

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

This chapter presents the budget estimates and program justifications for the Department of Housing and Urban Development (HUD). HUD's core mission is to increase homeownership, support community development, and increase access to affordable housing free from discrimination. The 2006 Budget for HUD reflects the continuation of a multi-year comprehensive reform effort that will enhance the effectiveness of programs, reduce high unobligated and obligated balances, and return HUD to its core mission. Congress has provided significant increases in several HUD programs over the past several years.

The Department continues to emphasize expanding homeownership opportunities for all. Toward that goal, two new programs are being proposed for 2006 within the Federal Housing Administration (FHA). First, FHA will introduce a 100 percent financing option for families who have good credit histories, but lack the savings needed for the downpayment on a home. It is anticipated that this will assist over 200,000 first-time homebuyers in the first year. The second program will be directed toward families who have impaired credit histories and would normally be served only by the sub-prime market. For these families, FHA will offer insurance at a modestly higher initial premium, but subsequently reduce the premium over time as the families make timely mortgage payments. It is anticipated that this initiative will assist almost 60,000 first-time homebuyers in the first year. Also, the HOME Investment Partnerships Program is increased by \$41 million. This increase reflects \$200 million for the American Dream Downpayment Initiative. The 2006 budget continues to propose an expanded Self-Help Homeownership Opportunity Program (SHOP) in an effort to accelerate home ownership by lower-income families.

The 2005 appropriation completes the shift of the Housing Choice Voucher program to a budget-based as opposed to a unit-based program. This shift was initiated by Congress in 2004 and will help in controlling the program's upward spiral in costs. Legislation will be proposed to provide Public Housing Agencies with substantial new flexibility to manage the voucher program in a way that controls costs and increases benefits to the two million families currently receiving assistance.

HUD continues to focus on combating homelessness and eliminating chronic homelessness with \$1.44 billion for Homeless Assistance overall, including up to \$200 million for a Samaritan initiative to provide supportive housing linked to services for chronically homeless persons. Homeless assistance also includes \$25 million for HUD's part in a three-agency faith-based Prisoner Reentry initiative.

Funding in the 2006 budget for the Fair Housing Assistance and Fair Housing Initiatives programs (FHAP and FHIP) will continue to strengthen the ability of public and private fair housing groups, and partnerships between them, to enforce the laws protecting all Americans against illegal housing discrimination. With the publication of the National Discrimination Study HUD now has the information necessary to improve enforcement, reduce discrimination, and address accessibility issues.

The Community Development Block Grant program is replaced in 2006, along with other federal programs for community and economic development, by a proposed unified grant to be administered by the Department of Commerce. HUD will continue to provide funds for Indian Community Development.

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

The 2006 budget includes \$119 million in lead hazard reduction grants to continue the 10-year program to eradicate lead hazards in housing.

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

The Department will continue the management reform effort initiated in 2001 and undertake further efforts in 2006 to refocus HUD on its core mission and key programs as part of a continuing series of planned reforms to improve program performance.

PUBLIC AND INDIAN HOUSING

Federal Funds

General and special funds:

TENANT-BASED RENTAL ASSISTANCE

(INCLUDING TRANSFER OF FUNDS)

For activities and assistance for the provision of tenant-based rental assistance authorized under the United States Housing act of 1937, as amended (42 U.S.C. 1437 et seq.) ("the Act" herein), not otherwise provided for, **[\$14,885,000,000] \$15,845,194,187**, to remain available until expended, of which **[\$10,685,000,000] \$11,645,194,187** shall be available on October 1, **[2004] 2005** and \$4,200,000,000 shall be available on October 1, **[2005] 2006: Provided**, That the amounts made available under this heading are provided as follows:

(1) **[\$13,462,989,000] \$14,089,755,725** for renewals of expiring section 8 tenant-based annual contributions contracts (including renewals of enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act: *Provided*, That notwithstanding any other provision of law, from amounts provided under this paragraph, the Secretary for the calendar year **[2005] 2006** funding cycle shall **[renew such contracts] provide renewal funding** for each public housing agency based on **[verified Voucher Management System (VMS) leasing and cost data averaged for the months of May, June, and July 2004] each public housing agency's 2005 annual budget for renewal funding as calculated by HUD, prior to prorations**, and by applying the **[2005] 2006** Annual Adjustment Factor as established by the Secretary, and by making any necessary adjustments for the costs associated with the first-time renewal of tenant protection or HOPE VI vouchers: **[Provided further**, That if such data is not available, verifiable, or complete, the Secretary shall use verified VMS leasing and cost data averaged for the months of February, March, and April of 2004, and by applying the 2005 Annual Adjustment Factor as established by the Secretary, and by making any necessary adjustments for the costs associated with the first-time renewal of tenant protection or HOPE VI vouchers: *Provided further*, That if such data is not available, verifiable, or complete, the Secretary shall use leasing and cost data from the most recent end-of-year financial statements for public housing agency fiscal years ending no later than March 31, 2004, and by applying the 2005 Annual Adjustment Factor as established by the Secretary, and by making any necessary adjustments for the costs associated with the first-time renewal of tenant protection or HOPE VI vouchers: **Provided further**, That the Secretary shall, to the extent necessary to stay within the amount provided under this paragraph, pro rate each public housing agency's allocation otherwise established pursuant to this para-

General and special funds—Continued

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

graph: *Provided further*, That the entire amount provided under this paragraph shall be obligated to the public housing agencies based on the allocation and pro rata method described above: *Provided further*, That public housing agencies participating in the Moving to Work demonstration shall be funded pursuant to their Moving to Work agreements and shall be subject to the same pro rata adjustments under the previous proviso: *Provided further*, That none of the funds provided in this paragraph may be used to support a total number of unit months under lease which exceeds a public housing agency's authorized level of units under contract];

(2) **[\$163,000,000] \$354,081,218** for section 8 rental assistance for relocation and replacement of housing units that are demolished or disposed of pursuant to the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104-134), conversion of section 23 projects to assistance under section 8, the family unification program under section 8(x) of the Act, relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency, enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act, *HOPE VI vouchers, mandatory and voluntary conversions, vouchers necessary to complete the consent decree requirements in Walker vs. U.S. Department of Housing and Urban Development*, and tenant protection assistance including replacement and relocation assistance;

(3) **[\$46,000,000] \$55,000,000** for family self-sufficiency coordinators under section 23 of the Act;

(4) **[\$2,904,000] \$5,949,150** shall be transferred to the Working Capital Fund; and

(5) **[\$1,210,107,000] \$1,295,408,094** for administrative and other expenses of public housing agencies in administering the section 8 tenant-based rental assistance program, of which up to \$25,000,000 shall be available to the Secretary to allocate to public housing agencies that need additional funds to administer their section 8 programs: *Provided*, That **[\$1,185,107,000] \$1,270,408,094** of the amount provided in this paragraph shall be allocated for the calendar year **[2005] 2006** funding cycle on a pro rata basis to public housing agencies based on the amount public housing agencies were eligible to receive in calendar year **[2004] 2005**: *Provided further*, That all amounts provided under this paragraph shall be only for activities related to the provision of tenants-based rental assistance authorized under section 8, including related development activities.

(6) **\$45,000,000** for additional rental subsidy due to increased rental costs resulting from unforeseen exigencies as determined by the Secretary.

Program and Financing (in millions of dollars)

Identification code 86-0302-0-1-604	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Tenant Protection		162	354
00.02 Administrative Fees		1,200	1,295
00.03 Family Self Sufficiency Coordinators		46	55
00.04 Central Fund			45
00.05 Working Capital Fund		3	6
00.06 Contract Renewals		9,189	14,090
10.00 Total new obligations (object class 41.0)		10,600	15,845
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		10,600	15,845
23.95 Total new obligations		-10,600	-15,845
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation		10,685	11,645
40.35 Appropriation permanently reduced		-85	
43.00 Appropriation (total discretionary)		10,600	11,645
55.00 Advance appropriation			4,200
70.00 Total new budget authority (gross)		10,600	15,845
Change in obligated balances:			
73.10 Total new obligations		10,600	15,845

73.20 Total outlays (gross)	-10,600	-15,845
Outlays (gross), detail:		
86.90 Outlays from new discretionary authority	10,600	15,845
Net budget authority and outlays:		
89.00 Budget authority	10,600	15,845
90.00 Outlays	10,600	15,845

Tenant Based Rental Assistance. The 2005 Appropriations enacted several reforms to the funding structure of the Tenant-based Rental Assistance program (also known as the Housing Choice Voucher Program) but allows limited flexibility on the part of Public Housing Agencies (PHAs) to adjust to these changes. The Administration will submit a legislative proposal in 2005 that will expand the dollar-based approach adopted by Congress and include the necessary flexibility to run effective and efficient programs. These reforms will improve the delivery of rental and homeownership subsidies for low-income families in a fiscally responsible manner, thereby ensuring the long-term sustainability of the tenant-based voucher program. The proposal includes greater PHA discretion in meeting local housing objectives and provides for steady and predictable funding levels adjusted annually for inflation.

The proposed funding level restores reductions imposed by the 2005 pro-rations and adds funds to account for inflation.

HOUSING CERTIFICATE FUND

(RESCISSION)

Of the unobligated balances, including recaptures and carryover, remaining from funds appropriated to the Department of Housing and Urban Development under this heading or the heading "Annual contributions for assisted housing" or any other heading for fiscal year **[2004] 2005** and prior years, **[\$1,557,000,000] \$2,500,000,000** is rescinded, to be effected by the Secretary no later than September 30, **[2005] 2006**: *Provided*, That any such balances governed by re-allocation provisions under the statute authorizing the program for which the funds were originally appropriated shall be available for the rescission: *Provided further*, That any obligated balances of contract authority from fiscal year 1974 and prior that have been terminated shall be cancelled: *Provided further*, That no amounts recaptured from amounts appropriated in prior years under this heading or the heading "Annual contributions for assisted housing" and no carryover of such appropriated amounts for project-based assistance shall be available for the calendar year **[2005] 2006** funding cycle for activities provided for under the heading "Tenant-based rental assistance": *Provided further*, That amounts recaptured under this heading or the heading "Annual contributions for assisted housing" from amounts appropriated for project-based section 8 activities may be used for amendments to section 8 project-based subsidy contracts or for performance-based contract administrators, notwithstanding the purposes for which such amounts were appropriated]. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2005.*)

Program and Financing (in millions of dollars)

Identification code 86-0319-0-1-604	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Contract renewals	16,958	4,991	
00.02 Contract Administrator	206	145	
00.03 Rental Assistance	173	129	
00.04 Jobs Plus		1	
00.05 Section 8 Amendments	320	307	
00.11 Administrative Fees	1,206	370	
00.12 Central Reserve	375	48	
00.14 Working Capital Fund	3		
00.15 Section 8 Counseling		1	
00.16 Family Self Sufficiency Coordinators	48	48	
10.00 Total new obligations (object class 41.0)	19,289	6,040	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3,479	2,253	
22.00 New budget authority (gross)	16,413	2,609	-2,500
22.10 Resources available from recoveries of prior year obligations	1,655	1,178	2,500

22.75	Balance of contract authority withdrawn	-5		
23.90	Total budgetary resources available for obligation	21,542	6,040	
23.95	Total new obligations	-19,289	-6,040	
24.40	Unobligated balance carried forward, end of year	2,253		
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation (definite)	15,171		
40.35	Appropriation permanently reduced	-114	-34	
40.36	Unobligated balance permanently reduced	-2,844	-1,557	-2,500
43.00	Appropriation (total discretionary)	12,213	-1,591	-2,500
55.00	Advance appropriation	4,200	4,200	
Mandatory:				
60.00	Appropriation		5,000	5,000
60.49	Portion applied to liquidate contract authority		-5,000	-5,000
62.50	Appropriation (total mandatory)			
70.00	Total new budget authority (gross)	16,413	2,609	-2,500
Change in obligated balances:				
72.40	Obligated balance, start of year	31,105	26,383	22,149
73.10	Total new obligations	19,289	6,040	
73.20	Total outlays (gross)	-22,356	-9,096	-3,019
73.45	Recoveries of prior year obligations	-1,655	-1,178	-2,500
74.40	Obligated balance, end of year	26,383	22,149	16,630
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	12,184	2,520	
86.93	Outlays from discretionary balances	10,172	6,576	3,019
87.00	Total outlays (gross)	22,356	9,096	3,019
Net budget authority and outlays:				
89.00	Budget authority	16,413	2,609	-2,500
90.00	Outlays	22,356	9,096	3,019
93.03	Obligated balance, start of year: Contract authority		15,771	10,771
93.04	Obligated balance, end of year: Contract authority	15,771	10,771	5,771

The Housing Certificate Fund, until 2005, provided funding to both project-based and tenant-based components of the Section 8 program. Project-based Rental Assistance and Tenant-based Rental Assistance are now separately funded accounts, and the Housing Certificate Fund retains balances from previous years' appropriations and in 2006 includes a rescission of \$2.5 billion of those balances.

PROJECT-BASED RENTAL ASSISTANCE
(INCLUDING TRANSFER OF FUNDS)

For activities and assistance for the provision of project-based subsidy contracts under the United States Housing Act of 1937, as amended (42 U.S.C. 1437 et seq.) ("the Act" herein), not otherwise provided for, [\$5,341,000,000] \$5,072,100,000, to remain available until expended: *Provided*, That the amounts made available under this heading are provided as follows:

(1) [\$5,237,100,000] \$4,923,100,000 for expiring or terminating section 8 project-based subsidy contracts (including section 8 moderate rehabilitation contracts), for amendments to section 8 project-based subsidy contracts (including section 8 moderate rehabilitation contracts), for contracts entered into pursuant to section 441 of the McKinney-Vento Homeless Assistance Act, for renewal of section 8 contracts for units in projects that are subject to approved plans of action under the Emergency Low Income Housing Preservation Act of 1987 or the Low-Income Housing Preservation and Resident Homeownership Act of 1990, and for administrative and other expenses associated with project-based activities and assistance funded under this paragraph.

(2) [\$101,900,000] \$147,200,000 for performance-based contract administrators for section 8 project-based assistance.

(3) [\$2,000,000] \$1,800,000 shall be transferred to the Working Capital Fund[.]: *Provided further*, That amounts recaptured under this heading, the heading, 'Annual Contributions for assisted housing,' or the heading, 'Housing Certificate Fund,' for project-based section 8 activities may be used for renewals of or amendments to section 8 project-based subsidy contracts or for performance-based

contract administrators, notwithstanding the purposes for which such amounts were appropriated. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2005.)

Program and Financing (in millions of dollars)				
Identification code 86-0303-0-1-604	2004 actual	2005 est.	2006 est.	
Obligations by program activity:				
00.01	Contract Renewals	5,195	5,545	
00.02	Contract Administrators	101	332	
00.03	Working Capital Fund	2	2	
10.00	Total new obligations (object class 41.0)	5,298	5,879	
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	5,298	5,072	
22.10	Resources available from recoveries of prior year obligations		807	
23.90	Total budgetary resources available for obligation	5,298	5,879	
23.95	Total new obligations	-5,298	-5,879	
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	5,341	5,072	
40.35	Appropriation permanently reduced	-43		
43.00	Appropriation (total discretionary)	5,298	5,072	
Change in obligated balances:				
72.40	Obligated balance, start of year		2,120	
73.10	Total new obligations	5,298	5,879	
73.20	Total outlays (gross)	-3,178	-5,161	
73.45	Recoveries of prior year obligations		-807	
74.40	Obligated balance, end of year	2,120	2,031	
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	3,178	3,041	
86.93	Outlays from discretionary balances		2,120	
87.00	Total outlays (gross)	3,178	5,161	
Net budget authority and outlays:				
89.00	Budget authority	5,298	5,072	
90.00	Outlays	3,178	5,161	

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

Contract Renewals. Original Section 8 assistance contracts were entered into between HUD and project owners for periods of up to 40 years. As contract terms expire they are renewed on an annual funding cycle and additional renewal budget authority is required to maintain the housing stock.

Section 8 Amendments. A funding amendment to a Section 8 contract is required to maintain the project until its contract expiration date when actual costs incurred exceed the amount of budget authority originally set-aside for the project. These additional costs are proposed to be entirely funded in 2006 by utilizing excess balances remaining on expired Section 8 contracts that utilized less than anticipated resources in completing the contract. No new BA is requested in 2006 for Section 8 Amendment activity.

Contract Administrators. HUD utilizes Performance Based Contract Administrators (PBCAs) to administer and monitor the project-based portfolio. There are presently 53 PHAs

General and special funds—Continued

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

under contract to manage approximately 15,000 contracts with 775,000 units. An additional 4,000 contracts with 287,000 units are anticipated to be added to the PBCA inventory in 2006. Further, funding is requested under the Project Rental Assistance heading for PBCA administration of an estimated 3,772 non-Section 8 contracts with 125,499 units. These will include Rent Supplement and Rental Assistance Program (RAP) contracts, Project Rental Assistance Contracts (PRAC) and Project Assistance Contracts (PAC), and Section 236 contracts. Funding for 2006 is proposed to be derived by \$147.2 million of new budget authority.

Project-based Tenant Protection. Voucher assistance is provided to tenants who face dislocation as a result of actions taken by project owners or by HUD that are beyond their control. This occurs as a result of owners opting out of the program or being terminated by HUD. HUD's property disposition activities and prepayment activity under the Preservation program may also lead to Project-Based Tenant Protection requirements. For 2006 approximately \$112 million will be required to assist an estimated 16,026 families. These project-based requirements, which are met through voucher assistance, are funded under the Tenant-Based heading.

Working Capital Fund Transfer. A total of \$1.8 million is requested in 2006 to fund development of and modifications to technology systems that service or are related to the programs or activities under this heading.

MOVING TO WORK

Program and Financing (in millions of dollars)

Identification code 86-0331-0-1-451	2004 actual	2005 est.	2006 est.
Change in obligated balances:			
72.40 Obligated balance, start of year	1	1	1
74.40 Obligated balance, end of year	1	1	1
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

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

PUBLIC HOUSING CAPITAL FUND
(INCLUDING TRANSFERS OF FUNDS)

For the Public Housing Capital Fund Program to carry out capital and management activities for public housing agencies, as authorized under section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g) (the "Act") [\$2,600,000,000] \$2,327,200,000, to remain available until September 30, [2008] 2009: *Provided*, That not-

withstanding any other provision of law or regulation, during fiscal year [2005] 2006, the Secretary may not delegate to any Department official other than the Deputy Secretary and the Assistant Secretary for Public and Indian Housing any authority under paragraph (2) of section 9(j) regarding the extension of the time periods under such section: *Provided further*, That for purposes of such section 9(j), the term "obligate" means, with respect to amounts, that the amounts are subject to a binding agreement that will result in outlays, immediately or in the future: *Provided further*, That of the total amount provided under this heading, up to [\$38,700,000] \$11,000,000 shall be for carrying out activities under section 9(h) of such Act, of which \$12,500,000 shall be for the provision of remediation services to public housing agencies identified as "troubled" under the Section 8 Management Assessment Program and for surveys used to calculate local Fair Market Rents and assess housing conditions in connection with rental assistance under section 8 of the Act: *Provided further*, That [\$10,150,000] \$13,230,000 shall be transferred to the Working Capital Fund: *Provided further*, That no funds may be used under this heading for the purposes specified in section 9(k) of the United States Housing Act of 1937, as amended: *Provided further*, That of the total amount provided under this heading, up to [\$30,000,000] \$17,000,000 shall be available for the Secretary of Housing and Urban Development to make grants, notwithstanding section 205 of this Act, to public housing agencies for emergency capital needs resulting from unforeseen emergencies and natural disasters occurring in fiscal year [2005] 2006: *Provided further*, That of the total amount provided under this heading, [\$53,500,000] \$24,000,000 shall be for supportive services, service coordinators and congregate services as authorized by section 34 of the Act and the Native American Housing Assistance and Self-Determination Act of 1996: *Provided further*, That up to [\$3,000,000] \$8,820,000 is to support the costs of administrative and judicial receiverships in effect prior to date of enactment of this Act: *Provided further*, That of the total amount provided under this heading, \$15,000,000 shall be for Neighborhood Networks grants for activities authorized in section 9(d)(1)(E) of the United States Housing Act of 1937, as amended, of which up to \$1,000,000 may be used for technical assistance in connection with such grants as authorized in section 9(h)(8) of such Act: *Provided further*, That notwithstanding any other provision of law, amounts made available in the previous proviso shall be awarded to public housing agencies on a competitive basis: *Provided further*, That notwithstanding section 9(d)(1)(E) of the United States Housing Act of 1937, any Neighborhood Networks computer center established with funding made available under this heading in this or any other Act, shall be available for use by residents of public housing and residents of other housing assisted with funding made available under this title in this Act or any other Act. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2005.*)

Program and Financing (in millions of dollars)

Identification code 86-0304-0-1-604	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Capital Grants	3,001	2,492	2,253
00.02 Emergency/Disaster	14	95	17
00.03 Technical Assistance	42	106	11
00.04 Working Capital Fund	11	10	13
00.05 Neighborhood Network Initiative	8	38	
00.06 Resident Opportunities and Supportive Services	34	120	24
00.07 Public Housing Amendments	1	2	
00.08 Administrative Receivership		3	9
10.00 Total new obligations (object class 41.0)	3,111	2,866	2,327
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	690	287	
22.00 New budget authority (gross)	2,696	2,579	2,327
22.10 Resources available from recoveries of prior year obligations	33		
22.75 Balance of contract authority withdrawn	-21		
23.90 Total budgetary resources available for obligation	3,398	2,866	2,327
23.95 Total new obligations	-3,111	-2,866	-2,327
24.40 Unobligated balance carried forward, end of year	287		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	3,242	2,600	2,327

40.35	Appropriation permanently reduced	- 16	- 21	.....
40.49	Portion applied to liquidate contract authority	- 530	.....	.....
43.00	Appropriation (total discretionary)	2,696	2,579	2,327
Mandatory:				
60.00	Appropriation	530	500	500
60.49	Portion applied to liquidate contract authority	- 530	- 500	- 500
62.50	Appropriation (total mandatory) .....	.....	.....	.....
70.00	Total new budget authority (gross)	2,696	2,579	2,327
Change in obligated balances:				
72.40	Obligated balance, start of year	10,097	9,761	9,126
73.10	Total new obligations	3,111	2,866	2,327
73.20	Total outlays (gross)	- 3,414	- 3,501	- 3,509
73.45	Recoveries of prior year obligations	- 33	.....	.....
74.40	Obligated balance, end of year	9,761	9,126	7,944
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	22	36	43
86.93	Outlays from discretionary balances	3,392	3,465	3,466
87.00	Total outlays (gross)	3,414	3,501	3,509
Net budget authority and outlays:				
89.00	Budget authority	2,696	2,579	2,327
90.00	Outlays	3,414	3,501	3,509
93.03	Obligated balance, start of year: Contract authority	3,299	2,748	2,248
93.04	Obligated balance, end of year: Contract authority	2,748	2,248	1,748

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

Of the \$2.3 billion requested for the Public Housing Capital Fund, approximately \$2.25 billion is provided to cover annual accrual needs. Other uses include up to \$24 million to provide supportive services to public housing residents under the Resident Opportunities and Supportive Services (ROSS) program, up to \$17 million for emergencies or disasters, up to \$11 million for technical assistance, no less than \$13.2 million for the Working Capital Fund and up to \$8.8 million for administrative and judicial receiverships.

