head of any Federal department or agency may detail, on a reimbursable basis, any of the personnel of that department or agency to the Commission to assist it in carrying out its duties under this Act.

(e) POWERS.—

(1) HEARINGS AND SESSIONS.—The Commission may, for the purpose of carrying out this section, hold hearings, sit and act at times and places, take testimony, and receive evidence as the Commission considers appropriate.

(2) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take by this section.

(3) OBTAINING OFFICIAL DATA.—The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act. Upon request of the Chairpersons of the Commission, the head of that department or agency shall furnish that information to the Commission.

(4) GIFTS, BEQUESTS, AND DEVICES.—The Commission may accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Commission. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury and shall be available for disbursement upon order of the Commission.

(5) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(6) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Commission, the Administrator of General Services shall provide to the Commission, on a reimbursable basis, the administrative support services necessary for the Commission to carry out its responsibilities under this section.

(7) CONTRACT AUTHORITY.—The Commission may contract with and compensate Government and private agencies or persons for services, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(f) REPORT.—The Commission shall submit to the Committees on Appropriations and Banking and Financial Services of the House of Representatives and the Committees on Appropriations and Banking, Housing, and Urban Affairs of the Senate a final report not later than March 1, 2002. The report shall contain a detailed statement of the findings and conclusions of the Commission with respect to the study conducted under subsection (b), together with its recommendations for legislation, administrative actions, and any other actions the Commission considers appropriate.

(g) TERMINATION.—The Commission shall terminate on June 30, 2002. Section 14(a)(2)(B) of the Federal Advisory Committee Act (5

U.S.C. App.; relating to the termination of advisory committees) shall not apply to the Commission.]

[FHA TECHNICAL CORRECTION]

[SEC. 207. Section 203(b)(2)(A)(ii) of the National Housing Act (12 U.S.C. 1709(b)(2)(A)(ii)) is amended by adding before “48 percent” the following: “the greater of the dollar amount limitation in effect under this section for the area on the date of the enactment of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act for Fiscal Year 1999 or.”.]

[RESCISSIONS]

[SEC. 208. Of the balances remaining from funds appropriated to the Department of Housing and Urban Development in Public Law 105-65 and prior appropriations Acts, \$74,400,000 is rescinded: *Provided*, That the amount rescinded shall be comprised of—

(1) \$30,552,000 of the amounts that were appropriated for the modernization of public housing unit; under the heading “Annual contributions for assisted housing”, including an amount equal to the amount transferred from such account to, and merged with amounts under the heading “Public housing capital fund”;

(2) \$3,048,000 of the amounts from which no disbursements have been made within five successive fiscal years beginning after September 30, 1993, that were appropriated under the heading “Annual contributions for assisted housing”, including an amount equal to the amount transferred from such account to the account under the heading “Housing certificate fund”;

(3) \$22,975,000 of amounts appropriated for homeownership assistance under section 235(r) of the National Housing Act, including \$6,875,000 appropriated in Public Law 103-327 (approved September 28, 1994, 104 Stat. 2305) for such purposes;

(4) \$11,400,000 of the amounts appropriated for the Homeownership and Opportunity for People Everywhere programs (HOPE programs), as authorized by the Cranston-Gonzalez National Affordable Housing Act; and

(5) \$6,400,000 of the balances remaining in the account under the heading “Nonprofit Sponsor Assistance Account”.]

[GRANT FOR NATIONAL CITIES IN SCHOOLS]

[SEC. 209. For a grant to the National Cities in Schools Community Development program under section 930 of the Housing and Community Development Act of 1992, \$5,000,000.]

[MOVING TO WORK DEMONSTRATION]

[SEC. 210. For the Jobs-Plus Initiative of the Moving to Work Demonstration, \$5,000,000 to cover the cost of rent-based work incentives to families in selected public housing developments, who shall be encouraged to go to work under work incentive plans approved by the Secretary and carefully tracked as part of the research and demonstration effort.]