PUBLIC HOUSING OPERATING FUND

For [2005] 2006 payments to public housing agencies for the operation and management of public housing, as authorized by section 9(e) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g(e)), [\$2,458,000,000] \$3,407,300,000, of which \$10,000,000 in bonus funds shall be provided to public housing agencies that assist program participants in moving away from dependency on housing assistance programs: *Provided*, [That of the total amount provided under this heading, \$8,000,000 shall be for programs, as determined appropriate by the Attorney General, which assist in the investigation, prosecution, and prevention of violent crimes and drug offenses in public and federally-assisted low-income housing, including Indian housing, which shall be administered by the Department of Justice through a cooperative agreement with the Department of Housing and Urban Development: *Provided further*, That any such 2005 payment shall be provided in an amount sufficient to cover only the period beginning with the start of a public housing agency's fiscal year and ending on December 31, 2005: *Provided further*,] That for fiscal year 2006 and all fiscal years thereafter, the Secretary shall provide assistance under this heading to public housing agencies on a calendar year basis: *Provided further*, That, in fiscal year [2005] 2006 and all fiscal years hereafter, no amounts under this heading in any appropriations Act may be used for payments to public housing agencies for the costs of operation and management of public housing for any year prior to the current year of such Act: *Provided further*, That no funds may be used under this heading for the purposes specified in section 9(k) of the United States Housing Act of 1937, as amended. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2005.*)

Program and Financing (in millions of dollars)				
Identification code 86-0163-0-1-604	2004 actual	2005 est.	2006 est.	
Obligations by program activity:				
00.01	Operating Subsidy	3,571	2,423	3,397
00.02	Voluntary Incentive Bonus .....	.....	10	10
00.03	Department of Justice Anti-Drug	10	8	.....
10.00	Total new obligations (object class 41.0)	3,581	2,441	3,407
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	4	3	.....
22.00	New budget authority (gross)	3,579	2,438	3,407
22.10	Resources available from recoveries of prior year obligations	1	.....	.....
23.90	Total budgetary resources available for obligation	3,584	2,441	3,407
23.95	Total new obligations	- 3,581	- 2,441	- 3,407
24.40	Unobligated balance carried forward, end of year	3	.....	.....
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	3,600	2,458	3,407
40.35	Appropriation permanently reduced	- 21	- 20	.....
43.00	Appropriation (total discretionary)	3,579	2,438	3,407
Change in obligated balances:				
72.40	Obligated balance, start of year	1,861	2,007	848
73.10	Total new obligations	3,581	2,441	3,407
73.20	Total outlays (gross)	- 3,434	- 3,600	- 3,403
73.45	Recoveries of prior year obligations	- 1	.....	.....
74.40	Obligated balance, end of year	2,007	848	852
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	1,577	1,685	2,555
86.93	Outlays from discretionary balances	1,857	1,915	848
87.00	Total outlays (gross)	3,434	3,600	3,403
Net budget authority and outlays:				
89.00	Budget authority	3,579	2,438	3,407
90.00	Outlays	3,434	3,600	3,403

Operating subsidies are provided to public housing authorities (PHAs) to assist in funding the operation and maintenance expenses of public housing units in accordance with Section 9(e) of the United States Housing Act of 1937, as amended.

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

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

Category	Annual income	Percent of total
Operating Subsidies	\$3,407	55%
Dwelling Rental	2,429	40%
Investment	66	1%
Other Income	232	4%
Total, Operating Revenue	6,134	100%

Operating Subsidies.—Represent HUD's contributions to a housing authority's operating budget. Under the current formula-based approach, HUD sets a formula-determined allowable expense level (AEL) for each PHA and separately computes utility and audit costs. The PHA's dwelling rental income is also projected and the subsidy is the difference between the projected AEL, utility, and audit expenses and projected dwelling rental income. AEL is not based on actual cost data from PHAs. HUD is currently working with PHAs on a new operating subsidy formula based on the previously congressionally sanctioned cost study conducted by the Harvard Graduate School of Design.

General and special funds—Continued

PUBLIC HOUSING OPERATING FUND—Continued

HUD remains committed to the principle and practices of real estate asset-based management and will at sometime in the near future present a plan for implementation.

Dwelling Rental.—Income derived from tenants' rents.

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

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

Housing Authorities' Operating Expenditures (in millions of dollars)

Category	Annual expenditures	Percent of total
Utilities	\$1,334	22%
Administration	1,728	28%
General Operating Expenses	533	9%
Maintenance	2,216	36%
Tenant Services	152	2%
Protective Services	165	3%
Capital Expenditures	6	0%
Operating Reserve	0	0%
Total, Operating Expenses*/	6,134	100%

* Excludes Voluntary Graduation Bonuses.

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

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

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

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

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

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

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

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

Voluntary Graduation Bonus.—This proposal provides up to \$10 million in bonus funds for public housing authorities that move program participants away from dependency on public housing assistance programs within the current regulatory and statutory constraints. Awards would be made to PHAs that exceeded a baseline number of families who have exited public and assisted housing. Baselines would be established for housing authorities considering various factors including size of the program.

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

[(RESCISSION)]

[Of the unobligated balances remaining from funds appropriated in fiscal year 2001 and prior years under the heading "Drug elimination grants for low-income housing", \$5,000,000 are rescinded.] (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2005.)

Program and Financing (in millions of dollars)

Identification code 86-0197-0-1-604	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 New Approach Anti-Drug	1		
10.00 Total new obligations (object class 41.0)	1		
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	13	17	12
22.00 New budget authority (gross)		-5	
22.10 Resources available from recoveries of prior year obligations	5		
23.90 Total budgetary resources available for obligation	18	12	12
23.95 Total new obligations	-1		
24.40 Unobligated balance carried forward, end of year	17	12	12
New budget authority (gross), detail:			
Discretionary:			
40.36 Unobligated balance permanently reduced		-5	
Change in obligated balances:			
72.40 Obligated balance, start of year	67	17	
73.10 Total new obligations	1		
73.20 Total outlays (gross)	-46	-17	
73.45 Recoveries of prior year obligations	-5		
74.40 Obligated balance, end of year	17		
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	46	17	
Net budget authority and outlays:			
89.00 Budget authority		-5	
90.00 Outlays	46	17	

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

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)

[For grants to public housing agencies for demolition, site revitalization, replacement housing, and tenant-based assistance grants to projects as authorized by section 24 of the United States Housing Act of 1937, as amended, \$144,000,000, to remain available until September 30, 2006, of which the Secretary may use up to \$4,000,000 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.] *Of the unobligated balances remaining from funds appropriated in fiscal year 2005 under the heading, "Revitalization of Severely Distressed Public Housing (HOPE VI)," for grants to public housing agencies from demolition, site revitalization, replacement housing, and tenant-based assistance grants to projects as authorized by section 24 of the United States Housing Act of 1937, as amended, \$142,848,000 is cancelled. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2005.)*

Program and Financing (in millions of dollars)

Identification code 86-0218-0-1-604	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct Program Activity	493	157	.....
00.02 Technical Assistance	5	8	.....
00.04 Tenant Protection	45	.....	.....
00.05 Neighborhood Networks	5	.....	.....
10.00 Total new obligations (object class 41.0)	548	165	.....
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	559	165	143
22.00 New budget authority (gross)	149	143	-143
22.10 Resources available from recoveries of prior year obligations	6	.....	.....
23.90 Total budgetary resources available for obligation	714	308	.....
23.95 Total new obligations	-548	-165	.....
23.98 Unobligated balance expiring or withdrawn	-1	.....	.....
24.40 Unobligated balance carried forward, end of year	165	143	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	150	144	-143
40.35 Appropriation permanently reduced	-1	-1	.....
43.00 Appropriation (total discretionary)	149	143	-143
Change in obligated balances:			
72.40 Obligated balance, start of year	2,722	2,668	2,243
73.10 Total new obligations	548	165	.....
73.20 Total outlays (gross)	-596	-590	-567
73.45 Recoveries of prior year obligations	-6	.....	.....
74.40 Obligated balance, end of year	2,668	2,243	1,676
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	596	590	567
Net budget authority and outlays:			
89.00 Budget authority	149	143	-143
90.00 Outlays	596	590	567

HOPE VI has surpassed its primary goal to demolish 100,000 severely distressed public housing units by 2003. No additional funds are requested for this program in 2006 and unobligated balances appropriated in 2005 are proposed for rescission.

NATIVE AMERICAN HOUSING BLOCK GRANTS
(INCLUDING TRANSFER OF FUNDS)

For the Native American Housing Block Grants program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) (25 U.S.C. 4111 et seq.), **[\$627,000,000] \$582,600,000**, to remain available until expended, **[of which \$2,200,000 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;] of which [\$4,500,000] \$2,308,000** shall be to support the inspection of Indian housing units, contract expertise, training, and technical assistance in the training, oversight, and management of Indian housing and tenant-based assistance, including up to \$300,000 for related travel; and of which \$2,600,000 shall be transferred to the Working Capital Fund; of which \$57,783,000 shall be for the Indian Community Development Block Grant program under title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301 et seq.), for grants to Indian tribes notwithstanding section 106(a)(1) of such Act, of which up to \$4,000,000 may be used for emergencies that constitute imminent threats to health and safety, notwithstanding any other provision of law (including section 205 of the Act) Provided, That of the amount provided under this heading, **[\$2,000,000] \$4,800,000** 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 Congress-

sional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize the total principal amount of any notes and other obligations, any part of which is to be guaranteed, not to exceed **[\$17,926,000] \$37,938,222**: *Provided further*, That for administrative expenses to carry out the guaranteed loan program, up to \$150,000 from amounts in the first proviso, which shall be transferred to and merged with the appropriation for "Salaries and **[expenses] 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, FY 2005.*)

[(RESCISSION)]

[Of the unobligated balances remaining from funds appropriated in fiscal year 2004 and prior years under the heading "Native American housing block grants" for activities related to title VI of NAHASDA, \$21,000,000 are rescinded.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2005.*)

Program and Financing (in millions of dollars)

Identification code 86-0313-0-1-604	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Indian Housing Block Grants	652	607	517
00.02 Title VI Loan Guarantee Subsidy	1	2	3
00.03 Technical Assistance	4	4	5
00.04 Working Capital Fund	3	3	.....
00.05 National American Indian Housing Council	2	2	.....
00.07 Upward reestimate	1	4	.....
00.08 Indian Housing CDBG .....	.....	.....	58
10.00 Total new obligations (object class 41.0)	663	622	583
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	123	114	97
22.00 New budget authority (gross)	651	605	583
22.10 Resources available from recoveries of prior year obligations	3	.....	.....
23.90 Total budgetary resources available for obligation	777	719	680
23.95 Total new obligations	-663	-622	-583
24.40 Unobligated balance carried forward, end of year	114	97	97
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	654	627	583
40.35 Appropriation permanently reduced	-4	-5	.....
40.36 Unobligated balance permanently reduced .....	.....	-21	.....
43.00 Appropriation (total discretionary)	650	601	583
Mandatory:			
60.00 Appropriation	1	4	.....
70.00 Total new budget authority (gross)	651	605	583
Change in obligated balances:			
72.40 Obligated balance, start of year	955	939	840
73.10 Total new obligations	663	622	583
73.20 Total outlays (gross)	-676	-721	-727
73.45 Recoveries of prior year obligations	-3	.....	.....
74.40 Obligated balance, end of year	939	840	696
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	165	108	101
86.93 Outlays from discretionary balances	510	609	626
86.97 Outlays from new mandatory authority	1	4	.....
87.00 Total outlays (gross)	676	721	727
Net budget authority and outlays:			
89.00 Budget authority	651	605	583
90.00 Outlays	676	721	727

General and special funds—Continued

NATIVE AMERICAN HOUSING BLOCK GRANTS—Continued

[(RESCISSION)]—Continued

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

Identification code 86-0313-0-1-604	2004 actual	2005 est.	2006 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Title VI	17	18	38
215901 Total loan guarantee levels	17	18	38
Guaranteed loan subsidy (in percent):			
232001 Title VI	10.56	10.32	12.26
232901 Weighted average subsidy rate	10.56	10.32	12.26
Guaranteed loan subsidy budget authority:			
233001 Title VI	2	2	5
233901 Total subsidy budget authority	2	2	5
Guaranteed loan subsidy outlays:			
234001 Title VI	1	1	1
234901 Total subsidy outlays	1	1	1
Guaranteed loan upward reestimate subsidy budget authority:			
235001 Title VI	1	4	
235901 Total upward reestimate budget authority	1	4	
Administrative expense data:			
351001 Budget authority			
359001 Outlays from new authority			

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

The Native American Housing Block Grant program includes a guaranteed loan provision (Title VI). A guarantee level of \$37.9 million is proposed for this loan guarantee program for 2006. The subsidy rate for this program is set at 12.26 percent with a federal guarantee of 95 percent. A primary goal of the Title VI program is to encourage private lenders to provide financing in Indian country. Therefore, the program provides for the federal guarantee of notes or other obligations issued by Indian tribes or tribally designated housing entities for the purpose of financing affordable housing activities described in section 202 of the Act.

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

The 2006 Budget allocates \$58 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. 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.

NATIVE HAWAIIAN HOUSING BLOCK GRANT

For the Native Hawaiian Housing Block grant program, as authorized under title VIII of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111 et seq.), \$8,815,000, to remain available until expended, of which \$352,606 shall be for training and technical assistance activities.

Program and Financing (in millions of dollars)

Identification code 86-0235-0-1-604	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Native Hawaiian Housing Block Grant			9
10.00 Total new obligations (object class 41.0)			9
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			9
23.95 Total new obligations			-9
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			9
Change in obligated balances:			
72.40 Obligated balance, start of year			
73.10 Total new obligations			9
73.20 Total outlays (gross)			-1
74.40 Obligated balance, end of year			8
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			1
Net budget authority and outlays:			
89.00 Budget authority			9
90.00 Outlays			1

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

It authorizes annual grants to the Department of Hawaiian Home Lands (DHHL) for housing and housing-related assistance, pursuant to an annual housing plan, within the area in which DHHL is authorized to provide that assistance. DHHL uses performance measures and benchmarks that are based on the needs and priorities established in its five- and one-year housing plans.

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	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
09.01 Reimbursable program: Capital investment loans to PHAs	1	30	30
10.00 Total new obligations (object class 33.0)	1	30	30
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	20	20	20
22.00 New budget authority (gross)	98	113	118
22.60 Portion applied to repay debt	-97	-83	-83
23.90 Total budgetary resources available for obligation	21	50	55
23.95 Total new obligations	-1	-30	-30
24.40 Unobligated balance carried forward, end of year	20	20	25

New budget authority (gross), detail:				
Mandatory:				
67.10	Authority to borrow	20	30	30
69.00	Offsetting collections (cash)	78	83	88
70.00	Total new budget authority (gross)	98	113	118
Change in obligated balances:				
72.40	Obligated balance, start of year	515	440	357
73.10	Total new obligations	1	30	30
73.20	Total outlays (gross)	-76	-113	-118
74.40	Obligated balance, end of year	440	357	269
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	76	113	118
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-78	-83	-88
Net budget authority and outlays:				
89.00	Budget authority	20	30	30
90.00	Outlays	-2	30	30

Status of Direct Loans (in millions of dollars)				
Identification code 86-4098-0-3-604				
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	1,135	1,056	973
1251	Repayments: Repayments and prepayments	-79	-83	-88
1290	Outstanding, end of year	1,056	973	885

Status of Guaranteed Loans (in millions of dollars)				
Identification code 86-4098-0-3-604				
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	1,916	1,649	1,382
2251	Repayments and prepayments	-267	-267	-267
2290	Outstanding, end of year	1,649	1,382	1,115
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	1,649	1,382	1,115

The Low-Rent Public Housing Loan Fund provides direct Federal loans to fund remaining Public Housing Agency and Indian Housing Authority construction, acquisition, and modernization activities reserved under the Annual Contributions appropriation through 1986. These loans are made by borrowing from the Treasury. Under legislation enacted during 1986 (Public Law 99-272), amounts borrowed from the Treasury are forgiven at the end of each fiscal year and the loans to PHAs/IHAs are forgiven as construction, acquisition, and modernization activities are completed. Under the provisions of this legislation, \$30 million borrowed from the Treasury was forgiven in 2004, \$30 million will be borrowed from the Treasury and forgiven in 2005, and an estimated \$30 million will be borrowed from the Treasury and forgiven in 2006.

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

Operating results.—The actual and estimated net operating income for 2003, 2004, 2005, and 2006 follows:

Balance Sheet (in millions of dollars)			
Identification code 86-4098-0-3-604			
ASSETS:			
1101	Federal assets: Fund balances with Treasury	536	460
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:			
1601	Direct loans, gross	1,134	1,056

1602	Interest receivable	69	65
1604	Direct loans and interest receivable, net	1,203	1,121
1699	Value of assets related to direct loans	1,203	1,121
1999	Total assets	1,739	1,581
LIABILITIES:			
Federal liabilities:			
2102	Interest payable	137	128
2104	Resources payable to Treasury	1,133	1,055
2999	Total liabilities	1,270	1,183
NET POSITION:			
3100	Appropriated capital	475	404
3300	Cumulative results of operations	-6	-6
3999	Total net position	469	398
4999	Total liabilities and net position	1,739	1,581

Credit accounts:

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

For the cost of guaranteed loans, as authorized by section 184 of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z-13a), **[\$5,000,000] \$2,645,000**, 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 **[\$145,345,000] \$98,966,942**.

In addition, for administrative expenses to carry out the guaranteed loan program, up to \$250,000 from amounts in the first paragraph, which shall be transferred to and merged with the appropriation for "Salaries and **[expenses] 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, FY 2005.*)

[(RESCISSION)]

[Of the unobligated balances remaining from funds appropriated in fiscal year 2004 and prior years under the heading "Indian housing loan guarantee fund program account" for activities related to the cost of guaranteed loans, \$33,000,000 are rescinded.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2005.*)

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 86-0223-0-1-371			
0101	Negative subsidies/subsidy reestimates	4	

Program and Financing (in millions of dollars)

Identification code 86-0223-0-1-371				
Obligations by program activity:				
00.02	Guaranteed loan subsidy	2	5	3
10.00	Total new obligations (object class 41.0)	2	5	3
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	33	36	3
22.00	New budget authority (gross)	5	-28	3
23.90	Total budgetary resources available for obligation	38	8	6
23.95	Total new obligations	-2	-5	-3
24.40	Unobligated balance carried forward, end of year	36	3	3

New budget authority (gross), detail:

Discretionary:				
40.00	Appropriation	5	5	3
40.36	Unobligated balance permanently reduced		-33	
43.00	Appropriation (total discretionary)	5	-28	3

Change in obligated balances:

72.40	Obligated balance, start of year	1	1	1
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Credit accounts—Continued**INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT—
Continued****[(RESCISSION)]—Continued****Program and Financing (in millions of dollars)—Continued**

Identification code 86-0223-0-1-371	2004 actual	2005 est.	2006 est.
73.10 Total new obligations	2	5	3
73.20 Total outlays (gross)	-2	-5	-4
74.40 Obligated balance, end of year	1	1	
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1	1	
86.93 Outlays from discretionary balances	1	4	4
87.00 Total outlays (gross)	2	5	4
Net budget authority and outlays:			
89.00 Budget authority	5	-28	3
90.00 Outlays	2	5	4

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

Identification code 86-0223-0-1-371	2004 actual	2005 est.	2006 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Indian Housing Loan Guarantee	197	145	99
215901 Total loan guarantee levels	197	145	99
Guaranteed loan subsidy (in percent):			
232001 Indian Housing Loan Guarantee	2.73	2.58	2.42
232901 Weighted average subsidy rate	2.73	2.58	2.42
Guaranteed loan subsidy budget authority:			
233001 Indian Housing Loan Guarantee	5	5	3
233901 Total subsidy budget authority	5	5	3
Guaranteed loan subsidy outlays:			
234001 Indian Housing Loan Guarantee	2	5	2
234901 Total subsidy outlays	2	5	2
Guaranteed loan downward reestimate subsidy budget authority:			
237001 Downward reestimate subsidy budget authority		-4	
237901 Total downward reestimate subsidy budget authority		-4	
Administrative expense data:			
351001 Budget authority			
359001 Outlays from new authority			

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

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

INDIAN HOUSING LOAN GUARANTEE FUND FINANCING ACCOUNT**Program and Financing (in millions of dollars)**

Identification code 86-4104-0-3-604	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Default Claims		1	1
00.02 Loan Guarantee Subsidy	1	2	2
00.91 Direct Program by Activities—Subtotal (1 level)	1	3	3

08.02 Downward Re-estimate		4	
10.00 Total new obligations (object class 33.0)	1	7	3

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	6	9	4
22.00 New financing authority (gross)	3	2	3
23.90 Total budgetary resources available for obligation	9	11	7
23.95 Total new obligations	-1	-7	-3
24.40 Unobligated balance carried forward, end of year	9	4	4

New financing authority (gross), detail:

Discretionary:			
68.00 Spending authority from offsetting collections (gross): Federal sources	3	2	3

Change in obligated balances:

72.40 Obligated balance, start of year	-1	-1	6
73.10 Total new obligations	1	7	3
73.20 Total financing disbursements (gross)	-1		
74.40 Obligated balance, end of year	-1	6	9
87.00 Total financing disbursements (gross)	1		

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources: Payments from program account	-2	-2	-3
88.40 Non-Federal sources	-1		
88.90 Total, offsetting collections (cash)	-3	-2	-3

Net financing authority and financing disbursements:

89.00 Financing authority			
90.00 Financing disbursements	-3	-2	-3

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4104-0-3-604	2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on commitments:			
Limitation on guaranteed loans made by private lenders:			
2111 Limitation on guaranteed loans made by private lenders	197	145	99
2121 Limitation available from carry-forward	615	750	599
2143 Uncommitted limitation carried forward	-750	-599	-679
2150 Total guaranteed loan commitments	62	296	19
2199 Guaranteed amount of guaranteed loan commitments	62	296	19
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	61	126	135
2231 Disbursements of new guaranteed loans	97	23	26
2251 Repayments and prepayments	-32	-13	-14
2263 Adjustments: Terminations for default that result in claim payments		-1	-4
2290 Outstanding, end of year	126	135	143
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	126	135	143

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	2003 actual	2004 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	5	8

1999	Total assets	5	8
LIABILITIES:			
2204	Non-Federal liabilities: Liabilities for loan guarantees	5	8
2999	Total liabilities	5	8
4999	Total liabilities and net position	5	8

234901	Total subsidy outlays	1	1
Administrative expense data:			
351001	Budget authority		
358001	Outlays from balances		
359001	Outlays from new authority		

NATIVE HAWAIIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of guaranteed loans, as authorized by section 184A of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z-13b), **[\$1,000,000] \$882,000**, 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 **[\$37,403,000] \$35,000,000**.

In addition, for administrative expenses to carry out the guaranteed loan program, up to \$35,000 from amounts in the first paragraph, which shall be transferred to and merged with the appropriation for "Salaries and **[expenses]** 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, FY 2005.*)

Program and Financing (in millions of dollars)

Identification code 86-0233-0-1-371	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.02	Guaranteed loan subsidy	2	1
10.00	Total new obligations (object class 41.0)	2	1
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	2	3
22.00	New budget authority (gross)	1	1
23.90	Total budgetary resources available for obligation	3	4
23.95	Total new obligations	-2	-1
24.40	Unobligated balance carried forward, end of year	3	2
New budget authority (gross), detail:			
Discretionary:			
40.00	Appropriation	1	1
Change in obligated balances:			
73.10	Total new obligations	2	1
73.20	Total outlays (gross)	-1	-1
Outlays (gross), detail:			
86.93	Outlays from discretionary balances	1	1
Net budget authority and outlays:			
89.00	Budget authority	1	1
90.00	Outlays	1	1

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

Identification code 86-0233-0-1-371	2004 actual	2005 est.	2006 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001	Native Hawaiian Housing	40	37
215901	Total loan guarantee levels	40	37
Guaranteed loan subsidy (in percent):			
232001	Native Hawaiian Housing	2.73	2.58
232901	Weighted average subsidy rate	2.73	2.58
Guaranteed loan subsidy budget authority:			
233001	Native Hawaiian Housing	1	1
233901	Total subsidy budget authority	1	1
Guaranteed loan subsidy outlays:			
234001	Native Hawaiian Housing	1	1

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the loan guarantees committed in 2001 and beyond (including modifications of guarantees that resulted from obligations in any year). The subsidy amounts are estimated on a net present value. The administrative expenses are shown on a cash basis.

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

NATIVE HAWAIIAN HOUSING LOAN GUARANTEE FUND FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4351-0-3-371	2004 actual	2005 est.	2006 est.
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year		1
22.00	New financing authority (gross)	1	1
23.90	Total budgetary resources available for obligation	1	2
24.40	Unobligated balance carried forward, end of year	1	2
New financing authority (gross), detail:			
Discretionary:			
68.00	Spending authority from offsetting collections (gross): Federal sources	1	1
Offsets:			
Against gross financing authority and financing disbursements:			
88.00	Offsetting collections (cash) from: Federal sources: Payments from program account	-1	-1
Net financing authority and financing disbursements:			
89.00	Financing authority		
90.00	Financing disbursements	-1	-1

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4351-0-3-371	2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on commitments:			
2111	Limitation on guaranteed loans made by private lenders	40	37
2121	Limitation available from carry-forward	80	120
2143	Uncommitted limitation carried forward	-120	-156
2150	Total guaranteed loan commitments		1
2199	Guaranteed amount of guaranteed loan commitments		1
Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year		1
2231	Disbursements of new guaranteed loans	1	1
2251	Repayments and prepayments		-1
2290	Outstanding, end of year		1
Memorandum:			
2299	Guaranteed amount of guaranteed loans outstanding, end of year	1	1

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the government resulting from the loan guarantees committed in 2001 and beyond (including modifications of loan guaran-

Credit accounts—Continued**NATIVE HAWAIIAN HOUSING LOAN GUARANTEE FUND FINANCING ACCOUNT—Continued**

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

TITLE VI INDIAN FEDERAL GUARANTEES FINANCING ACCOUNT**Program and Financing (in millions of dollars)**

Identification code 86-4244-0-3-604	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Default Claims		1	1
00.02 Guarantee Loan Subsidy		1	2
10.00 Total new obligations		2	3
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	8	10	14
22.00 New financing authority (gross)	2	6	5
23.90 Total budgetary resources available for obligation	10	16	19
23.95 Total new obligations		-2	-3
24.40 Unobligated balance carried forward, end of year	10	14	16
New financing authority (gross), detail:			
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1	2	5
Mandatory:			
69.00 Offsetting collections (cash)	1	4	
70.00 Total new financing authority (gross)	2	6	5
Change in obligated balances:			
72.40 Obligated balance, start of year			2
73.10 Total new obligations		2	3
74.40 Obligated balance, end of year		2	5
87.00 Total financing disbursements (gross)			
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-1	-2	-5
88.00 Upward Reestimate	-1	-4	
88.90 Total, offsetting collections (cash)	-2	-6	-5
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements	-2	-6	-5

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4244-0-3-604	2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	17	18	38
2121 Limitation available from carry-forward	375	382	10
2143 Uncommitted limitation carried forward	-382	-10	-8
2150 Total guaranteed loan commitments	10	390	40
2199 Guaranteed amount of guaranteed loan commitments	8	8	26
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	71	77	88
2231 Disbursements of new guaranteed loans	10	17	20
2251 Repayments and prepayments	-4	-5	-5
2263 Adjustments: Terminations for default that result in claim payments		-1	-2
2290 Outstanding, end of year	77	88	101

Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	77	88	101

Balance Sheet (in millions of dollars)

Identification code 86-4244-0-3-604	2003 actual	2004 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	8	10
1999 Total assets	8	10
LIABILITIES:		
2204 Non-Federal liabilities: Liabilities for loan guarantees	8	10
2999 Total liabilities	8	10
4999 Total liabilities and net position	8	10

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 et seq.), **[\$284,000,000] \$268,000,000**, to remain available until September 30, **[2006] 2007**, *except that amounts allocated pursuant to section 854(c)(3) of such Act shall remain available until September 30, 2008: Provided*, That the Secretary shall renew all expiring contracts for permanent supportive housing that were funded under section 854(c)(3) of such Act that meet all program requirements before awarding funds for new contracts and activities authorized under this section: *Provided further*, That the Secretary may use up to **[\$2,500,000] \$2,400,000** of the funds under this heading for training, oversight, and technical assistance activities. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2005.*)

Program and Financing (in millions of dollars)

Identification code 86-0308-0-1-604	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Housing for Persons with HIV/AIDS	280	285	271
10.00 Total new obligations (object class 41.0)	280	285	271
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	88	103	100
22.00 New budget authority (gross)	295	282	268
22.10 Resources available from recoveries of prior year obligations	2		
23.90 Total budgetary resources available for obligation	385	385	368
23.95 Total new obligations	-280	-285	-271
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	103	100	97
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	297	284	268
40.35 Appropriation permanently reduced	-2	-2	
43.00 Appropriation (total discretionary)	295	282	268
Change in obligated balances:			
72.40 Obligated balance, start of year	439	463	487

73.10	Total new obligations	280	285	271
73.20	Total outlays (gross)	-254	-261	-262
73.45	Recoveries of prior year obligations	-2		
74.40	Obligated balance, end of year	463	487	496
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	1	11	11
86.93	Outlays from discretionary balances	253	250	251
87.00	Total outlays (gross)	254	261	262
Net budget authority and outlays:				
89.00	Budget authority	295	282	268
90.00	Outlays	254	261	262

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

Up to \$2.4 million is used for technical assistance to grantees and project sponsors to strengthen management of programs and ensure responsiveness in meeting client needs. States and metropolitan areas receive 90 percent of the remaining funds by formula based on the number of cases of AIDS and, for metropolitan areas, the incidence of AIDS in that area. The final 10 percent is awarded competitively to States, local governments, and private nonprofit entities, including faith-based organizations, for projects of national significance with priority for renewal of the projects providing permanent supportive housing. Awards are also made to States and local governments for projects in jurisdictions which do not qualify for a formula allocation. The requested funding for 2006 will support approximately 67,000 housing units for persons with HIV/AIDS and their families.

COMMUNITY DEVELOPMENT FUND
(INCLUDING TRANSFERS OF FUNDS)

[For assistance to units of State and local government, and to other entities, for economic and community development activities, and for other purposes, \$4,709,000,000, to remain available until September 30, 2007, unless otherwise specified: *Provided*, That of the amount provided, \$4,150,035,000 is for carrying out the community development block grant program under title I of the Housing and Community Development Act of 1974, as amended (the "Act" herein) (42 U.S.C. 5301 et seq.): *Provided further*, That unless explicitly provided for under this heading (except for planning grants provided in the third paragraph and amounts made available in the second paragraph), not to exceed 20 percent of any grant made with funds appropriated under this heading (other than a grant made available in this paragraph to the Housing Assistance Council or the National American Indian Housing Council, or a grant using funds under section 107(b)(3) of the Act) shall be expended for planning and management development and administration: *Provided further*, That \$69,000,000 shall be for grants to Indian tribes notwithstanding section 106(a)(1) of such Act, of which, notwithstanding any other provision of law (including section 205 of this Act), up to \$4,000,000 may be used for emergencies that constitute imminent threats to health and safety; \$3,300,000 shall be for a grant to the Housing Assistance Council; \$2,400,000 shall be for a grant to the National American Indian Housing Council; \$4,800,000 shall be available as a grant to the National Housing Development Corporation, for operating expenses not to exceed \$2,000,000 and for a program of affordable housing acquisition and rehabilitation; \$4,800,000 shall be available as a grant to the Raza Development Fund of La Raza for the HOPE Fund, of which \$500,000 is for technical assistance and fund management, and \$4,300,000 is for investments in the HOPE Fund and financing to affiliated organizations; \$43,700,000 shall be for grants pursuant to section 107 of the Act, of which \$9,000,000 shall be for the Native Hawaiian block grant authorized under title VIII of the Native American Housing Assistance and Self-Determination Act of 1996, to remain available until expended, of which \$500,000 shall be for training and technical assistance; \$3,465,000 shall be transferred to the Working Capital Fund; \$25,000,000 shall be for grants pursuant to the Self Help Homeowner-

ship Opportunity Program; \$34,500,000 shall be for capacity building, of which \$30,000,000 shall be for Capacity Building for Community Development and Affordable Housing for LISC and the Enterprise Foundation for activities as authorized by section 4 of the HUD Demonstration Act of 1993 (42 U.S.C. 9816 note), as in effect immediately before June 12, 1997, with not less than \$5,000,000 of the funding to be used in rural areas, including tribal areas, and of which \$4,500,000 shall be for capacity building activities administered by Habitat for Humanity International; \$2,000,000 shall be for the Special Olympics National Games Organizing Committee for planning, equipment, and operational expenses associated with the 2006 games in Ames, Iowa; \$62,000,000 shall be available for YouthBuild program activities authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as amended, and such activities shall be an eligible activity with respect to any funds made available under this heading: *Provided*, That local YouthBuild programs that demonstrate an ability to leverage private and nonprofit funding shall be given a priority for YouthBuild funding: *Provided further*, That no more than 10 percent of any grant award under the YouthBuild program may be used for administrative costs: *Provided further*, That of the amount made available for YouthBuild not less than \$9,000,000 is for grants to establish YouthBuild programs in underserved and rural areas and \$2,000,000 is to be 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, \$42,000,000 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 amounts made available under this paragraph shall be provided in accordance with the terms and conditions specified in the statement of managers accompanying this Act.]

[Of the amount made available under this heading, \$262,000,000 shall be available for grants for the Economic Development Initiative (EDI) to finance a variety of targeted economic investments in accordance with the terms and conditions specified in the statement of managers accompanying this Act: *Provided*, That none of the funds provided under this paragraph may be used for program operations.]

[The referenced statement of the managers under this heading in Public Law 108-7 is deemed to be amended with respect to item number 2 with respect to amounts made available for the City of Boaz, Alabama by striking "facilities renovation and expansion" and inserting "construction of a new library".]

[The referenced statement of the managers under this heading in Public Law 108-7 is deemed to be amended with respect to item number 740 by striking "facilities renovation and construction" and inserting "an economic development planning study".]

[The referenced statement of the managers under this heading in Public Law 108-7 is deemed to be amended with respect to item number 254 by striking "Greater Community Council in Louisville, Kentucky for construction of a facility for low-income, disabled persons" and inserting "Portland Promise, Inc., in Louisville, Kentucky for a multi-purpose facility".]

[The referenced statement of the managers under this heading in Public Law 108-7 is deemed to be amended with respect to item number 10 with respect to amounts made available to the St. Stephen Family Life Center in Louisville, Kentucky by striking "renovation" and inserting "construction".]

[The referenced statement of the managers under this heading in Public Law 108-7 is deemed to be amended with respect to item number 584 with respect to amounts made available for Queens Borough Public Library in Queens, New York by striking "for facilities rehabilitation and expansion of the Parsons Boulevard complex" and inserting "for facilities construction and renovations".]

[The referenced statement of the managers under this heading in Public Law 108-199 is deemed to be amended with respect to item number 198 by striking "\$160,000 for the Pine Mountain Beautification and Economic Development project in Harris County, Georgia for streetscape improvements" and inserting "\$60,000 for the Beautification and Economic Development project in Harris County, Georgia for construction; and \$100,000 for the Beautification and Economic Development project in the Town of Pine Mountain, Georgia for streetscape improvements".]