[REPEALER]

[SEC. 211. Section 218 of Public Law 104-204 is repealed.]

[FHA ADMINISTRATIVE CONTRACT EXPENSE AUTHORITY]

[SEC. 212. Section 1 of the National Housing Act (12 U.S.C. 1702) is amended by inserting the following new sentence after the first proviso: “Except with respect to title III, for the purposes of this section, the term ‘nonadministrative’ shall not include contract expenses that are not capitalized or routinely deducted from the proceeds of sales, and such expenses shall not be payable from funds made available by this Act.”.]

[FULL PAYMENT OF CLAIMS]

[SEC. 213. (a) Section 541 of the National Housing Act is amended—

(1) by amending the heading to read as follows: “PARTIAL PAYMENT OF CLAIMS ON DEFAULTED MORTGAGES AND IN CONNECTION WITH MORTGAGE RESTRUCTURING”; and

(2) in subsection (b), by striking “partial payment of the claim under the mortgage insurance contract” and inserting “partial or full payment of claim under one or more mortgage insurance contracts”.

(b) Section 517 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 is amended by adding a new subsection (a)(6) to read as follows: “(6) The second mortgage under this section may be a first mortgage if no restructured or new first mortgage will meet the requirement of paragraph (1)(A).”.]

[AVAILABILITY OF INCOME MATCHING INFORMATION]

[SEC. 214. (a) Section 3(f) of the United States Housing Act of 1937 (42 U.S.C. 1437a), as amended by section 508(d)(1) of the Quality Housing and Work Responsibility Act of 1998, is further amended—

(1) in paragraph (1)—

(A) after the first appearance of “public housing agency” by inserting “, or the owner responsible for determining the participant’s eligibility or level of benefits.”; and

(B) after “as applicable” by inserting “, or to the owner responsible for determining the participant’s eligibility or level of benefits”; and

(2) in paragraph (2)—

(A) in subparagraph (A) by striking “or”;

(B) in subparagraph (B) by striking the period and inserting “, or”; and

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

“(C) for which project-based assistance is provided under section 8, section 202, or section 811.”.

(b) Section 904(b) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 3544), as amended by section 508(d)(2) of the Quality Housing and Work Responsibility Act of 1998, is further amended in paragraph (4)—

(1) by inserting after “public housing agency” the first time it appears the following: “, or the owner responsible for determining the participant’s eligibility or level of benefits.”; and

(2) by striking “the public housing agency verifying income” and inserting “verifying income”.]

EXEMPTION FOR ALASKA AND MISSISSIPPI FROM REQUIREMENT OF RESIDENT ON BOARD

SEC. [215] 204. Public housing agencies in the States of Alaska and Mississippi shall not be required to comply with section 2(b) of the United States Housing Act of 1937, as amended, during fiscal year [2000] 2001.

[ADMINISTRATION OF THE CDBG PROGRAM BY NEW YORK STATE]

[SEC. 216. The Secretary of Housing and Urban Development shall transfer on the date of the enactment of this Act the administration of the Small Cities component of the Community Development Block Grants program for all funds allocated for the State of New York under section 106(d) of the Housing and Community Development Act of 1974 for fiscal year 2000 and all fiscal years thereafter, to the State of New York to be administered by the Governor of such State.]

[SECTION 202 EXEMPTION]

[SEC. 217. Notwithstanding section 202 of the Housing Act of 1959 or any other provision of law, Peggy A. Burgin may not be disqualified on the basis of age from residing at Clark’s Landing in Groton, Vermont.]

[DARLINTON PRESERVATION AMENDMENT]

[SEC. 218. Notwithstanding any other provision of law, upon prepayment of the FHA-insured section 236 mortgage, the Secretary shall continue to provide interest reduction payment in accordance with the existing amortization schedule for Darlington Manor Apartments, a 100-unit project located at 606 North 5th Street, Bozemen, Montana, which will continue as affordable housing pursuant to a use agreement with the State of Montana.]