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

【The referenced statement of the managers under this heading in Public Law 108–199 is deemed to be amended with respect to item number 96 with respect to amounts made available for the City of Corona, California by striking “construction” and inserting “rehabilitation and conversion”.】

【The referenced statement of the managers under this heading in Public Law 108–199 is deemed to be amended with respect to item number 257 with respect to amounts made available for Fort Dodge, Iowa by inserting “planning, design and” before the word “facilities”.】

【The referenced statement of the managers under this heading in Public Law 108–199 is deemed to be amended with respect to item number 776 with respect to amounts made available for Rice University by inserting “planning, design and” before the word “construction”.】

【The referenced statement of the managers under this heading in Public Law 108–199 is deemed to be amended with respect to item number 535 by striking “facilities renovation, expansion and buildout for the D’Youville College Library Improvement project” and inserting “Administration building renovation”.】

【The referenced statement of the managers under this heading in Public Law 108–7 is deemed to be amended with respect to item number 215 by striking “construction of a fieldhouse located at 39th and Cottage Grove” and inserting “costs associated with construction of a LULA lift at Ogden Park”.】

【The referenced statement of the managers under this heading in Public Law 108–7 is deemed to be amended with respect to item number 831 by striking “Bread and Rose in Olympia, Washington for renovations to a homeless shelter” and inserting “Catholic Community Services in Olympia, Washington for construction of a homeless shelter”.】

【The referenced statement of the managers under this heading in Public Law 108–199 is deemed to be amended with respect to item number 303 by striking “Maine Environmental” and inserting “Marine Environmental”.】

【The referenced statement of the managers under this heading in Public Law 108–199 is deemed to be amended with respect to item number 163 by striking “a special needs evacuation, senior, multipurpose center” and inserting “for Lakefront improvements to Lake Toho”.】

【The referenced statement of the managers under this heading in Public Law 108–199 is deemed to be amended with respect to item number 499 by striking “relocation of and renovations to the Wolcott Carriage House” and inserting “facilities improvements to Erie Canal parks”.】

【The referenced statement of the managers under this heading in title II of Public Law 107–73; H. Rept. 107–272 is deemed to be amended by striking “Southern New Mexico Fair and Rodeo in Dona Ana County for infrastructure improvements and to build a multipurpose event center;” and inserting the following: “Dona Ana County, New Mexico, for the Southern New Mexico State Fair to make infrastructure improvements and to build a multi-purpose event center;”】

【The referenced statement of the managers under this heading in title II of division G of the Consolidated Appropriations Resolution, 2004 (Public Law 108–199; H. Rept. 108–401) is deemed to be amended with respect to item 218 by striking “construction” and inserting “planning and design”.】

【The statement of managers accompanying Public Law 106–74, as amended by chapter 8 of title II of the Emergency Supplemental Act, 2000 (Public Law 106–246), is further amended by inserting “, to remain available to be expended until September 30, 2007,” after “\$25,000,000”.】

【The referenced statement of managers under the heading in title II of division G of the Consolidated Appropriations Resolution, 2004 (Public Law 108–199; H. Rept. 108–401) is deemed to be amended with respect to numbers 418 and 423 by striking both specified grants and inserting “418. \$900,000 to Northland Neighborhoods, Inc., in Clay County, Missouri for the expansion of the current Home Repair Program to provide home repairs to low- to moderate-income neighborhoods;”】

【The referenced statement of managers under this heading in title II of division G of the Consolidated Appropriations Resolution, 2004 (Public Law 108–199; H. Rept. 108–401) is deemed to be amended

with respect to item 791 by inserting “for planning and design” after “Texas”.】

【The referenced statement of managers under this heading in title II of division G of the Consolidated Appropriations Resolution, 2004 (Public Law 108–199; H. Rept. 108–401) is deemed to be amended with respect to item 218 by striking “construction” and inserting “planning and design”.】

【The referenced statement of the managers under this heading in Public Law 108–199 is deemed to be amended with respect to item number 169 by striking “for renovation of an aviation high technology facility” and inserting the following: “for a feasibility study of a facilities improvement to the Airco Complex and surrounding properties”.】

【The referenced statement of the managers under this heading in Public Law 108–7 is deemed to be amended with respect to item number 740 by striking “for facilities renovation and construction” and inserting “for development and continuation of the National Medal of Honor Museum of Military History”.】

【The referenced statement of the managers under this heading in Public Law 108–199 is deemed to be amended with respect to item number 163 by striking “for a special needs evacuation, senior, multipurpose center” and inserting “for construction at the Lakefront Improvement Project”.】

【The referenced statement of the managers under this heading in Public Law 108–7 is deemed to be amended with respect to item number 54 by striking “for renovation of facilities” and inserting “for the Screen Education Center”.】

【The referenced statement of the managers under this heading in Public Law 108–199 is deemed to be amended with respect to item number 104 by striking “to Sonoma State University in California for construction of the Green Music Center” and inserting “to Center Point, Inc., to acquire and renovate a facility for the adolescent residential treatment center”.】

【The referenced statement of the managers under this heading in Public Law 108–199 is deemed to be amended with respect to item number 4 by striking “for renovation of the old Uniontown Middle School” and inserting “for enhancements to facilities for industrial development”.】

【The referenced statement of the managers under this heading in Public Law 108–199 is deemed to be amended with respect to item number 583 by striking “\$200,000 to the North Carolina Museum of Natural Sciences for construction of the Nature Research Center” and inserting “\$200,000 to the Friends of the North Carolina Museum of Natural Sciences for construction of the Nature Research Center”.】

【The referenced statement of the managers under this heading in Public Law 108–199 is deemed to be amended with respect to item number 469 by striking “to Rutgers University in New Jersey land acquisition for LEAP University High School” and inserting “to the LEAP Academy University Charter High School in Camden City, New Jersey for facilities construction, renovation, and build-out”.】

【The referenced statement of the managers under this heading in Public Law 108–199 is deemed to be amended with respect to item number 575 by striking “construction” and inserting “acquisition, renovation”.】

【The referenced statement of the managers under this heading in Public Law 108–199 is deemed to be amended with respect to item number 683 by striking “for construction related to Bailey Park and downtown streetscape, beautification, building renovation and restoration” and inserting “for master plan development, building acquisition, demolition, renovation and restoration”.】

【Section 167 of division H of Public Law 108–199 is amended by allocating the funding made available under the heading “Community Development Fund for project number 177 (House Report 108–235) to the Chicago Children’s Choir Academy in Illinois for facility design and construction”.】

【The referenced statement of the managers under this heading in title II of division G of the Consolidated Appropriations Resolution, 2004 (Public Law 108–199; H. Rept. 108–401) is deemed to be amended with respect to item 24 by striking “Tuscaloosa County Commission for Community Development in Tuscaloosa County, Alabama,” and inserting “City of Tuscaloosa for community development in Tuscaloosa, Alabama;”】

【The referenced statement of the managers under this heading in title II of division G of the Consolidated Appropriations Resolution, 2004 (Public Law 108–199; H. Rept. 108–401) is deemed to be amended with respect to item 796 by striking “Community Center” and

inserting "Convention Center."] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2005.*)

For an additional amount for "Community development fund", for activities authorized under title I of the Housing and Community Development Act of 1974, for use only for disaster relief, long-term recovery, and mitigation in communities affected by disasters designated by the President between August 31, 2003 and October 1, 2004, except those activities reimbursable by the Federal Emergency Management Agency or available through the Small Business Administration, and for reimbursement for expenditures incurred from the regular Community Development Block Grant formula allocation used to achieve these same purposes, \$150,000,000, to remain available until September 30, 2007: *Provided*, That the amounts provided herein are designated as an emergency requirement pursuant to section 402 of S. Con. Res. 95 (108th Congress), as made applicable to the House of Representatives by H. Res. 649 (108th Congress) and applicable to the Senate by section 14007 of Public Law 108-287: *Provided further*, That all funds under this heading shall be awarded by the Secretary to states (including Indian tribes for all purposes under this heading) to be administered by each state in conjunction with its community development block grants program: *Provided further*, That notwithstanding 42 U.S.C. 5306(d)(2), states are authorized to provide such assistance to entitlement communities: *Provided further*, That in administering these funds, the Secretary may waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or the use by the recipient of these funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment), upon a finding that such waiver is required to facilitate the use of such funds, and would not be inconsistent with the overall purpose of the statute: *Provided further*, That the Secretary may waive the requirements that activities benefit persons of low and moderate income, except that at least 50 percent of the funds under this heading must benefit primarily persons of low and moderate income unless the Secretary makes a finding of compelling need: *Provided further*, That the Secretary shall publish in the Federal Register any waiver of any statute or regulation authorized under this heading no later than 5 days before the effective date of such waiver: *Provided further*, That any project or activity underway prior to a Presidential disaster declaration may not receive funds under this heading unless the disaster directly impacted the project: *Provided further*, That each state shall provide not less than 10 percent in non-Federal public matching funds or its equivalent value (other than administrative costs) for any funds allocated to the state under this heading.] (*Emergency Supplemental Appropriations for Hurricane Disasters Assistance Act, 2005.*)

Program and Financing (in millions of dollars)

Identification code 86-0162-0-1-451	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Community Development Formula Grants	4,174	4,117	691
00.02 Working Capital Fund	5	3	
00.03 Housing Assistance Council	3	3	
00.04 Indian Tribes	78	142	
00.05 Special Purpose Grants	49	78	
00.06 Youthbuild	64	67	61
00.07 Self Help Homeownership Opportunity Program	25	52	
00.08 Capacity Building	28	69	
00.09 Economic Development Initiative Grants	230	338	250
00.10 Neighborhood Initiative Demonstration	51	32	30
00.11 National American Indian Housing Council	2	2	
00.12 National Housing Development Corporation	5	10	
00.13 National Council of La Raza	5	10	
00.14 Wellstone Center for Community Building	9		
00.15 Alaska Native and Native Hawaiian Serving Institutions	3		
00.16 Disaster Assistance		151	
00.17 Native Hawaiian Block Grants		9	9
00.18 Special Olympics		2	
00.19 Hudson River Park Trust Grant		31	
00.20 Gilman Institute Grant		1	
10.00 Total new obligations (object class 41.0)	4,731	5,117	1,041
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,104	1,305	1,041
22.00 New budget authority (gross)	4,933	4,853	
22.10 Resources available from recoveries of prior year obli- gations	2		

23.90 Total budgetary resources available for obligation	6,039	6,158	1,041
23.95 Total new obligations	-4,731	-5,117	-1,041
23.98 Unobligated balance expiring or withdrawn	-3		
24.40 Unobligated balance carried forward, end of year	1,305	1,041	
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	4,964	4,741	
40.00 Appropriation		150	
40.35 Appropriation permanently reduced	-29	-38	
41.00 Transferred to other accounts	-2		
43.00 Appropriation (total discretionary)	4,933	4,853	
Change in obligated balances:			
72.40 Obligated balance, start of year	11,369	10,694	10,438
73.10 Total new obligations	4,731	5,117	1,041
73.20 Total outlays (gross)	-5,388	-5,373	-5,353
73.40 Adjustments in expired accounts (net)	-17		
73.45 Recoveries of prior year obligations	-2		
74.40 Obligated balance, end of year	10,694	10,438	6,126
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	49	94	
86.93 Outlays from discretionary balances	5,339	5,279	5,353
87.00 Total outlays (gross)	5,388	5,373	5,353
Net budget authority and outlays:			
89.00 Budget authority	4,933	4,853	
90.00 Outlays	5,388	5,373	5,353

The 2006 Budget proposes to consolidate the Community Development Block Grant (CDBG) program, and other set-asides within the Community Development Fund, into a new economic and community development program to be administered by the Department of Commerce. The new program would be designed to achieve greater results and focus on communities most in need of assistance.

Some of the set-asides formerly funded under the Community Development Fund will remain at HUD. The Self-Help Homeownership Opportunity program (SHOP) is proposed for funding at \$30 million as a separate program and an increase of \$5 million reflecting the success of this program and its standing as a Presidential initiative. Further, the budget proposes \$57.8 million for the Indian Community Development Block Grant program that will be funded as a set-aside within the Native American Housing Block Grant program and more fully integrate HUD's overall effort in this area. The Native Hawaiian Housing Block Grant program is proposed for funding at \$9 million as a separate program within Public and Indian Housing. The budget also proposes \$29 million within the Research and Technology Account for University Programs that have been and will continue to be administered by the Office of Policy Development and Research.

The 2006 Budget also proposes to transfer the Youthbuild program from HUD to the Department of Labor, as recommended by the White House Task Force on Disadvantaged Youth, to allow for greater coordination of the program with Job Corps and other employment and training programs. The 2006 Budget includes \$58.9 million in funding for this program. Youthbuild provides grants to local organizations to provide education and training to disadvantaged youth age 16-24. In addition to participating in classroom training, youth learn construction skills by helping to build affordable housing.

All other Community Development Fund set-asides would be consolidated into the new Commerce program.

EMPOWERMENT ZONES/ENTERPRISE COMMUNITIES

For grants in connection with a second round of empowerment zones and enterprise communities, \$10,000,000, to remain available until September 30, 2005, for "Urban Empowerment Zones", as authorized in section 1391(g) of the Internal Revenue Code of 1986

General and special funds—Continued

EMPOWERMENT ZONES/ENTERPRISE COMMUNITIES—Continued

(26 U.S.C. 1391(g)), including \$666,666 for each empowerment zone for use in conjunction with economic development activities consistent with the strategic plan of each empowerment zone.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2005.*)

Program and Financing (in millions of dollars)

Identification code 86-0315-0-1-451	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Develop urban sites	15	10	
10.00 Total new obligations (object class 41.0)	15	10	
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	15	10	
23.95 Total new obligations	-15	-10	
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	15	10	
Change in obligated balances:			
72.40 Obligated balance, start of year	204	171	131
73.10 Total new obligations	15	10	
73.20 Total outlays (gross)	-48	-50	-50
74.40 Obligated balance, end of year	171	131	81
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	48	50	50
Net budget authority and outlays:			
89.00 Budget authority	15	10	
90.00 Outlays	48	50	50

The 2006 Budget proposes to consolidate grant funding for this program into a new economic and community development program to be administered by the Department of Commerce. The Empowerment Zone (EZ) initiative helps revitalize city neighborhoods by attracting business development and providing employment opportunities to residents of empowerment zones. Empowerment Zone principles include a strategic vision for change, a community-based partnership, providing economic opportunity and sustainable community development.

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

BROWNFIELDS REDEVELOPMENT

[For competitive economic development grants, as authorized by section 108(q) of the Housing and Community Development Act of 1974, as amended, for Brownfields redevelopment projects, \$24,000,000, to remain available until September 30, 2006.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2005.*)

Program and Financing (in millions of dollars)

Identification code 86-0314-0-1-451	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Cleanup and develop contaminated sites	27	50	
10.00 Total new obligations (object class 41.0)	27	50	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	27	26	
22.00 New budget authority (gross)	25	24	
22.10 Resources available from recoveries of prior year obligations	1		

23.90 Total budgetary resources available for obligation	53	50	
23.95 Total new obligations	-27	-50	
24.40 Unobligated balance carried forward, end of year	26		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	25	24	
Change in obligated balances:			
72.40 Obligated balance, start of year	98	114	151
73.10 Total new obligations	27	50	
73.20 Total outlays (gross)	-10	-13	-14
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	114	151	137
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	10	13	14
Net budget authority and outlays:			
89.00 Budget authority	25	24	
90.00 Outlays	10	13	14

The 2006 Budget proposes to consolidate the Brownfield's program into a new economic and community development program to be administered by the Department of Commerce. The new program would be designed to achieve greater results and focus on communities most in need of assistance.

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.

YOUTHBUILD PROGRAM

Program and Financing (in millions of dollars)

Identification code 86-0219-0-1-604	2004 actual	2005 est.	2006 est.
Change in obligated balances:			
72.40 Obligated balance, start of year		1	1
74.40 Obligated balance, end of year	1	1	1
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

The Youthbuild program had been funded as a set-aside within the CDBG program since 1996. The 2006 Budget proposes to fund the Youthbuild program within the U.S. Department of Labor to allow for greater coordination with other employment and training programs. The obligated balance and outlays represent activity in the separate youthbuild account.

HOME INVESTMENT PARTNERSHIPS PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For the HOME investment partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, [\$1,865,000,000,] \$1,741,000,000 to remain available until September 30, [2007] 2008: *Provided*, That of the total amount provided in this paragraph, [up to \$42,000,000 shall be available for housing counseling under section 106 of the Housing and Urban Development Act of 1968, and \$2,000,000] 1,000,000 shall be transferred to the Working Capital Fund.

In addition to amounts otherwise made available under this heading, [\$50,000,000] \$200,000,000, to remain available until September 30, [2007] 2008, for assistance to homebuyers as authorized under title I of the American Dream Downpayment Act. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2005.*)

Program and Financing (in millions of dollars)

Identification code 86-0205-0-1-604	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 HOME grants	1,946	1,903	1,944
10.00 Total new obligations (object class 41.0)	1,946	1,903	1,944
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	372	448	445
22.00 New budget authority (gross)	2,006	1,900	1,941
22.10 Resources available from recoveries of prior year obligations	16		
23.90 Total budgetary resources available for obligation	2,394	2,348	2,386
23.95 Total new obligations	-1,946	-1,903	-1,944
24.40 Unobligated balance carried forward, end of year	448	445	442
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	2,018	1,915	1,941
40.35 Appropriation permanently reduced	-12	-15	
43.00 Appropriation (total discretionary)	2,006	1,900	1,941
Change in obligated balances:			
72.40 Obligated balance, start of year	4,914	5,247	5,500
73.10 Total new obligations	1,946	1,903	1,944
73.20 Total outlays (gross)	-1,597	-1,650	-1,700
73.45 Recoveries of prior year obligations	-16		
74.40 Obligated balance, end of year	5,247	5,500	5,744
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	9	38	39
86.93 Outlays from discretionary balances	1,588	1,612	1,661
87.00 Total outlays (gross)	1,597	1,650	1,700
Net budget authority and outlays:			
89.00 Budget authority	2,006	1,900	1,941
90.00 Outlays	1,597	1,650	1,700

Performance Metrics

Identification code 86-0205-0-1-604	2004 actual	2005 est.	2006 est.
HOME Investment Partnerships Program:			
31001 Total number of years of affordability provided for low-income households residing in units produced from the investment of HOME funds	778649	775000	
31005 Annual increase in the average "blended" HOME investment per unit.	0.064	<3.0%	
31006 Number of HOME production units that are completed (includes rental units produced, new homebuyers, and existing homeowners assisted)	62,021	58,309	

The HOME Investment Partnerships program is authorized by the National Affordable Housing Act (P.L. 101-625). This program provides assistance to States and units of local government, through formula allocation, expanding the supply and affordability of housing. Eligible activities include acquisition, rehabilitation, and new construction of housing and tenant-based rental assistance. The 2006 request will result in the production of 82,420 units of affordable housing through new construction, rehabilitation, or acquisition. In addition, tenant-based rental assistance will be provided for 11,339 units.

The \$200 million American Dream Down Payment Initiative will help expand homeownership opportunities to 40,000 low-income first-time homebuyers and also support expansion of minority homeownership.

The HOME request also includes \$10 million for technical assistance.

SELF-HELP HOMEOWNERSHIP OPPORTUNITY PROGRAM

For the Self-Help Homeownership Opportunity Program, as authorized under section 11 of Housing Opportunity Program Extension Act

of 1996, as amended, \$30,000,000, to remain available until September 30, 2008.

Program and Financing (in millions of dollars)

Identification code 86-0176-0-1-604	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Self Help Housing Opportunity Program			30
10.00 Total new obligations (object class 41.0)			30
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			30
23.95 Total new obligations			-30
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			30
Change in obligated balances:			
72.40 Obligated balance, start of year			
73.10 Total new obligations			30
73.20 Total outlays (gross)			-1
74.40 Obligated balance, end of year			29
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			1
Net budget authority and outlays:			
89.00 Budget authority			30
90.00 Outlays			1

The 2006 Budget proposes to fund the Self-Help Homeownership Opportunity Program (SHOP) in a separate account. Funding of \$30 million is provided for acquisition and preparation of land to assist the efforts of national and regional consortia. SHOP funds assist low-income homebuyers willing to contribute "sweat equity" toward the construction of their house. The funds will increase nonprofit organizations' ability to leverage funds from other sources and produce at least 1,500 new homeownership units. SHOP was previously funded as a set-aside within the Community Development Fund.

**HOMELESS ASSISTANCE GRANTS
(INCLUDING TRANSFER OF FUNDS)**

For the emergency shelter grants program as authorized under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act, as amended; the supportive housing program as authorized under subtitle C of title IV of such Act; the section 8 moderate rehabilitation single room occupancy program as authorized under the United States Housing Act of 1937, as amended, to assist homeless individuals pursuant to section 441 of the McKinney-Vento Homeless Assistance Act; and the shelter plus care program as authorized under subtitle F of title IV of such Act, **[\$1,250,515,000]** \$1,415,000,000, of which **[\$1,230,515,000]** \$1,395,000,000 shall remain available until September 30, **[2007]** 2008, and of which \$20,000,000 shall remain available until expended: *Provided*, That not less than 30 percent of funds made available, excluding amounts provided for renewals under the shelter plus care program, shall be used for permanent housing: *Provided further*, That all funds awarded for services shall be matched by 25 percent in funding by each grantee: *Provided further*, That the Secretary shall renew on an annual basis expiring contracts or amendments to contracts funded under the shelter plus care program if the program is determined to be needed under the applicable continuum of care and meets appropriate program requirements and financial standards, as determined by the Secretary: *Provided further*, That all awards of assistance under this heading shall be required to coordinate and integrate homeless programs with other mainstream health, social services, and employment programs for which homeless populations may be eligible, including Medicaid, State Children's Health Insurance Program, Temporary Assistance for Needy Families, Food Stamps, and services funding through the Mental Health and Substance Abuse Block Grant, Workforce Investment Act, and the Welfare-to-Work grant program: *Provided further*, That up to **[\$11,500,000]** \$11,674,000 of the funds appropriated under this heading shall be

General and special funds—Continued

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

available for the national homeless data analysis project and technical assistance: *Provided further*, That **[\$2,500,000] \$1,000,000** of the funds appropriated under this heading shall be transferred to the Working Capital Fund: *Provided further*, That all balances for Shelter Plus Care renewals previously funded from the Shelter Plus Care Renewal account [shall be] and transferred to this account[, to] be available, *if recaptured*, for Shelter Plus Care renewals in fiscal year **[2005] 2006**.

In addition, \$25,000,000 is provided for fiscal year 2006, to be transferred to "Training and Employment Services," Employment and Training Administration, Department of Labor, and shall be for the Prisoner Re-Entry Initiative as established under that heading. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2005.)

Program and Financing (in millions of dollars)

Identification code 86-0192-0-1-604	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Homeless assistance grants	1,346	1,383	1,451
10.00 Total new obligations (object class 41.0)	1,346	1,383	1,451
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,754	1,697	1,616
22.00 New budget authority (gross)	1,260	1,241	1,440
22.10 Resources available from recoveries of prior year obligations	47	50	50
22.22 Unobligated balance transferred from other accounts	11		
23.90 Total budgetary resources available for obligation	3,061	2,999	3,106
23.95 Total new obligations	-1,346	-1,383	-1,451
23.98 Unobligated balance expiring or withdrawn	-18		
24.40 Unobligated balance carried forward, end of year	1,697	1,616	1,655
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,267	1,251	1,440
40.35 Appropriation permanently reduced	-7	-10	
43.00 Appropriation (total discretionary)	1,260	1,241	1,440
Change in obligated balances:			
72.40 Obligated balance, start of year	2,393	2,460	2,507
73.10 Total new obligations	1,346	1,383	1,451
73.20 Total outlays (gross)	-1,232	-1,300	-1,431
73.32 Obligated balance transferred from other accounts	14		
73.45 Recoveries of prior year obligations	-47	-50	-50
74.40 Obligated balance, end of year	2,460	2,507	2,477
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	8	12	22
86.93 Outlays from discretionary balances	1,224	1,288	1,409
87.00 Total outlays (gross)	1,232	1,300	1,431
Net budget authority and outlays:			
89.00 Budget authority	1,260	1,241	1,440
90.00 Outlays	1,232	1,300	1,431

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

A major emphasis will be placed on permanent housing by requiring 30 percent of funds to be used for permanent housing.

The Administration will propose legislation to combine HUD's three competitive programs—Shelter Plus Care, Supportive Housing, and Section 8 Moderate Rehabilitation Single Room Occupancy into a single program with enough flexibility to better meet community needs. The Department continues to pursue expanded interagency efforts to meet the needs of the homeless. The new consolidated program will incorporate up to \$200 million for the Samaritan Housing Initiative which will specifically address the supportive housing needs of chronically homeless individuals.

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 homeless management information systems (HMIS) support, including the continuing operation of tracking systems required by House Report 105-610.

Funding of \$25 million is included for a four year Prisoner Re-Entry Initiative, involving the Departments of Justice, Labor, and Housing and Urban Development, to help individuals exiting prison make a successful transition to community life and long-term employment. Upon enactment, these funds will be transferred to the Department of Labor.

RURAL HOUSING AND ECONOMIC DEVELOPMENT

[For the Office of Rural Housing and Economic Development in the Department of Housing and Urban Development, \$24,000,000 to remain available until expended, which amount shall be competitively awarded by September 1, 2005, 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 activities in rural areas.] (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2005.)

Program and Financing (in millions of dollars)

Identification code 86-0324-0-1-604	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Rural Housing	24	51	
10.00 Total new obligations (object class 41.0)	24	51	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	25	27	
22.00 New budget authority (gross)	25	24	
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	51	51	
23.95 Total new obligations	-24	-51	
24.40 Unobligated balance carried forward, end of year	27		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	25	24	
Change in obligated balances:			
72.40 Obligated balance, start of year	40	40	66
73.10 Total new obligations	24	51	
73.20 Total outlays (gross)	-23	-25	-25
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	40	66	41
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	23	25	25
Net budget authority and outlays:			
89.00 Budget authority	25	24	
90.00 Outlays	23	25	25

The 2006 Budget proposes to consolidate the Rural Housing and Economic Development program into a new economic and community development program to be administered by the Department of Commerce. The new program would be designed to achieve greater results and focus on communities most in need of assistance. A 2006 PART assessment rated this program as “ineffective.”

URBAN DEVELOPMENT ACTION GRANTS

Program and Financing (in millions of dollars)

Identification code 86-0170-0-1-451	2004 actual	2005 est.	2006 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	35	7	7
22.00 New budget authority (gross)	-30		
22.10 Resources available from recoveries of prior year obligations	2		
23.90 Total budgetary resources available for obligation	7	7	7
24.40 Unobligated balance carried forward, end of year	7	7	7
New budget authority (gross), detail:			
Discretionary:			
40.36 Unobligated balance permanently reduced	-30		
Change in obligated balances:			
72.40 Obligated balance, start of year	10	7	7
73.20 Total outlays (gross)	-1		
73.45 Recoveries of prior year obligations	-2		
74.40 Obligated balance, end of year	7	7	7
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	1		
Net budget authority and outlays:			
89.00 Budget authority	-30		
90.00 Outlays	1		

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.

SHELTER PLUS CARE RENEWALS

Program and Financing (in millions of dollars)

Identification code 86-0232-0-1-604	2004 actual	2005 est.	2006 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	6	11	
22.10 Resources available from recoveries of prior year obligations	5		
22.21 Unobligated balance transferred to other accounts		-11	
23.90 Total budgetary resources available for obligation	11		
24.40 Unobligated balance carried forward, end of year	11		
Change in obligated balances:			
72.40 Obligated balance, start of year	25	14	
73.20 Total outlays (gross)	-6		
73.31 Obligated balance transferred to other accounts		-14	
73.45 Recoveries of prior year obligations	-5		
74.40 Obligated balance, end of year	14		
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	6		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	6		

Shelter Plus Care provides rental assistance that, when combined with social services, supplies supportive housing for homeless people with disabilities and their families. Homeless people with disabilities often need more than shelter to live independently, such as medical care or other social services. Shelter Plus Care provides for a variety of housing choices such as group homes or individual units, coupled with a range of supportive services (which are funded by other sources). Grantees must match the rental assistance with supportive services that are at least equal in value to the amount of HUD's rental assistance. The Shelter Plus Care renewal funding renews contracts on a one-year basis and provides funding to amend contracts that were previously extended but which will run out of funding. The 2002 VA HUD Appropriations Act (P.L. 107-73) provided funding for Shelter Plus Care in the Homeless Assistance Grants account. Shelter Plus Care Renewals are funded in the Homeless Assistance Grants account in 2006. The 2005 Appropriations Act transferred all remaining balances in this account to the Homeless Assistance Grant account where Shelter Plus Care renewals have been funded since 2003.

Public enterprise funds:

REVOLVING FUND (LIQUIDATING PROGRAMS)

Program and Financing (in millions of dollars)

Identification code 86-4015-0-3-451	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Section 312 expenses		1	1
10.00 Total new obligations (object class 32.0)		1	1
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	21	13	2
22.00 New budget authority (gross)	2	1	1
22.40 Capital transfer to general fund	-10	-11	-1
23.90 Total budgetary resources available for obligation	13	3	2
23.95 Total new obligations		-1	-1
24.40 Unobligated balance carried forward, end of year	13	2	1
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	2	1	1
Change in obligated balances:			
72.40 Obligated balance, start of year	3	2	2
73.10 Total new obligations		1	1
73.20 Total outlays (gross)	-1	-1	-1
74.40 Obligated balance, end of year	2	2	2
Outlays (gross), detail:			
86.98 Outlays from mandatory balances	1	1	1
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-2	-1	-1
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-1		

Status of Direct Loans (in millions of dollars)

Identification code 86-4015-0-3-451	2004 actual	2005 est.	2006 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	7	6	4
1251 Repayments: Repayments and prepayments	-1	-1	-1
1263 Write-offs for default: Direct loans		-1	-1
1290 Outstanding, end of year	6	4	2

Public enterprise funds—Continued

REVOLVING FUND (LIQUIDATING PROGRAMS)—Continued

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.

Balance Sheet (in millions of dollars)

Identification code 86-4015-0-3-451	2003 actual	2004 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	24	15
1207 Non-Federal assets: Advances and prepayments	1	
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601 Direct loans, gross	7	6
1603 Allowance for estimated uncollectible loans and interest (-)	-7	-6
1604 Direct loans and interest receivable, net		
1606 Foreclosed property	2	2
1699 Value of assets related to direct loans	2	2
1999 Total assets	27	17
LIABILITIES:		
Non-Federal liabilities:		
2201 Accounts payable	1	
2207 Other	8	1
2999 Total liabilities	9	1
NET POSITION:		
3100 Appropriated capital	2	3
3300 Cumulative results of operations	16	13
3999 Total net position	18	16
4999 Total liabilities and net position	27	17

Credit accounts:

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

[For the cost of guaranteed loans, \$6,000,000, to remain available until September 30, 2006, as authorized by section 108 of the Housing and Community Development Act of 1974, as amended: *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 \$275,000,000, notwithstanding any aggregate limitation on outstanding obligations guaranteed in section 108(k) of the Housing and Community Development Act of 1974, as amended.]

[In addition, 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".] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2005.*)

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 86-0198-0-1-451	2004 actual	2005 est.	2006 est.
0101 Negative subsidies/subsidy reestimates	7	15	

Program and Financing (in millions of dollars)

Identification code 86-0198-0-1-451	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.02 Community development loan guarantee credit subsidy	6	7	
00.07 Upward Reestimate of Loan Guarantee	24	2	
00.08 Interest on reestimate	2		
00.09 Administrative expense	1	1	
10.00 Total new obligations (object class 33.0)	33	10	

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	5	5	4
22.00 New budget authority (gross)	33	9	
23.90 Total budgetary resources available for obligation	38	14	4
23.95 Total new obligations	-33	-10	
23.98 Unobligated balance expiring or withdrawn			-4
24.40 Unobligated balance carried forward, end of year	5	4	

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	7	7	
Mandatory:			
60.00 Appropriation	26	2	
70.00 Total new budget authority (gross)	33	9	

Change in obligated balances:

72.40 Obligated balance, start of year	19	16	16
73.10 Total new obligations	33	10	
73.20 Total outlays (gross)	-33	-10	-7
73.40 Adjustments in expired accounts (net)	-3		
74.40 Obligated balance, end of year	16	16	9

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	1	2	
86.93 Outlays from discretionary balances	6	6	7
86.97 Outlays from new mandatory authority	26	2	
87.00 Total outlays (gross)	33	10	7

Net budget authority and outlays:

89.00 Budget authority	33	9	
90.00 Outlays	33	10	7

Guaranteed Loans.—No funds are requested for the Community Development Loan Guarantee program (Section 108) in 2006. The purposes of this program will be met by a new economic and community development program to be administered by the Department of Commerce.

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

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

Identification code 86-0198-0-1-451	2004 actual	2005 est.	2006 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Community development loan guarantee levels	287	275	
215901 Total loan guarantee levels	287	275	
Guaranteed loan subsidy (in percent):			
232001 Community development loan guarantee levels	2.30	2.30	0.00
232901 Weighted average subsidy rate	2.30	2.30	0.00
Guaranteed loan subsidy budget authority:			
233001 Community development loan guarantee levels	6	6	
233901 Total subsidy budget authority	6	6	
Guaranteed loan subsidy outlays:			
234001 Community development loan guarantee levels	6	7	7
234901 Total subsidy outlays	6	7	7
Guaranteed loan upward reestimate subsidy budget authority:			
235001 Community development loan guarantee levels	26	2	
235901 Total upward reestimate budget authority	26	2	
Guaranteed loan downward reestimate subsidy budget authority:			
237001 Community development loan guarantee levels	-7	-15	
237901 Total downward reestimate subsidy budget authority	-7	-15	
Administrative expense data:			
351001 Budget authority	1	1	
359001 Outlays from new authority	1	1	

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

COMMUNITY DEVELOPMENT LOAN GUARANTEES FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4096-0-3-451	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
08.02 Payment of Downward Reestimate to Receipt Account	5	12	
08.04 Payment of Downward Reestimate to Receipt Account (Interest)	2	3	
10.00 Total new obligations	7	15	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	65	90	87
22.00 New financing authority (gross)	32	12	10
23.90 Total budgetary resources available for obligation	97	102	97
23.95 Total new obligations	-7	-15	
24.40 Unobligated balance carried forward, end of year	90	87	97
New financing authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	35	12	10
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-3		
69.90 Spending authority from offsetting collections (total mandatory)	32	12	10
Change in obligated balances:			
72.40 Obligated balance, start of year	-19	-15	-7
73.10 Total new obligations	7	15	
73.20 Total financing disbursements (gross)	-6	-7	-7
74.00 Change in uncollected customer payments from Federal sources (unexpired)	3		
74.40 Obligated balance, end of year	-15	-7	-14
87.00 Total financing disbursements (gross)	6	7	7
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal Sources: Payments from Program Account			
88.00 Federal sources: Upward reestimate (Interest)	-30	-2	
88.00 Federal sources	-2		
88.25 Interest on uninvested funds	-3	-3	-3
88.90 Total, offsetting collections (cash)	-35	-12	-10
Against gross financing authority only:			
88.95 Change in receivables from program accounts	3		
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements	-29	-5	-3

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4096-0-3-451	2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	275	275	
2121 Limitation available from carry-forward	237	223	211
2142 Uncommitted loan guarantee limitation			-211
2143 Uncommitted limitation carried forward	-225	-211	
2150 Total guaranteed loan commitments	287	287	
2199 Guaranteed amount of guaranteed loan commitments	287	287	

Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	2,183	2,301	2,363
2231 Disbursements of new guaranteed loans	312	312	312
2251 Repayments and prepayments	-194	-250	-300
2290 Outstanding, end of year	2,301	2,363	2,375
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	2,301	2,363	2,375

Balance Sheet (in millions of dollars)

Identification code 86-4096-0-3-451	2003 actual	2004 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	46	75
1999 Total assets	46	75
LIABILITIES:		
2204 Non-Federal liabilities: Liabilities for loan guarantees	46	75
2999 Total liabilities	46	75
4999 Total liabilities and net position	46	75

Guaranteed loans.—The Community Development Loan Guarantees program has provided a mechanism for the Federal guarantee of private loans. An accompanying liquidating account shows activity for Federal Financing Bank (FFB) direct loan activity, obligated prior to July 1, 1986. The following is a status of privately financed guaranteed loan commitments made prior to 1992. No funding is requested for new section 108 loans in 2006.

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	2004 actual	2005 est.	2006 est.
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	3		
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-1		
69.47 Portion applied to repay debt	-2		
69.90 Spending authority from offsetting collections (total mandatory)			
Change in obligated balances:			
72.40 Obligated balance, start of year	-6	-5	-5
74.00 Change in uncollected customer payments from Federal sources (unexpired)	1		
74.40 Obligated balance, end of year	-5	-5	-5
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources			
	-3		
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)			
	1		
Net budget authority and outlays:			
89.00 Budget authority	-2		
90.00 Outlays	-3		

Credit accounts—Continued

COMMUNITY DEVELOPMENT LOAN GUARANTEES LIQUIDATING
ACCOUNT—Continued

Status of Direct Loans (in millions of dollars)

Identification code 86-4097-0-3-451	2004 actual	2005 est.	2006 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	2		
1251 Repayments: Repayments and prepayments	-2		
1290 Outstanding, end of year			

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4097-0-3-451	2004 actual	2005 est.	2006 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	47	39	24
2251 Repayments and prepayments	-8	-15	-15
2290 Outstanding, end of year	39	24	9

Memorandum:

2299 Guaranteed amount of guaranteed loans outstanding, end of year	39	24	9
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Balance Sheet (in millions of dollars)

Identification code 86-4097-0-3-451	2003 actual	2004 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	-6	-5
Investments in US securities:		
1106 Receivables, net	6	5
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:		
1701 Defaulted guaranteed loans, gross	2	
1704 Defaulted guaranteed loans and interest receivable, net	2	
1799 Value of assets related to loan guarantees ..	2	
1999 Total assets	2	
LIABILITIES:		
2103 Federal liabilities: Debt	2	
2999 Total liabilities	2	
4999 Total liabilities and net position	2	

No funding is requested for new Section 108 loans in 2006.

As required by the Federal Credit Reform Act of 1990, this account records all cash flows to and from the Government resulting from Federal Financing Bank (FFB) direct loans for which loan guarantees were committed prior to 1992. This account is shown on a cash basis.

Guaranteed loans.—Guaranteed loan assistance under the Community Development Loan Guarantees program was provided to eligible communities to finance economic development activities, housing rehabilitation, development or expansion of public facilities, acquisition of real property, rehabilitation of publicly owned real property, and certain related expenses. In the past, the FFB financed these guaranteed loans. The Consolidated Omnibus Budget Reconciliation Act of 1985 required private financing of all loan guarantees committed after July 1, 1986. FFB will continue disbursing loans for commitments approved prior to July 1, 1986. The activity shown in the above account reflects privately financed guaranteed loans for which commitments were made prior to 1992.

HOUSING PROGRAMS

Federal Funds

General and special funds:

HOUSING FOR THE ELDERLY

(INCLUDING TRANSFER OF FUNDS)

For capital advances, including amendments to capital advance contracts, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance for the elderly under section 202(c)(2) of such Act, including amendments to contracts for such assistance and renewal of expiring contracts for such assistance for up to a 1-year term, and for supportive services associated with the housing, **[\$747,000,000] \$741,000,000**, to remain available until September 30, **[2008] 2009**, of which amount **[\$50,000,000] \$53,000,000** shall be for service coordinators and the continuation of existing congregate service grants for residents of assisted housing projects, and of which amount up to **[\$25,000,000] \$30,000,000** shall be for grants under section 202b of the Housing Act of 1959 (12 U.S.C. 1701q-2) for conversion of eligible projects under such section to assisted living or related use and for emergency capital repairs as determined by the Secretary: *Provided*, That **[of the amount] amounts** made available under this heading, **[\$18,000,000]** shall be available to the Secretary of Housing and Urban Development only for making competitive grants to private nonprofit organizations and consumer cooperatives for covering costs of architectural and engineering work, site control, and other planning relating to the development of supportive housing for the elderly that is eligible for assistance under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q) **] shall be available for Real Estate Assessment Center inspections and inspection-related activities associated with section 202 capital advance projects: Provided further**, That \$450,000 shall be transferred to the Working Capital Fund: *Provided further*, That the Secretary may waive the provisions of section 202 governing the terms and conditions of project rental assistance, except that the initial contract term for such assistance shall not exceed 5 years in duration.

[Title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2004, is amended under this heading by striking the fourth proviso.] (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2005.)

Program and Financing (in millions of dollars)

Identification code 86-0320-0-1-604	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Elderly and disabled housing grants	1,259	747	741
10.00 Total new obligations (object class 41.0)	1,259	747	741
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,897	1,392	1,260
22.00 New budget authority (gross)	773	741	741
22.10 Resources available from recoveries of prior year obligations	23		
22.21 Unobligated balance transferred to other accounts		-126	
23.90 Total budgetary resources available for obligation	2,693	2,007	2,001
23.95 Total new obligations	-1,259	-747	-741
23.98 Unobligated balance expiring or withdrawn	-43		
24.40 Unobligated balance carried forward, end of year	1,392	1,260	1,260
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	778	747	741
40.35 Appropriation permanently reduced	-5	-6	
43.00 Appropriation (total discretionary)	773	741	741
Change in obligated balances:			
72.40 Obligated balance, start of year	5,227	5,367	4,112
73.10 Total new obligations	1,259	747	741
73.20 Total outlays (gross)	-1,096	-875	-875
73.31 Obligated balance transferred to other accounts		-1,127	
73.45 Recoveries of prior year obligations	-23		
74.40 Obligated balance, end of year	5,367	4,112	3,978

Outlays (gross), detail:			
86.90	Outlays from new discretionary authority	2	
86.93	Outlays from discretionary balances	1,094	875 875
87.00	Total outlays (gross)	1,096	875 875
Net budget authority and outlays:			
89.00	Budget authority	773	741 741
90.00	Outlays	1,096	875 875

This account consolidates funds activity under the Section 202 Housing for the Elderly Program. It funds capital grants for construction of low-income housing, operating subsidies, conversion of existing properties to assisted living, and Service coordinators.

HOUSING FOR PERSONS WITH DISABILITIES
(INCLUDING TRANSFER OF FUNDS)

For [capital advance contracts, including amendments to capital advance contracts, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act, for project rental assistance for supportive housing for persons with disabilities under section 811(d)(2) of such Act, including amendments to contracts for such assistance and renewal of expiring contracts for such assistance for up to a 1-year term, and for supportive services associated with the housing for persons with disabilities as authorized by section 811(b)(1) of such Act, and for tenant-based rental assistance contracts entered into pursuant to section 811 of such Act, \$240,000,000] *tenant-based rental assistance, renewal and amendment of tenant-based contracts, and the renewal of project-based rental assistance contracts, \$119,900,000, to remain available until September 30, 2009: Provided, That \$450,000 shall be transferred to the Working Capital Fund: Provided further, That, of the amount provided under this heading [\$28,890,000] \$80,000,000 shall be for amendments [to existing] or renewal of tenant-based assistance contracts entered into prior to fiscal year [2004] 2005 (only one amendment authorized for any such contract): Provided further, That of the amount provided under this heading, the Secretary may make available up to [\$10,000,000] \$34,000,000 for incremental tenant-based rental assistance, as authorized by section 811 of such Act (which assistance is 5 years in duration): Provided further, That all tenant-based assistance made available under this heading shall continue to remain available only to persons with disabilities: Provided further, That the Secretary may waive the provisions of section 811 governing the terms and conditions of project rental assistance and tenant-based assistance, except that the initial contract term for such assistance shall not exceed 5 years in duration: Provided further That amounts made available under this heading shall be available for Real Estate Assessment Center Inspections and inspection-related activities associated with Section 811 Capital Advance Projects.*

[Title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2004, is amended under this heading by striking the fourth proviso and inserting "Provided further, That all section 811 balances outstanding, as of September 30, 2003, shall be transferred to the appropriation under this heading."]. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2005.*)

Program and Financing (in millions of dollars)

Identification code 86-0237-0-1-604			
		2004 actual	2005 est. 2006 est.
Obligations by program activity:			
00.01	Housing for the Disabled	47	240 120
10.00	Total new obligations (object class 41.0)	47	240 120
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year		202 326
22.00	New budget authority (gross)	249	238 120
22.22	Unobligated balance transferred from other accounts		126
23.90	Total budgetary resources available for obligation	249	566 446
23.95	Total new obligations	-47	-240 -120

24.40	Unobligated balance carried forward, end of year	202	326 326
New budget authority (gross), detail:			
Discretionary:			
40.00	Appropriation	251	240 120
40.35	Appropriation permanently reduced	-2	-2
43.00	Appropriation (total discretionary)	249	238 120

Change in obligated balances:			
72.40	Obligated balance, start of year		45 1,157
73.10	Total new obligations	47	240 120
73.20	Total outlays (gross)	-2	-255 -258
73.32	Obligated balance transferred from other accounts		1,127
74.40	Obligated balance, end of year	45	1,157 1,019

Outlays (gross), detail:			
86.90	Outlays from new discretionary authority	2	
86.93	Outlays from discretionary balances		255 258
87.00	Total outlays (gross)	2	255 258
Net budget authority and outlays:			
89.00	Budget authority	249	238 120
90.00	Outlays	2	255 258

This account consolidates all activities funded under section 811, Housing for Persons With Disabilities program, including new capital grants, project rental assistance, main stream vouchers, and renewal and amendments as appropriate.