[RISK-SHARING PRIORITY]

[SEC. 219. Section 517(b)(3) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998 is amended by inserting after “1992.” the following: “The Secretary shall use risk-shared financing under section 542(c) of the Housing and Community Development Act of 1992 for any mortgage restructuring, rehabilitation financing, or debt refinancing included as part of a mortgage restructuring and rental assistance sufficiency plan if the terms and conditions are considered to be the best available financing in terms of financial savings to the FHA insurance funds and will result in reduced risk of loss to the Federal Government.”.]

[TREATMENT OF EXPIRING ECONOMIC DEVELOPMENT INITIATIVE GRANTS]

[SEC. 220. (a) AVAILABILITY.—Notwithstanding section 1552 of title 31, United States Code, the grant amounts identified in subsection

[TREATMENT OF EXPIRING ECONOMIC DEVELOPMENT INITIATIVE GRANTS]—Continued

(b) shall remain available to the grantees for the purposes for which such amounts were obligated through September 30, 2000.

(b) GRANTS.—The grant amounts identified in this subsection are the amounts provided under the following grants made by the Secretary of Housing and Urban Development under the economic development initiative under section 108(q) of the Housing and Community Development Act of 1974 (42 U.S.C. 5308(q)):

(1) The grant for Miami, Florida, designated as B-92-ED-12-013.

(2) The grant for Miami Beach, Florida, designated as B-92-ED-12-014.

(c) EFFECTIVE DATE.—This section shall be considered to have taken effect on September 30, 1999. The Secretary of the Treasury and the Secretary of Housing and Urban Development shall take such actions as may be necessary to carry out this section, notwithstanding any actions taken previously pursuant to section 1552 of title 31, United States Code.】

[USE OF TRUSTS WITH REGARD TO COOPERATIVE HOUSING SECTION]

【SEC. 221. Section 213(a) of the National Housing Act (12 U.S.C. 1715e(a)) is amended by adding at the end the following new sentence: "Nothing in this section may be construed to prevent membership in a nonprofit housing cooperative from being held in the name of a trust, the beneficiary of which shall occupy the dwelling unit in accordance with rules and regulations prescribed by the Secretary."】

[GRANT TECHNICAL CORRECTION]

【SEC. 222. Notwithstanding any other provision of law, the amount made available under the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1991 (Public Law 101-507) for a special purpose grant under section 107 of the Housing and Community Development Act of 1974 to the County of Hawaii for the purpose of an environmental impact statement for the development of a water resource system in Kohala, Hawaii, that is unobligated on the date of the enactment of this Act, may be used to fund water system improvements, including exploratory wells, well drillings, pipeline replacements, water system planning and design, and booster pump and reservoir development.】

[REUSE OF CERTAIN BUDGET AUTHORITY]

【SEC. 223. Section 8(z) of the United States Housing Act of 1937 is amended—

(1) in paragraph (1)—

(A) by inserting after "on account of" the following: "expiration or"; and

(B) by striking the parenthetical phrase; and

(2) by striking paragraph (3).】

[SECTION 108 WAIVER]

【SEC. 224. With respect to the \$6,700,000 commitment in connection with guaranteed obligations for the Sandtown-Winchester Home Ownership Zone under section 108 of the Housing and Community Development Act of 1974, the Secretary shall not require security in excess of that authorized under section 108(d)(1)(B).】

[HOPWA TECHNICAL]

【SEC. 225. (a) Notwithstanding any other provision of law, the amount allocated for fiscal year 2000, and the amounts that would otherwise be allocated for fiscal year 2001, to the City of Philadelphia, Pennsylvania on behalf of the Philadelphia, PA-NJ Primary Metropolitan Area (hereafter "metropolitan area"), under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)), the Secretary of Housing and Urban Development shall adjust such amounts by allocating to the State of New Jersey the proportion of the metropolitan area's amount that is based on the number of cases of AIDS reported in the portion of the metropolitan area that is located in New Jersey.