HOUSING COUNSELING ASSISTANCE

For contract, grants, and other assistance other than loans, as authorized under section 106 of the Housing and Urban Development Act of 1968, as amended \$39,700,000, to remain available until September 30, 2007: Provided, That funds shall be used for providing counseling and advice to tenants and homeowners, both current and prospective, with respect to property maintenance, financial management and such other matters as may be appropriate to assist them in improving their housing conditions and meeting the responsibilities of tenancy or homeownership, including provisions for training and for support of voluntary agencies and services.

Program and Financing (in millions of dollars)

Identification code 86-0156-0-1-604			
		2004 actual	2005 est. 2006 est.
Obligations by program activity:			
00.01	Housing Assistance		5
10.00	Total new obligations (object class 41.0)		5
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year		
22.00	New budget authority (gross)		40
23.90	Total budgetary resources available for obligation		40
23.95	Total new obligations		-5
24.40	Unobligated balance carried forward, end of year		35
New budget authority (gross), detail:			
Discretionary:			
40.00	Appropriation		40
Change in obligated balances:			
73.10	Total new obligations		5
73.20	Total outlays (gross)		-4
Outlays (gross), detail:			
86.90	Outlays from new discretionary authority		4
Net budget authority and outlays:			
89.00	Budget authority		40
90.00	Outlays		4

The Housing Counseling Assistance Program provides comprehensive housing counseling services to eligible homeowners

General and special funds—Continued

HOUSING COUNSELING ASSISTANCE—Continued

and tenants, including home purchase, financial management, and rental counseling. This program has been funded through a set-aside under the HOME program appropriation for the past several years. However, in 2006, it is being proposed as a stand alone account.

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

OTHER ASSISTED HOUSING PROGRAMS

RENTAL HOUSING ASSISTANCE

For amendments to contracts under section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s) and section 236(f)(2) of the National Housing Act (12 U.S.C. 1715 z-1) in State-aided, non-insured rental housing projects, \$26,400,000, to remain available until expended.

Program and Financing (in millions of dollars)

Identification code 86-0206-0-1-999	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Rent supplement	31	36	8
00.02 Homeownership and rental housing assistance (Sections 235 and 236)	530	629	19
10.00 Total new obligations (object class 41.0)	561	665	27
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,392	1,414	349
22.00 New budget authority (gross)	413	-400	26
22.10 Resources available from recoveries of prior year obligations	170		
23.90 Total budgetary resources available for obligation	1,975	1,014	375
23.95 Total new obligations	-561	-665	-27
24.40 Unobligated balance carried forward, end of year	1,414	349	348
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	676	578	578
40.00 Appropriation			26
40.49 Portion applied to liquidate contract authority	-676	-578	-578
43.00 Appropriation (total discretionary)			26
49.00 Contract authority	495		
49.35 Contract authority permanently reduced	-82	-400	
49.90 Contract authority (total discretionary)	413	-400	
70.00 Total new budget authority (gross)	413	-400	26
Change in obligated balances:			
72.40 Obligated balance, start of year	6,761	6,522	6,586
73.10 Total new obligations	561	665	27
73.20 Total outlays (gross)	-630	-601	-589
73.45 Recoveries of prior year obligations	-170		
74.40 Obligated balance, end of year	6,522	6,586	6,024
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			16
86.93 Outlays from discretionary balances	630	601	573
87.00 Total outlays (gross)	630	601	589
Net budget authority and outlays:			
89.00 Budget authority	413	-400	26
90.00 Outlays	630	601	589

93.01 Unobligated balance, start of year: Contract authority			311
93.02 Unobligated balance, end of year: Contract authority		311	311
93.03 Obligated balance, start of year: Contract authority			6,017
93.04 Obligated balance, end of year: Contract authority	6,017		5,452

The Other Assisted Housing Account contains the programs listed below:

Rent supplement.—Rent supplement assistance payments will continue to be made on behalf of qualified low-income tenants in approximately 17,290 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.

The table below reflects the consolidated outlay total for: the Housing Certificate Fund; Tenant-Based Rental Assistance; Project-Based Rental Assistance; the Public Housing Capital Fund; and the Other Assisted Housing account.

SUMMARY OF OUTLAYS¹

	(in millions of dollars)		
	2004 actual	2005 est.	2006 est.
Subsidized housing programs, total	26,400	27,218	28,354
Low-income housing assistance (sec. 8)	22,356	22,874	24,025
Public housing capital fund	3,414	3,743	3,740
Rent supplement	56	54	52
Homeownership assistance (sec. 235)	5	4	3
Rental housing assistance (sec. 236)	559	533	524
College housing grants	10	10	10

¹Includes outlays for contract renewals.

HOMEOWNERSHIP AND OPPORTUNITY FOR PEOPLE EVERYWHERE
GRANTS (HOPE Grants)

Program and Financing (in millions of dollars)

Identification code 86-0196-0-1-604	2004 actual	2005 est.	2006 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		2	2
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	1	2	2
24.40 Unobligated balance carried forward, end of year	2	2	2
Change in obligated balances:			
72.40 Obligated balance, start of year	16	12	10
73.20 Total outlays (gross)	-2	-2	-2
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	12	10	8
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	2	2	2
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	2	2	2

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 2006. This schedule reflects the liquidation of prior year balances.

PAYMENT TO MANUFACTURED HOUSING FEES TRUST FUND

For necessary expenses as authorized by the National Manufactured Housing Construction and Safety Standards Act of 1974, as amended (42 U.S.C. 5401 et seq.), up to \$13,000,000 to remain available until expended, to be derived from the Manufactured Housing Fees Trust Fund: *Provided*, That not to exceed the total amount appropriated under this heading shall be available from the general fund of the Treasury to the extent necessary to incur obligations and make expenditures pending the receipt of collections to the Fund pursuant to section 620 of such Act: *Provided further*, That the amount made available under this heading from the general fund shall be reduced as such collections are received during fiscal year [2005] 2006 so as to result in a final fiscal year [2005] 2006 appropriation from the general fund estimated at not more than \$0 and fees pursuant to such section 620 shall be modified as necessary to ensure such a final fiscal year [2005] 2006 appropriation. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2005.*)

Program and Financing (in millions of dollars)

Identification code 86-0234-0-1-376	2004 actual	2005 est.	2006 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	9	13	13
22.00 New budget authority (gross)	4		
23.90 Total budgetary resources available for obligation	13	13	13
24.40 Unobligated balance carried forward, end of year	13	13	13
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	4		
Net budget authority and outlays:			
89.00 Budget authority	4		
90.00 Outlays			

Public enterprise funds:

RENTAL HOUSING ASSISTANCE FUND

[(RESCISSION)]

[Of the amounts made available under the heading "Rent Supplement" in Public Law 98-63 for amendments to contracts under section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s) and section 236(f)(2) of the National Housing Act (12 U.S.C. 1715z-1) in State-aided, non-insured rental housing projects, up to \$675,000,000 is cancelled.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2005.*)

Program and Financing (in millions of dollars)

Identification code 86-4041-0-3-604	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
09.01 Refunds of Excess Income		5	5
09.02 Payments to Flexible Subsidy Fund	14		
10.00 Total new obligations	14	5	5
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	15	7	16
22.00 New budget authority (gross)	5	14	14
23.90 Total budgetary resources available for obligation	20	21	30

23.95	Total new obligations	-14	-5	-5
24.40	Unobligated balance carried forward, end of year	7	16	25
New budget authority (gross), detail:				
Mandatory:				
69.00	Offsetting collections (cash)	5	14	14
Change in obligated balances:				
72.40	Obligated balance, start of year			-9
73.10	Total new obligations	14	5	5
73.20	Total outlays (gross)	-14	-14	-14
74.40	Obligated balance, end of year		-9	-18
Outlays (gross), detail:				
86.93	Outlays from discretionary balances	14		
86.97	Outlays from new mandatory authority		14	14
87.00	Total outlays (gross)	14	14	14
Offsets:				
Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources	-5	-14	-14
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	8		

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

The Housing and Community Development Amendment of 1978 authorized the Secretary, subject to approval in appropriation acts, to transfer excess rent collections received after 1978 to the Troubled Projects Operating Subsidy program, renamed the Flexible Subsidy Fund. Prior to that time, collections were used for paying tax and utility increases in section 236 projects. The Housing and Community Development Act of 1980 amended the 1978 Act by authorizing the transfer of excess rent collections regardless of when collected. This Budget proposes that the resources from the Rental Housing Assistance Fund continue to be transferred to the Flexible Subsidy Fund, with the exception of amounts required to make refunds of excess income remittances as authorized by Public Law 106-569.

Object Classification (in millions of dollars)

Identification code 86-4041-0-3-604	2004 actual	2005 est.	2006 est.
25.2 Refund of Excess Income	1	5	5
94.0 Payments to Flexible Subsidy Fund	13		
99.9 Total new obligations	14	5	5

FLEXIBLE SUBSIDY FUND

(TRANSFER OF FUNDS)

From the Rental Housing Assistance Fund, all uncommitted balances of excess rental charges as of September 30, [2004] 2005, and any collections made during fiscal year [2005] 2006 and all subsequent fiscal years, 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, FY 2005.*)

Program and Financing (in millions of dollars)

Identification code 86-4044-0-3-604	2004 actual	2005 est.	2006 est.	
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	7	42	62
22.00	New budget authority (gross)	35	20	20

Public enterprise funds—Continued

FLEXIBLE SUBSIDY FUND—Continued

(TRANSFER OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-4044-0-3-604	2004 actual	2005 est.	2006 est.
23.90 Total budgetary resources available for obligation	42	62	82
24.40 Unobligated balance carried forward, end of year	42	62	82
New budget authority (gross), detail:			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	35	20	20
Change in obligated balances:			
72.40 Obligated balance, start of year	2	2	-18
73.20 Total outlays (gross)		-20	-20
74.40 Obligated balance, end of year	2	-18	-38
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	35	20	20
86.93 Outlays from discretionary balances	-35		
87.00 Total outlays (gross)		20	20
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-13	-12	-12
88.40 Non-Federal sources	-22	-8	-8
88.90 Total, offsetting collections (cash)	-35	-20	-20
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-34		

Status of Direct Loans (in millions of dollars)

Identification code 86-4044-0-3-604	2004 actual	2005 est.	2006 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	656	707	703
1231 Disbursements: Direct loan disbursements			
1251 Repayments: Repayments and prepayments	-14	-4	-4
1264 Write-offs for default: Writeoff for default: Other adjustments, net	65		
1290 Outstanding, end of year	707	703	699

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

Balance Sheet (in millions of dollars)

Identification code 86-4044-0-3-604	2003 actual	2004 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	9	44
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601 Direct loans, gross	718	707
1602 Interest receivable	81	87
1603 Allowance for estimated uncollectible loans and interest (-)	-592	-591
1699 Value of assets related to direct loans	207	203
1999 Total assets	216	247

LIABILITIES:		
2207 Non-Federal liabilities: Other		3
2999 Total liabilities		3
NET POSITION:		
3100 Appropriated capital	-308	-308
3300 Cumulative results of operations	524	552
3999 Total net position	216	244
4999 Total liabilities and net position	216	247

NEHEMIAH HOUSING OPPORTUNITY FUND

Program and Financing (in millions of dollars)

Identification code 86-4071-0-3-604	2004 actual	2005 est.	2006 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		2	2
22.10 Resources available from recoveries of prior year obligations	2		
23.90 Total budgetary resources available for obligation	2	2	2
24.40 Unobligated balance carried forward, end of year	2	2	2
Change in obligated balances:			
72.40 Obligated balance, start of year	10	9	9
73.20 Total outlays (gross)	1		
73.45 Recoveries of prior year obligations	-2		
74.40 Obligated balance, end of year	9	9	9
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	-1		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-1		

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

Credit accounts:

FEDERAL HOUSING ADMINISTRATION

MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

During fiscal year [2005] 2006, commitments to guarantee loans to carry out the purposes of section 203(b) of the National Housing Act, as amended, shall not exceed a loan principal of \$185,000,000,000.

During fiscal year [2005] 2006, obligations to make direct loans to carry out the purposes of section 204(g) of the National Housing Act, as amended, shall not exceed \$50,000,000: *Provided*, That the foregoing amount shall be for loans to nonprofit and governmental entities in connection with sales of single family real properties owned by the Secretary and formerly insured under the Mutual Mortgage Insurance Fund.

For administrative expenses necessary to carry out the guaranteed and direct loan program, [\$356,906,000] \$355,000,000, of which not to exceed [\$352,906,000] \$351,000,000 shall be transferred to the appropriation for "Salaries and expenses"; and not to exceed \$4,000,000 shall be transferred to the appropriation for "Office of Inspector General". In addition, for administrative contract expenses, [\$78,000,000] \$62,600,000, of which [\$15,000,000] \$18,281,000 shall be transferred to the Working Capital Fund: *Provided*, That to the extent guaranteed loan commitments exceed \$65,500,000,000 on or before April 1, [2005] 2006, an additional \$1,400 for administrative contract expenses shall be available for each \$1,000,000 in additional guaranteed loan commitments (including a pro rata amount for any amount below \$1,000,000), but in no case shall funds made available by this proviso exceed \$30,000,000. (*Departments of Veterans Affairs*)

and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2005.)

Program and Financing (in millions of dollars)

Identification code 86-0183-0-1-371	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.07 Reestimates of loan guarantee negative subsidy	5,947	2,003	.....
00.08 Interest on reestimates of loan guarantee subsidy	1,082	391	.....
00.09 Administrative expenses, salaries & expenses transfer	357	354	355
00.12 Non-overhead administrative expenses for FHA contracts	75	77	63
10.00 Total new obligations	7,461	2,825	418
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	441	431	418
22.22 Unobligated balance transferred from other accounts	7,029	2,394	.....
23.90 Total budgetary resources available for obligation	7,470	2,825	418
23.95 Total new obligations	-7,461	-2,825	-418
23.98 Unobligated balance expiring or withdrawn	-10	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	444	434	418
40.35 Appropriation permanently reduced	-3	-3	.....
43.00 Appropriation (total discretionary)	441	431	418
Change in obligated balances:			
72.40 Obligated balance, start of year	72	81	80
73.10 Total new obligations	7,461	2,825	418
73.20 Total outlays (gross)	-7,452	-2,826	-420
74.40 Obligated balance, end of year	81	80	78
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	383	360	349
86.93 Outlays from discretionary balances	40	72	71
86.98 Outlays from mandatory balances	7,029	2,394	.....
87.00 Total outlays (gross)	7,452	2,826	420
Net budget authority and outlays:			
89.00 Budget authority	441	431	418
90.00 Outlays	7,452	2,826	420

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

Identification code 86-0183-0-1-371	2004 actual	2005 est.	2006 est.
Direct loan levels supportable by subsidy budget authority:			
115001 MMI Fund, Direct loans .....	.....	50	50
115901 Total direct loan levels .....	.....	50	50
Direct loan subsidy (in percent):			
132001 MMI Fund, Direct loans	0.00	0.00	0.00
Direct loan subsidy budget authority:			
133001 MMI Fund, Direct loans .....	.....	.....	.....
133901 Total subsidy budget authority .....	.....	.....	.....
Direct loan subsidy outlays:			
134001 MMI Fund, Direct loans .....	.....	.....	.....
134901 Total subsidy outlays .....	.....	.....	.....
Guaranteed loan levels supportable by subsidy budget authority:			
215001 MMI Fund, Section 203(b)	107,699	116,550	90,336
215004 Standby commitment authority .....	.....	68,450	94,664
215901 Total loan guarantee levels	107,699	185,000	185,000
Guaranteed loan subsidy (in percent):			
232001 MMI Fund, Section 203(b)	-2.47	-1.82	-1.70
232002 Subsidy rate	0.00	0.00	0.00
232901 Weighted average subsidy rate	-2.47	-1.82	-1.70
Guaranteed loan subsidy budget authority:			
233001 MMI Fund, Section 203(b)	-2,660	-2,121	-1,536
233003 Loan guarantee levels .....	.....	.....	.....
233901 Total subsidy budget authority	-2,660	-2,121	-1,536

Guaranteed loan subsidy outlays:			
234001 MMI Fund, Section 203(b)	-2,660	-2,121	-1,536
234003 Loan guarantee levels .....	.....	.....	.....
234901 Total subsidy outlays	-2,660	-2,121	-1,536
Guaranteed loan upward reestimate subsidy budget authority:			
235001 MMI Fund, Section 203(b)	7,029	2,394	.....
235901 Total upward reestimate budget authority	7,029	2,394	.....
Guaranteed loan downward reestimate subsidy budget authority:			
237001 MMI Fund, Section 203(b) .....	.....	-56	.....
237901 Total downward reestimate subsidy budget authority .....	.....	-56	.....
Administrative expense data:			
351001 Budget authority	7,461	2,825	418
358001 Outlays from balances	40	81	80
359001 Outlays from new authority	7,412	2,744	338

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).

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.

In 2006, FHA is requesting an aggregate limitation of \$185 billion on loan guarantees and is proposing two new mortgage programs that reduce the biggest barriers to homeownership—the down payment and impaired credit. The Zero Downpayment mortgage allows first-time buyers with a strong credit record to finance 100 percent of the downpayment and closing costs. For borrowers with limited or weak credit histories, Payment Incentives initially charges a higher insurance premium, but reduces the borrower's premiums once they have established a history of regular payments, thereby demonstrating their creditworthiness.