(b) The State of New Jersey shall use amounts allocated to the State under this section to carry out eligible activities under section 855 of the AIDS Housing Opportunity Act (42 U.S.C. 12904) in the portion of the metropolitan area that is located in New Jersey.】

EXPANSION OF ENVIRONMENTAL ASSUMPTION AUTHORITY FOR HOMELESS ASSISTANCE PROGRAMS

SEC. 205. Section 443 of the Stewart B. McKinney Homeless Assistance Act is amended to read as follows:

"SEC. 443. ENVIRONMENTAL REVIEW.

For purposes of environmental review, assistance and projects under this title shall be treated as assistance for special projects that are subject to section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994, and shall be subject to the regulations issued by the Secretary to implement such section."

PERMANENT EXTENSION OF FHA MULTIFAMILY MORTGAGE CREDIT DEMONSTRATIONS

SEC. 206. Section 542 of the Housing and Community Development Act of 1992 is amended—

(1) by revising subsection (b)(5) to read as follows:

"(5) INSURANCE AUTHORITY.—Using any authority provided in appropriation Acts to insure mortgages under the National Housing Act, the Secretary may enter into commitments under this subsection for risk-sharing units.;"

(2) by revising subsection (c)(4) to read as follows:

"(4) INSURANCE AUTHORITY.—Using any authority provided in appropriation Acts to insure mortgages under the National Housing Act, the Secretary may enter into commitments under this subsection for risk-sharing units.;"

(3) in the heading, by striking "DEMONSTRATIONS" and inserting "PROGRAMS";

(4) in the first sentence of subsection (a), by striking "demonstrate the effectiveness of providing" and inserting "provide";

(5) in the second sentence of subsection (a), by striking "demonstration";

(6) in subsection (b)(1), by striking "determine the effectiveness of" and inserting "provide";

(7) in subsection (c)(1), by striking "test the effectiveness of" and inserting "provide";

(8) by striking subsection (d); and

(9) by striking "pilot" and "PILOT" each place it appears.

SEC. 207. PERMANENT EXTENSION OF STREAMLINED DOWNPAYMENT REQUIREMENTS.—Section 203(b)(2) of the National Housing Act is amended by striking subparagraph (B) and all that follows in the paragraph through "applicability of this requirement," and inserting the following:

"(B) not to exceed an amount equal to—

"(i) 98.75 percent of the appraised value of the property, if such value is equal to or less than \$50,000;

"(ii) 97.65 percent of the appraised value of the property, if such value is in excess of \$50,000 but not in excess of \$125,000;

"(iii) 97.15 percent of the appraised value of the property, if such value is in excess of \$125,000; or

"(iv) Notwithstanding clauses (ii) and (iii), 97.75 percent of the appraised value of the property, if such value is in excess of \$50,000 and the property is in a State for which the average closing cost exceeds 2.10 percent of the average, for the State, of the sales price of properties located in the State for which mortgages have been executed, as determined by the Secretary.

"For purposes of this subparagraph, the term 'average closing cost' means, with respect to a State, the average, for mortgages executed for properties in the State, of the total amounts (as determined by the Secretary) of initial service charges, appraisal, inspection, and other fees and costs (as the Secretary shall approve) that are paid in connection with such mortgages."

ENHANCED DISPOSITION AUTHORITY

SEC. 208. Section 204 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, is amended by striking "and 2000" and inserting "2000, and thereafter."

GINNIE MAE ADMINISTRATIVE CONTRACT AUTHORITY

SEC. 209. Section 1 of the National Housing Act (12 U.S.C. 1702) is amended in the first sentence following the first proviso by striking "Except with respect to title III," and inserting "Except with respect to the Federal National Mortgage Association."

FHA MORTGAGE LIMIT INCREASE

SEC. 210. INCREASE IN FHA SINGLE FAMILY MAXIMUM MORTGAGE AMOUNT.

(a) INCREASE IN MAXIMUM MORTGAGE AMOUNTS TO UNIFORM NATIONAL MAXIMUM.—Section 203(b)(2)(A) of the National Housing Act is amended to read as follows:

“(A) not to exceed the average of the dollar amounts determined under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act and section 302(b)(2) of the National Housing Act for a residence of the applicable size; and”

(b) CONFORMING AMENDMENT FOR TITLE I MANUFACTURED HOME LOANS IN HIGH-COST AREAS.—Section 2(b)(2) of such Act is amended by—

(1) striking “the lesser of (A)”; and
(2) striking “, or (B)” and all that follows up to the period.

(c) CONFORMING AMENDMENT FOR HECMS.—Section 255(g) of such Act is amended by striking “in the area” and all that follows up to the period.

SEC. 211. Rental Assistance Fraud Recoveries. Section 326(b) of the Housing and Community Development Act of 1992, Public Law 102-550, is repealed.

FHA INSURANCE FOR HYBRID ARMS

SEC. 212. FHA INSURANCE FOR HYBRID ARMS.—Section 251 of the National Housing Act is amended—

(1) in subsection (b), by striking “issue regulations” and all that follows and inserting the following: “require that the mortgagee make available to the mortgagor, at the time of loan application, a written explanation of the features of an adjustable rate mortgage consistent with the disclosure requirements applicable to variable rate mortgages secured by a principal dwelling under the Truth in Lending Act.”;

(2) in subsection (c), by striking “30” and inserting “40”; and
(3) by adding the following new subsection at the end:

“(d)(1) The Secretary may insure under this subsection a mortgage that meets the requirements of subsection (a), except that the effective rate of interest—

“(A) shall be fixed for a period of not less than the first 3 years of the mortgage term;

“(B) shall be adjusted by the mortgagee initially upon the expiration of such period and annually thereafter; and

“(C) in the case of the initial interest rate adjustment, is subject to the 1 percent limitation only if the interest rate remained fixed for 5 or fewer years.

“(2) The disclosure required under subsection (b) shall be required for a mortgage insured under this subsection.

“(3) The Secretary may implement this subsection in advance of rulemaking.”

SEC. 213.—MIXED FINANCING FOR SECTION 202.

Section 202 of the Housing Act of 1959 is amended—

(1) in subsection (h)(6), by striking “non-Federal sources” and inserting “sources other than this section”; and

(2) in subsection (k)(4), by inserting after and below subparagraph (C) the following new sentence:

“Such term includes: (1) a limited partnership the sole general partner of which is an organization meeting the requirements of subparagraphs (A), (B), and (C); and (2) a corporation wholly owned by an organization meeting the requirements under subparagraphs (A), (B), and (C).”

SEC. 214.—MAXIMUM PAYMENT STANDARD FOR ENHANCED VOUCHERS.

Section 8(t)(1)(B) of the United States Housing Act of 1937 is amended by inserting “and any other reasonable limit prescribed by the Secretary” immediately before the semi-colon. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.)

SEC. 215. TECHNICAL AMENDMENTS AND CORRECTIONS TO THE NATIONAL HOUSING ACT.

(a) SECTION 203 SUBSECTION DESIGNATIONS.—Section 203 of the National Housing Act is amended by—

(1) redesignating subsection (t) as subsection (u);

(2) redesignating subsection (s), as added by section 329 of the Cranston-Gonzalez National Affordable Housing Act, as subsection (t); and

(3) redesignating subsection (v), as added by section 504 of the Housing and Community Development Act of 1992, as subsection (w).

(b) MORTGAGE AUCTIONS.—The first sentence of section 221(g)(4)(C)(viii) of the National Housing Act is amended by inserting after “December 31, 2002” the following: “, except that this subparagraph shall continue to apply if the Secretary receives a mortgagee’s

written notice of intent to assign its mortgage to the Secretary on or before such date”.

(c) MORTGAGEE REVIEW BOARD.—Section 202(c)(2) of the National Housing Act is amended—

(1) in subparagraph (E), by striking “and”;

(2) in subparagraph (F), by striking “or their designees.” and inserting “and”;

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

“(G) the Director of the Enforcement Center; or their designees.”