Object Classification (in millions of dollars)

Identification code 86-0183-0-1-371	2004 actual	2005 est.	2006 est.
25.2 Other services	54	77	63
25.3 Other purchases of goods and services from Government accounts	378	354	355
41.0 Grants, subsidies, and contributions	5,947	2,003	.....
43.0 Interest and dividends	1,082	391	.....
99.9 Total new obligations	7,461	2,825	418

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

Identification code 86-0183-2-1-371	2004 actual	2005 est.	2006 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 MMI Fund, Section 203(b)	-10,840
215002 Zero Downpayment	25,334
215003 Payment Incentives	7,950
215004 Loan guarantee levels	-22,444
215901 Total loan guarantee levels
Guaranteed loan subsidy (in percent):			
232001 MMI Fund, Section 203(b)	-0.31
232002 Zero Downpayment	-0.91
232003 Payment Incentives	-0.47
232004 Subsidy rate	0.00
232901 Weighted average subsidy rate	0.00
Guaranteed loan subsidy budget authority:			
233001 MMI Fund, Section 203(b)	-63
233002 Zero Downpayment	-231

Credit accounts—ContinuedFEDERAL HOUSING ADMINISTRATION—Continued
(INCLUDING TRANSFERS OF FUNDS)—Continued**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program** (in millions of dollars)—Continued

Identification code 86-0183-2-1-371	2004 actual	2005 est.	2006 est.
233003 Payment Incentives			-37
233004 Subsidy budget authority			
233901 Total subsidy budget authority			-331
Guaranteed loan subsidy outlays:			
234001 MMI Fund, Section 203(b)			-63
234002 Zero Downpayment			-231
234003 Payment Incentives			-37
234004 Subsidy outlays			
234901 Total subsidy outlays			-331

FHA—MUTUAL MORTGAGE INSURANCE DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4242-0-3-371	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct loans		50	50
00.02 Interest paid to Treasury		2	2
00.03 Claims & other		4	4
10.00 Total new obligations		56	56
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3	3	
22.00 New financing authority (gross)		105	105
22.60 Portion applied to repay debt		-52	-49
23.90 Total budgetary resources available for obligation	3	56	56
23.95 Total new obligations		-56	-56
24.40 Unobligated balance carried forward, end of year	3		
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow		50	50
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)		55	55
70.00 Total new financing authority (gross)		105	105
Change in obligated balances:			
73.10 Total new obligations		56	56
73.20 Total financing disbursements (gross)		-56	-56
87.00 Total financing disbursements (gross)		56	56
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25 Interest on uninvested funds		-1	-1
88.40 Repayment of principal		-50	-50
88.40 Repayment of interest		-4	-4
88.90 Total, offsetting collections (cash)		-55	-55
Net financing authority and financing disbursements:			
89.00 Financing authority		50	50
90.00 Financing disbursements		1	1

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

The \$50 million in 2006 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	2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	50	50	50
1142 Unobligated direct loan limitation (-)	-50		
1150 Total direct loan obligations		50	50
Cumulative balance of direct loans outstanding:			
1231 Disbursements: Direct loan disbursements		50	50
1251 Repayments: Repayments and prepayments		-50	-50

Balance Sheet (in millions of dollars)

Identification code 86-4242-0-3-371	2003 actual	2004 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	3	3
Net value of assets related to post-1991 direct loans receivable:		
1405 Allowance for subsidy cost (-)	-3	-3
1499 Net present value of assets related to direct loans	-3	-3
1999 Total assets		

FHA—MUTUAL MORTGAGE INSURANCE GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4587-0-3-371	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Loan guarantee default claim payments	7,282	5,941	5,397
00.02 Other capital investment & operating expenses	509	992	753
00.08 Interest payments to Treasury	604	695	304
00.91 Subtotal, capital/operating expenses	8,395	7,628	6,454
Negative Subsidy Activity:			
08.01 Payment of negative subsidy to capital reserve for new business	2,660	2,121	1,536
08.02 Reestimate of loan guarantee subsidy (downward reestimates)		23	
08.04 Interest on reestimates of loan guarantee subsidy		31	
08.91 Direct Program by Activities—Subtotal (1 level)	2,660	2,175	1,536
10.00 Total new obligations	11,056	9,803	7,990
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	308	3,458	3,193
22.00 New financing authority (gross)	18,495	11,038	7,137
22.10 Resources available from recoveries of prior year obligations	11		
22.60 Portion applied to repay debt	-4,300	-1,500	-2,000
23.90 Total budgetary resources available for obligation	14,514	12,996	8,330
23.95 Total new obligations	-11,056	-9,803	-7,990
24.40 Unobligated balance carried forward, end of year	3,458	3,193	340
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	3,000	349	237

Spending authority from offsetting collections:			
Discretionary:			
68.00	Offsetting collections (cash)	8,333	8,295 6,900
68.10	Change in uncollected customer payments from Federal sources (unexpired)	133	
68.90	Spending authority from offsetting collections (total discretionary)	8,466	8,295 6,900
Mandatory:			
69.00	Offsetting collections (cash)	7,029	2,394
70.00	Total new financing authority (gross)	18,495	11,038 7,137
Change in obligated balances:			
72.40	Obligated balance, start of year	832	840 1,335
73.10	Total new obligations	11,056	9,803 7,990
73.20	Total financing disbursements (gross)	-10,904	-9,308 -7,638
73.45	Recoveries of prior year obligations	-11	
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-133	
74.40	Obligated balance, end of year	840	1,335 1,687
87.00	Total financing disbursements (gross)	10,904	9,308 7,638
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00	Transfer of Reestimates from reserves in Capital Reserve account	-7,029	-2,394
88.00	Federal sources	133	
88.25	Interest on uninvested funds	-345	-9 -21
88.40	Fees and premiums	-2,901	-2,766 -2,832
88.40	Recoveries on defaults	-5,220	-5,520 -4,047
88.90	Total, offsetting collections (cash)	-15,362	-10,689 -6,900
Against gross financing authority only:			
88.95	Change in receivables from program accounts	-133	
Net financing authority and financing disbursements:			
89.00	Financing authority	3,000	349 237
90.00	Financing disbursements	-4,458	-1,381 738

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4587-0-3-371			
	2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on commitments:			
2111	Limitation on guaranteed loans made by private lenders	185,000	185,000 185,000
2142	Uncommitted loan guarantee limitation	-77,301	-68,450 -94,664
2150	Total guaranteed loan commitments	107,699	116,550 90,336
2199	Guaranteed amount of guaranteed loan commitments	107,699	116,550 90,336
Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year	382,234	364,285 411,085
2231	Disbursements of new guaranteed loans	107,699	116,550 90,336
2251	Repayments and prepayments	-118,366	-63,808 -55,316
Adjustments:			
2261	Terminations for default that result in loans receivable	-695	-739 -801
2262	Terminations for default that result in acquisition of property	-6,459	-5,132 -4,549
2263	Terminations for default that result in claim payments	-128	-71 -64
2290	Outstanding, end of year	364,285	411,085 440,691
Memorandum:			
2299	Guaranteed amount of guaranteed loans outstanding, end of year	364,285	411,085 440,691
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310	Outstanding, start of year	232	410 1,181
2331	Disbursements for guaranteed loan claims	695	771 801
2351	Repayments of loans receivable	-517	
2390	Outstanding, end of year	410	1,181 1,982

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			
	2003 actual ¹	2004 actual	
ASSETS:			
Federal assets:			
1101	Fund balances with Treasury	1,140	4,298
Investments in US securities:			
1106	Receivables, net	7,029	2,362
Non-Federal assets:			
1201	Investments in non-Federal securities, net	116	116
1206	Receivables, net	258	308
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:			
1501	Defaulted guaranteed loans receivable, gross	232	410
1502	Interest receivable		2
1504	Foreclosed property	2,773	2,095
1505	Allowance for subsidy cost	-841	-993
1599	Net value of assets related to defaulted guaranteed loan	2,164	1,514
1901	Other Federal assets: Other assets	353	485
1999	Total assets	11,060	9,083
LIABILITIES:			
Federal liabilities:			
2101	Accounts payable		54
2103	Federal liabilities, Debt	8,135	6,835
Non-Federal liabilities:			
2201	Accounts payable	642	610
2204	Liabilities for loan guarantees	2,008	1,316
2207	Other	275	268
2999	Total liabilities	11,060	9,083
4999	Total liabilities and net position	11,060	9,083

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-4587-2-3-371			
	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01	Loan guarantee default claim payments		17
00.08	Interest payments to Treasury		18
00.91	Subtotal, capital/operating expenses		35
Negative Subsidy Activity:			
08.01	Payment of negative subsidy to capital reserve for new business		331
10.00	Total new obligations		366
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year		
22.00	New financing authority (gross)		790
23.90	Total budgetary resources available for obligation		790
23.95	Total new obligations		-366
24.40	Unobligated balance carried forward, end of year		424
New financing authority (gross), detail:			
Discretionary:			
68.00	Spending authority from offsetting collections (gross): Offsetting collections (cash)		790
Change in obligated balances:			
73.10	Total new obligations		366
73.20	Total financing disbursements (gross)		-366
87.00	Total financing disbursements (gross)		366
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.40	Fees and premiums from MMI		217
88.40	Fees and premiums from Zero Downpayment		-760
88.40	Fees and premiums from Payment Incentives		-239
88.40	Recoveries on defaults		-8

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

Identification code 86-4587-2-3-371	2004 actual	2005 est.	2006 est.
88.90 Total, offsetting collections (cash)			-790
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements			-424

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4587-2-3-371	2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders			
2142 Uncommitted loan guarantee limitation			22,444
2150 Total guaranteed loan commitments			22,444
2199 Guaranteed amount of guaranteed loan commitments			-10,840
2199 Guaranteed amount of guaranteed loan commitments			25,334
2199 Guaranteed amount of guaranteed loan commitments			7,950
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year			
2231 Disbursements of new guaranteed loans			-10,840
2231 Disbursements of new guaranteed loans			25,334
2231 Disbursements of new guaranteed loans			7,950
2251 Repayments and prepayments			
2251 Repayments and prepayments			
2251 Repayments and prepayments			
Adjustments:			
2262 Terminations for default that result in acquisition of property			3
2262 Terminations for default that result in acquisition of property			-15
2262 Terminations for default that result in acquisition of property			-5
2290 Outstanding, end of year			22,427
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year			22,427

FHA—MUTUAL MORTGAGE INSURANCE CAPITAL RESERVE ACCOUNT**Program and Financing (in millions of dollars)**

Identification code 86-0236-0-1-371	2004 actual	2005 est.	2006 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	26,183	23,520	24,607
22.00 New budget authority (gross)	3,783	3,469	2,790
22.21 Unobligated balance transferred to other accounts	-7,029	-2,394	
22.22 Unobligated balance transferred from other accounts	583	12	
23.90 Total budgetary resources available for obligation	23,520	24,607	27,397
24.40 Unobligated balance carried forward, end of year	23,520	24,607	27,397
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	3,812	3,469	2,790
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-29		
69.90 Spending authority from offsetting collections (total mandatory)	3,783	3,469	2,790
Change in obligated balances:			
72.40 Obligated balance, start of year	-277	-248	-248
74.00 Change in uncollected customer payments from Federal sources (unexpired)	29		
74.40 Obligated balance, end of year	-248	-248	-248

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources—negative subsidy from new business	-2,660	-2,121	-1,536
88.00 Federal sources—downward reestimates		-56	
88.20 Interest on Federal securities	-1,152	-1,292	-1,254
88.90 Total, offsetting collections (cash)	-3,812	-3,469	-2,790
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	29		

Net budget authority and outlays:

89.00 Budget authority			
90.00 Outlays	-3,812	-3,469	-2,790

Memorandum (non-add) entries:

92.01 Total investments, start of year: Federal securities:			
Par value	23,819	23,321	27,721
92.02 Total investments, end of year: Federal securities:			
Net	23,321	27,721	30,324

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	2004 actual	2005 est.	2006 est.
Budget Authority			
Outlays	-3,812	-3,469	-2,790
Legislative proposal, not subject to PAYGO:			
Budget Authority			
Outlays			-349
Total:			
Budget Authority			
Outlays	-3,812	-3,469	-3,139

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

Balance Sheet (in millions of dollars)

Identification code 86-0236-0-1-371	2003 actual	2004 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	2,421	301
Investments in US securities:		
1102 Treasury securities, net	23,701	23,178
1106 Receivables, net	277	302
1999 Total assets	26,399	23,781
LIABILITIES:		
2101 Federal liabilities: Accounts payable	7,029	2,362
2999 Total liabilities	7,029	2,362
NET POSITION:		
3300 Cumulative results of operations	19,370	21,419
3999 Total net position	19,370	21,419
4999 Total liabilities and net position	26,399	23,781

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-0236-2-1-371	2004 actual	2005 est.	2006 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year			
22.00 New budget authority (gross)			349
23.90 Total budgetary resources available for obligation			349
24.40 Unobligated balance carried forward, end of year			349

New budget authority (gross), detail:			
Mandatory:			
69.00	Offsetting collections (cash)		349
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00	Federal sources—negative subsidy from MMI, Sec 203(b)		-63
88.00	Federal sources—downward reestimates		
88.00	Federal sources—negative subsidy from Pay- ment Incentives		-231
88.00	Federal sources—negative subsidy from Pay- ment Incentives		-37
88.20	Interest on Federal securities		-18
88.90	Total, offsetting collections (cash)		-349
Net budget authority and outlays:			
89.00	Budget authority		
90.00	Outlays		-349
Memorandum (non-add) entries:			
92.01	Total investments, start of year: Federal securities: Par value		
92.02	Total investments, end of year: Federal securities: Net		333

88.90	Total, offsetting collections (cash)	-138	-138	-50
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	168	-10	-10

Status of Direct Loans (in millions of dollars)				
Identification code 86-4070-0-3-371				
2004 actual 2005 est. 2006 est.				
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	1	2	2
1264	Write-offs for default: Other adjustments, net	1		
1290	Outstanding, end of year	2	2	2

Status of Guaranteed Loans (in millions of dollars)				
Identification code 86-4070-0-3-371				
2004 actual 2005 est. 2006 est.				
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	24,952	19,392	14,858
2251	Repayments and prepayments	-5,452	-4,420	-3,421
Adjustments:				
2261	Terminations for default that result in loans receiv- able	-1		
2262	Terminations for default that result in acquisition of property	-107	-114	-53
2263	Terminations for default that result in claim pay- ments			
2290	Outstanding, end of year	19,392	14,858	11,384

Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	19,392	14,858	11,384

Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	1		
2331	Disbursements for guaranteed loan claims	1		
2351	Repayments of loans receivable			
2361	Write-offs of loans receivable	-1		
2364	Other adjustments, net	-1		
2390	Outstanding, end of year			

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

Program and Financing (in millions of dollars)

Identification code 86-4070-0-3-371				
2004 actual 2005 est. 2006 est.				
Obligations by program activity:				
01.03	Acquisition of real properties	107	118	30
01.04	Acquisition of notes	1		
01.07	Capitalized expenses	16	16	16
01.08	Loss mitigation activities	5	4	4
01.91	Total capital investment	129	138	50
02.02	Other Operation expenses	-2		
10.00	Total new obligations	127	138	50
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	583	12	
22.00	New budget authority (gross)	138	138	50
22.10	Resources available from recoveries of prior year obli- gations	1		
22.21	Unobligated balance transferred to other accounts	-583	-12	
23.90	Total budgetary resources available for obligation	139	138	50
23.95	Total new obligations	-127	-138	-50
24.40	Unobligated balance carried forward, end of year	12		
New budget authority (gross), detail:				
Mandatory:				
69.00	Offsetting collections (cash)	138	138	50
Change in obligated balances:				
72.40	Obligated balance, start of year	456	276	286
73.10	Total new obligations	127	138	50
73.20	Total outlays (gross)	-306	-128	-40
73.45	Recoveries of prior year obligations	-1		
74.40	Obligated balance, end of year	276	286	296
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	138	138	50
86.98	Outlays from mandatory balances	168	-10	-10
87.00	Total outlays (gross)	306	128	40
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.40	Fees and premiums	-3	-13	-9
88.40	Proceeds from sale of real property	-131	-125	-41
88.40	Recoveries on defaulted mortgages	-3		
88.40	Other	-1		

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

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

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

This liquidating account records, for this program, all cash flows to and from the Government resulting from MMI/CMHI loans insured prior to 1992 and is shown on a cash basis. All new activity in this program in 1992 and thereafter (including modifications of loans insured in any year) is recorded in the corresponding program (86-0183) and financing (86-4587 and 86-4242) accounts.

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

Credit accounts—Continued

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

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)

Mortgage insurance written (in fiscal year):	2004 actual	2005 est.	2006 est.
Units	925,702	1,024,857	950,343
Amount (in millions of dollars)	\$107,699	\$116,550	\$112,780
Insurance maintenance: Outstanding balance of insurance in force, end of year:			
Mortgage insurance (in millions of dollars)	\$364,285	\$411,085	\$440,691

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

Balance Sheet (in millions of dollars)

Identification code 86–4070–0–3–371	2003 actual ¹	2004 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	1,038	288
Non-Federal assets:		
1206 Receivables, net	26	26
1207 Advances and prepayments	5	
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:		
1699 Value of assets related to direct loans		
1701 Defaulted guaranteed loans, gross	9	9
1702 Interest receivable	16	
1703 Allowance for estimated uncollectible loans and interest (–)	–4	–2
1704 Defaulted guaranteed loans and interest receivable, net	21	7
1706 Foreclosed property	33	13
1799 Value of assets related to loan guarantees ..	54	20
1901 Other Federal assets: Other assets		2
1999 Total assets	1,123	336
LIABILITIES:		
Non-Federal liabilities:		
2201 Accounts payable	425	236
2204 Liabilities for loan guarantees	111	85
2207 Unearned revenue and advances, and other	206	150
2999 Total liabilities	742	471
NET POSITION:		
3300 Cumulative results of operations	381	–135
3999 Total net position	381	–135
4999 Total liabilities and net position	1,123	336

¹ Estimated result on GAAP basis pending final audit.

Object Classification (in millions of dollars)

Identification code 86–4070–0–3–371	2004 actual	2005 est.	2006 est.
25.2 Other services	–2		
32.0 Land and structures	123	134	46
33.0 Investments and loans	1		
42.0 Insurance claims and indemnities	5	4	4
99.9 Total new obligations	127	138	50

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, [\$10,000,000] \$8,800,000, to remain available until expended: *Provided*, That [these funds are available to subsidize] *commitments to guarantee loans shall not exceed \$35,000,000,000 in total loan principal, any part of which is to be guaranteed* [, of up to \$35,000,000,000].

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

In addition, for administrative expenses necessary to carry out the guaranteed and direct loan programs, [\$227,767,000] \$231,400,000, of which [\$207,767,000] \$211,400,000 shall be transferred to the appropriation for “Salaries and [expenses] *Expenses*”; and of which \$20,000,000 shall be transferred to the appropriation for “Office of Inspector General”.

In addition, for administrative contract expenses necessary to carry out the guaranteed and direct loan programs, [\$86,000,000] \$71,900,000, of which [\$9,600,000] \$10,800,000 shall be transferred to the Working Capital Fund: *Provided*, That to the extent guaranteed loan commitments exceed [\$8,426,000,000] \$8,426,000,000 on or before April 1, [2005] 2006, an additional \$1,980 for administrative contract expenses shall be available for each \$1,000,000 in additional guaranteed loan commitments over \$8,426,000,000 (including a pro rata amount for any increment below \$1,000,000), but in no case shall funds made available by this proviso exceed \$14,400,000.