SEC. 216. CLARIFICATION OF RULEMAKING AUTHORITY FOR RENEWALS OF PROJECT-BASED ASSISTANCE WITHOUT RESTRUCTURING.—Section 522(a) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 is amended by inserting the following new paragraph (4) at the end:

“(4) RULEMAKING AFTER INITIAL IMPLEMENTATION.—After the Director issues final regulations under paragraph (2), the Secretary shall have the authority to issue all regulations concerning contract renewals under section 524 of this Act, including amendment, revision and removal of such regulations previously issued by the Director.”

SEC. 217. HOUSING PRODUCTION ASSISTANCE.

(a) TYPES OF ASSISTANCE.

(1) VOUCHER AUTHORITY.—In addition to assistance otherwise available under section 8 of the United States Housing Act of 1937, the Secretary of Housing and Urban Development shall make up to an additional 10,000 housing vouchers available to public housing agencies, under such terms and conditions as the Secretary determines. Such vouchers shall be for extremely low-income families.

(2) INCENTIVE GRANTS.—Of the amounts appropriated for this section for fiscal year 2001, the Secretary may use up to \$8,000,000 for one-time grants to developers who produce housing units that satisfy such unmet needs as the Secretary may identify, such as a need for an increase in units to house large families.

(b) HUD ALLOCATION OF VOUCHERS.—Notwithstanding section 213(d) of the Housing and Community Development Act of 1974, the Secretary shall allocate the vouchers described in subsection (a) to States in the same proportions as low-income housing tax credits pursuant to 26 U.S.C. 42 are allocated. Allocation of these vouchers shall be subject to the per capita tax credit amount established for such credits for fiscal year 2001. The Secretary may reallocate any vouchers that a State housing credit agency does not designate for use at a particular building pursuant to subsection (c) in the same manner as such tax credits are reallocated.

(c) DISTRIBUTION OF VOUCHERS.

(1) The housing credit agency shall select the buildings or housing at which the vouchers made available for each State under subsection (b) shall be used. Such buildings or housing may include—

(A) new buildings with a mortgage insured under section 221(d)(4) of the National Housing Act which is allocated a housing credit dollar amount pursuant to 26 U.S.C. 42 and is not located in a qualified census tract; and

(B) new multifamily housing with a mortgage insured under section 542(c) of the Housing and Community Development Act of 1992 which may or may not be allocated a housing credit dollar amount pursuant to 26 U.S.C. 42 and is not located in a qualified census tract.

(2) The housing credit agency shall determine the number of vouchers the Secretary shall distribute for use at the buildings or housing selected under paragraph (1), but in no case shall such number be more than 25 percent of the total number of units in the building or housing.

(3) The housing credit agency shall select a public housing agency to administer these vouchers, and subject to paragraph (4), any public housing agency that has jurisdiction over the building or multifamily housing for which these vouchers have been distributed for use may be so selected.

(4) The Secretary shall decline to make the requested vouchers available to any public housing agency that—

(A)(i) the Secretary determines is not administering tenant-based assistance under section 8 of the United States Housing Act of 1937 in a satisfactory manner; and

(ii) has not proposed an alternative administrator of vouchers under this section satisfactory to the Secretary;

(B) does not comply with title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, or title II of the Americans with Disabilities Act of 1990, or other applicable civil rights laws; or

FHA INSURANCE FOR HYBRID ARMS—Continued

(C) is otherwise determined by the Secretary to be ineligible for receipt of such vouchers.

(d) PUBLIC HOUSING AGENCY ALLOCATION OF VOUCHERS.

(1) IN GENERAL.—The public housing agency receiving housing vouchers under this section shall make the vouchers available for use in accordance with subsection (e) to extremely low-income households that agree to move into the buildings or multifamily housing selected by the housing credit agency under subsection (c)(1).

(2) INTERIM USE.—Notwithstanding this section, prior to such time as the housing vouchers made available under this section may be used pursuant to paragraph (1), the public housing agency receiving the vouchers may administer such vouchers in accordance with the provisions of section 8(o) of the United States Housing Act of 1937 and such other terms and conditions as the Secretary may determine. In the event of such use, the Secretary shall reserve authority in future fiscal years to provide housing assistance under section 8(o) in furtherance of this section such that the same number of families receive assistance under this section as would have been assisted absent any interim use of vouchers under this paragraph.

(3) LIHTC BUILDING STANDARDS UNAFFECTED.—No vouchers shall be made available under this section for use at a building allocated a housing credit dollar amount pursuant to 26 U.S.C. 42, unless the building at which the vouchers would be used meets all standards for tax credit financing under such section, without taking into account the vouchers made available under this section.

(e) USE RESTRICTIONS.—The vouchers described in subsection (a) shall be administered in accordance with the provisions of section 8(o) of the United States Housing Act of 1937, except that—

(1) public housing agencies administering these vouchers shall initially make these vouchers available to extremely low-income households that agree to move into buildings or housing selected by a housing credit agency pursuant to subsection (c)(1) of this section, for initial use of at least one year at such buildings or housing;

(2) subject to the availability of appropriations, after the initial 1-year use of these vouchers, the household receiving the voucher—

(A) may elect to remain in place with the voucher assistance for up to 14 additional years; or

(B) may elect to relocate with the voucher assistance to another dwelling unit eligible under section 8(o); and

(3) the payment standard for each size of dwelling unit shall be equal to the lesser of comparable market rents or rents available pursuant to 26 U.S.C. 42 for the selected building or housing, but in no event shall the payment standard be higher than 150 percent of the fair market rent of the area in which the building or multifamily housing is located, except that the Secretary may adjust such percentage on an exception basis.

(f) FUNDING.—In addition to any amounts appropriated in this Act for fiscal year 2001, there are hereby authorized to be appropriated such sums as may be necessary in ensuing years to carry out this

section. Any amounts appropriated shall remain available until expended.

(g) DEFINITION.—For purposes of this section, the term “extremely low-income family” means a family whose income does not exceed 30 percent of the median family income for the area, as determined by the Secretary with adjustments for smaller or larger families, except that the Secretary may establish 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 income, but such income ceilings shall not exceed the minimum set-asides under 26 U.S.C. 42(g).

SEC. 218. REPEAL OF INDEPENDENT ASSESSMENT FOR TROUBLED AGENCIES.

Section 6(j)(2) of the United States Housing Act of 1937 is amended—

(1) by repealing subparagraph (B); and

(2) in subparagraph (C), by revising the first sentence to read as follows: “The Secretary shall seek to enter into an agreement with each troubled public housing agency.”.

INDIAN HOUSING BLOCK GRANT PROGRAM

SEC. 219. DEFINES CERTAIN LAW ENFORCEMENT OFFICERS AS ELIGIBLE FAMILIES FOR HOUSING ASSISTANCE UNDER THE INDIAN HOUSING BLOCK GRANT PROGRAM.

Section 201(b) of the Native American Housing Assistance and Self-Determination Act of 1996 is amended—

(1) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6) respectively; and

(2) by inserting after paragraph (3) the following new paragraph:

“(4) LAW ENFORCEMENT OFFICERS.—Notwithstanding paragraph (1), a recipient may provide housing or housing assistance provided through affordable housing activities assisted with grant amounts under this Act to a law enforcement officer on the reservation or other Indian area, who is employed full-time by a Federal, state, county or tribal government, and in implementing such full-time employment is sworn to uphold, and make arrests for violations of Federal, state, county or tribal law, if the recipient determines that the presence of the law enforcement officer on the Indian reservation or other Indian area may deter crime.”.

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

	1999 actual	2000 est.	2001 est.
Offsetting receipts from the public:			
86-271910 FHA-General and Special Risk, Negative Subsidies	159	229	149
86-271930 FHA-General and Special Risk, Downward re-estimates of subsidies	154		
General Fund Offsetting receipts from the public	313	229	149