(RESCISSION)

[Of the unobligated balances remaining from credit subsidy appropriated in fiscal year 2004 and prior years under the heading “General and special risk program account”, \$30,000,000 are rescinded.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2005.*)

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 86–0200–0–1–371	2004 actual	2005 est.	2006 est.
0101 Negative subsidies/subsidy reestimates	281	190	357
0102 Negative subsidies/subsidy reestimates	138	208	

Program and Financing (in millions of dollars)

Identification code 86–0200–0–1–371	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.02 Guaranteed loan subsidy	4	10	9
00.07 Reestimate of credit subsidy	451	634	
00.08 Interest on reestimates of loan guarantee subsidy	66	133	
00.09 Administrative expenses, salaries & expenses transfer	228	226	231
00.10 Administrative contract expenses	68	85	72
10.00 Total new obligations	817	1,088	312
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	65	77	47
22.00 New budget authority (gross)	853	1,058	312
23.90 Total budgetary resources available for obligation	918	1,135	359
23.95 Total new obligations	–817	–1,088	–312
23.98 Unobligated balance expiring or withdrawn	–25		
24.40 Unobligated balance carried forward, end of year	77	47	47

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	338	324	312
40.35 Appropriation permanently reduced (across-the-board rescission)	–2	–3	
40.36 Unobligated balance permanently reduced (rescission)		–30	

43.00	Appropriation (total discretionary)	336	291	312
	Mandatory:			
60.00	Appropriation	517	767	.....
70.00	Total new budget authority (gross)	853	1,058	312

Change in obligated balances:

72.40	Obligated balance, start of year	87	91	63
73.10	Total new obligations	817	1,088	312
73.20	Total outlays (gross)	-810	-1,116	-316
73.40	Adjustments in expired accounts (net)	-3		
74.40	Obligated balance, end of year	91	63	59

Outlays (gross), detail:

86.90	Outlays from new discretionary authority	248	300	295
86.93	Outlays from discretionary balances	45	49	21
86.97	Outlays from new mandatory authority	517	767	.....
87.00	Total outlays (gross)	810	1,116	316

Net budget authority and outlays:

89.00	Budget authority	853	1,058	312
90.00	Outlays	810	1,116	316

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

Identification code 86-0200-0-1-371	2004 actual	2005 est.	2006 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Single-family PMMs		2	2
115002 Multifamily bridge loans		2	2
115003 Unused Limitation Authority	50	46	46
115901 Total direct loan levels	50	50	50
Direct loan subsidy (in percent):			
132001 Single-family PMMs	0.00	0.00	0.00
132002 Multifamily bridge loans	0.00	0.00	0.00
132003 Unused Limitation Authority	0.00	0.00	0.00
132901 Weighted average subsidy rate	0.00	0.00	0.00
Direct loan subsidy budget authority:			
133001 Single-family PMMs			
133002 Multifamily bridge loans			
133003 Unused Limitation Authority			
133901 Total subsidy budget authority			
Direct loan subsidy outlays:			
134001 Single-family PMMs			
134002 Multifamily bridge loans			
134003 Unused Limitation Authority			
134901 Total subsidy outlays			
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Apartments NC/SC	1,701	2,500	2,600
215003 221d3 NP/Coop owned apts	11	50	52
215004 Tax Credits NC	1,079	1,100	1,100
215005 Mixed Income (Hope d4)			
215006 Apartments Refinance	2,270	2,300	2,300
215007 241a Supplemental Loans for Apts	3	10	10
215008 Operating Loss Loans for Apts (plus 232)	4	4	4
215009 HFA Risk Sharing	260	400	416
215012 GSE Risk Sharing	17	50	52
215013 FHA Full Insurance for Health Care Facilities (plus 241/232)	271	525	546
215014 Health Care Refinances	1,285	1,300	1,300
215015 Hospitals	1,313	600	600
215016 Other Rental (incl 207(mhp),220,231)	198	400	416
215017 Section 234: Condominiums	14,585	11,190	7,266
215018 Section 203(k): Rehabilitation Mortgages	659	632	589
215019 Title 1 Property Improvement	68	98	99
215020 Title 1 Manufactured Housing	69	110	110
215021 Home Equity Conversion Mortgages			3,552
215022 Standby Authority	5,207	13,731	13,988
215901 Total loan guarantee levels	29,000	35,000	35,000
Guaranteed loan subsidy (in percent):			
232001 Apartments NC/SC	-0.62	-0.03	-0.18
232003 221d3 NP/Coop owned apts	5.35	10.58	9.74
232004 Tax Credits NC	-1.59	-4.45	-3.54
232005 Mixed Income (Hope d4)	0.00	0.00	0.00
232006 Apartments Refinance	-2.13	-2.46	-1.84
232007 241a Supplemental Loans for Apts	8.60	6.22	5.43

232008 Operating Loss Loans for Apts (plus 232)	17.84	16.45	15.89
232009 HFA Risk Sharing	-1.67	-0.79	-0.67
232012 GSE Risk Sharing	-1.08	-1.04	-0.83
232013 FHA Full Insurance for Health Care Facilities (plus 241/232)	-0.22	-0.06	-0.76
232014 Health Care Refinances	-1.28	-1.80	-1.26
232015 Hospitals	-3.33	-2.02	-1.76
232016 Other Rental (incl 207(mhp),220,231)	-0.08	-0.40	-0.73
232017 Section 234: Condominiums	-1.03	-0.40	-2.19
232018 Section 203(k): Rehabilitation Mortgages	-0.02	0.59	-1.12
232019 Title 1 Property Improvement	1.86	1.92	1.79
232020 Title 1 Manufactured Housing	-0.14	0.12	1.10
232021 Home Equity Conversion Mortgages	0.00	0.00	-1.74
232901 Weighted average subsidy rate	-1.00	-0.51	-0.98
Guaranteed loan subsidy budget authority:			
233001 Apartments NC/SC	-11	-1	-5
233003 221d3 NP/Coop owned apts	1	5	5
233004 Tax Credits NC	-17	-49	-39
233005 Mixed Income (Hope d4)			
233006 Apartments Refinance	-48	-57	-42
233007 241a Supplemental Loans for Apts		1	1
233008 Operating Loss Loans for Apts (plus 232)	1	1	1
233009 HFA Risk Sharing	-4	-3	-3
233012 GSE Risk Sharing		-1	
233013 FHA Full Insurance for Health Care Facilities (plus 241/232)	-1		-4
233014 Health Care Refinances	-16	-23	-16
233015 Hospitals	-44	-12	-11
233016 Other Rental (incl 207(mhp),220,231)		-2	-3
233017 Section 234: Condominiums	-150	-45	-159
233018 Section 203(k): Rehabilitation Mortgages		4	-7
233019 Title 1 Property Improvement	1	2	2
233020 Title 1 Manufactured Housing			1
233021 Home Equity Conversion Mortgages			-62
233022 Standby authority	12		
233901 Total subsidy budget authority	-276	-180	-341
Guaranteed loan subsidy outlays:			
234001 Apartments NC/SC	-9	-3	-4
234003 221d3 NP/Coop owned apts		4	5
234004 Tax Credits NC	-26	-41	-41
234005 Mixed Income (Hope d4)			
234006 Apartments Refinance	-54	-55	-46
234007 241a Supplemental Loans for Apts	1	1	1
234008 Operating Loss Loans for Apts (plus 232)	1	1	1
234009 HFA Risk Sharing	-4	-3	-3
234012 GSE Risk Sharing			
234013 FHA Full Insurance for Health Care Facilities (plus 241/232)	-7		-3
234014 Health Care Refinances	-18	-22	-18
234015 Hospitals	-12	-20	-11
234016 Other Rental (incl 207(mhp),220,231)		-1	-3
234017 Section 234: Condominiums	-151	-45	-159
234018 Section 203(k): Rehabilitation Mortgages		4	-7
234019 Title 1 Property Improvement	1	2	2
234020 Title 1 Manufactured Housing			1
234021 Home Equity Conversion Mortgages			-62
234901 Total subsidy outlays	-278	-178	-347
Guaranteed loan upward reestimate subsidy budget authority:			
235024 General and Special Risk	517	767	.....
235901 Total upward reestimate budget authority	517	767	.....
Guaranteed loan downward reestimate subsidy budget authority:			
237024 General and Special Risk	-138	-208	.....
237901 Total downward reestimate subsidy budget authority	-138	-208	.....
Administrative expense data:			
351001 Budget authority, S&E Transfer	228	226	231
351001 Budget authority	93	85	82
358001 Outlays from balances	42	48	19
359001 Outlays from new authority	248	293	289

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

As required by the Federal Credit Reform Act of 1990, this account records, for the single family, multifamily, hospital, and Title I insurance programs of FHA's General Insurance and Special Risk Insurance Funds, the subsidy costs associated with the loan guarantees committed or direct loans

Credit accounts—Continued**GENERAL AND SPECIAL RISK PROGRAM ACCOUNT—Continued****[(RESCISSION)]—Continued**

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.

For 2006, the annual premium for mortgage guarantees under the tax credit and apartment refinance risk categories will be reduced to 45 basis points, matching the rate for the Sec. 221(d)(4) new construction/substantial rehabilitation apartment development program.

Object Classification (in millions of dollars)

Identification code 86-0200-0-1-371	2004 actual	2005 est.	2006 est.
25.1 Advisory and assistance services	51	75	61
25.2 Other services	17	10	11
25.3 Other purchases of goods and services from Government accounts	228	226	231
41.0 Grants, subsidies, and contributions	521	777	9
99.9 Total new obligations	817	1,088	312

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

Identification code 86-4077-0-3-371	2004 actual	2005 est.	2006 est.
Capital investment, claims and other:			
Capital investment, claims and other:			
00.01 Default claims and other	1,098	1,509	1,517
00.05 Interest paid to Treasury	67	100	102
00.08 Asset sale negative subsidy payment to the receipt account		80	20
00.14 Contract Costs	34	20	20
00.91 Direct Program by Activities—Subtotal (1 level)	1,199	1,709	1,659
08.01 Payment of negative subsidy to receipt account	339	190	357
08.02 Downward subsidy rate reestimate	99	127	
08.04 Interest on subsidy rate reestimates	40	81	
08.91 Direct Program by Activities—Subtotal (1 level)	478	398	357
10.00 Total new obligations	1,677	2,107	2,016
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	751	1,147	1,240
22.00 New financing authority (gross)	2,072	2,200	1,425
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	2,824	3,347	2,665
23.95 Total new obligations	-1,677	-2,107	-2,016
24.40 Unobligated balance carried forward, end of year	1,147	1,240	649
New financing authority (gross), detail:			
Discretionary:			
47.00 Authority to borrow	400	400	400
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	1,423	2,100	1,325
68.10 Change in uncollected customer payments from Federal sources (unexpired)	-9		
68.47 Portion applied to repay debt	-259	-300	-300
68.90 Spending authority from offsetting collections (total discretionary)	1,155	1,800	1,025
Mandatory:			
69.00 Offsetting collections (cash)	517		
70.00 Total new financing authority (gross)	2,072	2,200	1,425
Change in obligated balances:			
72.40 Obligated balance, start of year	108	285	884

73.10 Total new obligations	1,677	2,107	2,016
73.20 Total financing disbursements (gross)	-1,508	-1,508	-1,508
73.45 Recoveries of prior year obligations	-1		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	9		
74.40 Obligated balance, end of year	285	884	1,392
87.00 Total financing disbursements (gross)	1,508	1,508	1,508

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from program account	-3	-9	-9
88.00 Repayment of principal and interest from liquidating account	-15	-15	-15
88.00 Subsidy reestimate from program account	-517	-767	
88.00 Federal resources—other			
88.25 Interest on uninvested funds	-93	-95	-95
88.40 Fees and premiums	-588	-434	-467
88.40 Recoveries on defaulted mortgages	-145	-70	-99
88.40 Title I recoveries	-28	-3	-2
88.40 Single family property recoveries	-251	-395	-332
88.40 Gross Proceeds from sale of mortgage notes (liquidating)		-80	-20
88.40 Gross Proceeds from Mortgage Note Sales	-267	-199	-183
88.40 Multifamily property recoveries	-1		-3
88.40 Non-Federal Resources-other	-33	-33	-100
88.90 Total, offsetting collections (cash)	-1,941	-2,100	-1,325
Against gross financing authority only:			
88.95 Change in receivables from program accounts	9		
88.96 Portion of offsetting collections (cash) credited to expired accounts	1		

Net financing authority and financing disbursements:

89.00 Financing authority	141	100	100
90.00 Financing disbursements	-432	-592	183

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4077-0-3-371	2004 actual ¹	2005 est.	2006 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	29,000	35,000	35,000
2142 Uncommitted loan guarantee limitation	-5,207	-13,731	-13,988
2150 Total guaranteed loan commitments	23,793	21,269	21,012
2199 Guaranteed amount of guaranteed loan commitments	23,793	21,269	21,012
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	72,048	78,257	84,272
2231 Disbursements of new guaranteed loans	24,379	20,511	23,440
2251 Repayments and prepayments	-17,072	-12,985	-16,936
Adjustments:			
2261 Terminations for default that result in loans receivable	-736	-1,049	-1,122
2262 Terminations for default that result in acquisition of property	-306	-389	-333
2263 Terminations for default that result in claim payments	-56	-73	-62
2290 Outstanding, end of year	78,257	84,272	89,259
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	78,257	84,272	89,259
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	584	704	1,481
2331 Disbursements for guaranteed loan claims	736	1,049	1,122
2351 Repayments of loans receivable	-440	-272	-284
2361 Write-offs of loans receivable	-176		
2390 Outstanding, end of year	704	1,481	2,319

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

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

Balance Sheet (in millions of dollars)

Identification code 86-4077-0-3-371	2003 actual	2004 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	859	1,432
Investments in US securities:		
1106 Receivables, net	531	767
Non-Federal assets:		
1201 Investments in non-Federal securities, net	4	4
1206 Receivables, net	24	17
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:		
1501 Defaulted guaranteed loans receivable, gross	584	704
1502 Interest receivable	48	73
1504 Foreclosed property	420	394
1505 Allowance for subsidy cost	-685	-682
1599 Net value of assets related to defaulted guaranteed loan	367	489
1901 Other Federal assets: Other assets	9	-12
1999 Total assets	1,794	2,697
LIABILITIES:		
Federal liabilities:		
2101 Accounts payable Intragovernmental	138	208
2103 Debt	660	800
2105 Other Federal Liabilities		87
Non-Federal liabilities:		
2201 Accounts payable	85	36
2202 Interest payable	9	12
2203 Non Federal Debt		34
2204 Liabilities for loan guarantees	809	1,409
2207 Other	93	111
2999 Total liabilities	1,794	2,697
4999 Total liabilities and net position	1,794	2,697

FHA—GENERAL AND SPECIAL RISK DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4105-0-3-371	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct loans		3	3
00.02 Interest paid to Treasury		1	1
10.00 Total new obligations		4	4
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year			-1
22.00 New financing authority (gross)		3	3
23.90 Total budgetary resources available for obligation		3	2
23.95 Total new obligations		-4	-4
24.40 Unobligated balance carried forward, end of year		-1	-2
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow		3	3
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)		4	4
68.47 Portion applied to repay debt		-4	-4
68.90 Spending authority from offsetting collections (total discretionary)			
70.00 Total new financing authority (gross)		3	3
Change in obligated balances:			
73.10 Total new obligations		4	4

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

Net financing authority and financing disbursements:

89.00	Financing authority	-1	-1
90.00	Financing disbursements		

Status of Direct Loans (in millions of dollars)

Identification code 86-4105-0-3-371	2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans	50	50
1142	Unobligated direct loan limitation (-)	-50	-47
1150	Total direct loan obligations		3
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	2	2
1231	Disbursements: Direct loan disbursements		3
1251	Repayments: Repayments and prepayments		-4
1290	Outstanding, end of year	2	1

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and thereafter (including 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	2003 actual	2004 actual
ASSETS:		
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	2	2
1499 Net present value of assets related to direct loans	2	2
1999 Total assets	2	2
LIABILITIES:		
Federal liabilities:		
2103 Treasury borrowing	1	1
2104 Resources payable to Treasury	1	1
2999 Total liabilities	2	2
4999 Total liabilities and net position	2	2

FHA—LOAN GUARANTEE RECOVERY FUND—FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4106-0-3-371	2004 actual	2005 est.	2006 est.
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	3	5

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

Identification code 86-4106-0-3-371	2004 actual	2005 est.	2006 est.
22.00 New financing authority (gross)	1	1	
23.90 Total budgetary resources available for obligation	4	6	6
24.40 Unobligated balance carried forward, end of year	5	6	6
New financing authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	1	1	
Change in obligated balances:			
72.40 Obligated balance, start of year		-1	-1
74.40 Obligated balance, end of year	-1	-1	-1
Offsets:			
Against gross financing authority and financing disbursements:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-1	-1	
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements	-1	-1	

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4106-0-3-371	2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders			
2121 Limitation available from carry-forward	3	2	
2143 Uncommitted limitation carried forward	-2		
2150 Total guaranteed loan commitments	1	2	
2199 Guaranteed amount of guaranteed loan commitments	1	2	
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	5	6	5
2231 Disbursements of new guaranteed loans	2	2	
2251 Repayments and prepayments	-1	-3	-3
2290 Outstanding, end of year	6	5	2
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	6	5	2

Balance Sheet (in millions of dollars)

Identification code 86-4106-0-3-371	2003 actual	2004 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury		4
Investments in US securities:		
1102 Treasury securities, par	3	
1999 Total assets	3	4
LIABILITIES:		
2204 Non-Federal liabilities: Liabilities for loan guarantees	3	4
2999 Total liabilities	3	4
4999 Total liabilities and net position	3	4

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

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

Identification code 86-4072-0-3-371	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
Operating expenses:			
00.02 Interest on debentures	27	30	30
00.03 Other operating costs	1	5	5
00.06 PAE & 3rd party restructuring fees	25	25	25
00.91 Total operating expenses	53	60	60
Capital investment: Claims and other:			
01.01 Acquisition of defaulted Title I notes	1	1	1
01.02 Assignment of mortgages	31	54	40
01.03 Debenture Claims	70		
01.04 Mark-To-Market Restructures	582	484	172
01.05 Acquisition of real properties	8	2	1
01.10 Capitalized Expenses	26	34	30
01.11 Escrow Advances	176	125	105
01.12 Upfront Grants	64	100	100
01.13 Other	7	7	7
01.14 M&M Contract	3	3	3
01.16 Payment to the Financing Account-Asset Sale		80	20
01.91 Total capital investment	968	890	479
10.00 Total new obligations	1,021	950	539
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	84	137	
22.00 New budget authority (gross)	1,337	1,450	1,039
22.10 Resources available from recoveries of prior year obligations	31		
22.40 Capital transfer to general fund	-84	-137	
22.60 Portion applied to repay debt	-210	-500	-500
23.90 Total budgetary resources available for obligation	1,158	950	539
23.95 Total new obligations	-1,021	-950	-539
24.40 Unobligated balance carried forward, end of year	137		
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	724	462	183
67.10 Authority to borrow	130	500	500
69.00 Offsetting collections (cash)	483	488	356
70.00 Total new budget authority (gross)	1,337	1,450	1,039
Change in obligated balances:			
72.40 Obligated balance, start of year	600	543	236
73.10 Total new obligations	1,021	950	539
73.20 Total outlays (gross)	-1,047	-1,257	-642
73.45 Recoveries of prior year obligations	-31		
74.40 Obligated balance, end of year	543	236	133
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	1,047	713	404
86.98 Outlays from mandatory balances		544	238
87.00 Total outlays (gross)	1,047	1,257	642
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.40 Fees and premiums	-45	-70	-65
88.40 Proceeds from sale of real property	-12	-9	-8
88.40 Proceeds from sale of mortgage notes	-142	-124	-110
88.40 Foreclosure Sale	-209	-35	
88.40 Recoveries on defaulted mortgages	-55	-174	-95
88.40 Interest, dividends and revenue	-20	-50	-50
88.40 Other collections		-26	-28
88.90 Total, offsetting collections (cash)	-483	-488	-356
Net budget authority and outlays:			
89.00 Budget authority	854	962	683
90.00 Outlays	565	769	286
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities: Par value	4	4	6

92.02 Total investments, end of year: Federal securities:			
Par value	4	6	6

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	2004 actual	2005 est.	2006 est.
Budget Authority	854	962	683
Outlays	564	769	286
Legislative proposal, subject to PAYGO:			
Budget Authority			-100
Outlays			-60
Total:			
Budget Authority	854	962	583
Outlays	564	769	226

Status of Direct Loans (in millions of dollars)

Identification code 86-4072-0-3-371	2004 actual	2005 est.	2006 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	21	20	15
1251 Repayments: Repayments and prepayments	-1	-5	-5
1290 Outstanding, end of year	20	15	10

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4072-0-3-371	2004 actual	2005 est.	2006 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	17,070	12,556	7,476
2251 Repayments and prepayments	-3,822	-4,539	-1,139
Adjustments:			
2261 Terminations for default that result in loans receivable	-684	-539	-213
2262 Terminations for default that result in acquisition of property	-8	-2	-1
2290 Outstanding, end of year	12,556	7,476	6,123
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	12,556	7,476	6,123
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	2,415	2,773	2,754
2331 Disbursements for guaranteed loan claims	684	539	213
2351 Repayments of loans receivable	-209	-175	-95
2361 Write-offs of loans receivable ¹	-134	-383	-6
2364 Other adjustments, net	17		
2390 Outstanding, end of year	2,773	2,754	2,866

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

The Special Risk Insurance fund provides insurance on behalf of mortgagors who otherwise would not be eligible for mortgage insurance. In addition, the fund provides insurance on mortgages covering experimental housing where strict adherence to State or local building regulations was not observed.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from loan guarantees committed and direct loans obligated prior to 1992. This account is shown on a cash basis. New insurance and direct loan activity in 1992 and thereafter in the GI/SRI programs is recorded in corresponding program (86-0200) and financing (86-4077 and 86-4105) accounts.

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

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

Balance Sheet (in millions of dollars)

Identification code 86-4072-0-3-371	2003 actual ¹	2004 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	681	676
Investments in US securities:		
1102 Treasury securities, par	4	4
Non-Federal assets:		
1201 Investments in non-Federal securities, net	2	3
1206 Receivables, net	49	53
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601 Direct loans, gross	21	20
1699 Value of assets related to direct loans	21	20
1701 Defaulted guaranteed loans, gross	2,420	2,773
1702 Interest receivable	145	137
1703 Allowance for estimated uncollectible loans and interest (-)	-886	-914
1704 Defaulted guaranteed loans and interest receivable, net	1,679	1,996
1706 Foreclosed property	9	1
1799 Value of assets related to loan guarantees ..	1,688	1,997
1901 Other Federal assets: Other assets	132	145
1999 Total assets	2,577	2,898
LIABILITIES:		
Federal liabilities:		
2101 Accounts payable	14	
2105 Other Liabilities		47
Non-Federal liabilities:		
2201 Accounts payable	54	-8
2202 Interest payable	16	14
2203 Debt	265	149
2204 Liabilities for loan guarantees	3,323	2,264
2207 Unearned revenue and advances	370	321
2999 Total liabilities	4,042	2,787
NET POSITION:		
3100 Appropriated capital	2,026	1,686
3300 Cumulative results of operations	-3,491	-1,575
3999 Total net position	-1,465	111
4999 Total liabilities and net position	2,577	2,898

¹ Preliminary pending final audit.

Object Classification (in millions of dollars)

Identification code 86-4072-0-3-371	2004 actual	2005 est.	2006 est.
25.2 Other services	29	40	40
32.0 Land and structures	98	137	131
33.0 Investments and loans	860	663	318
43.0 Interest and dividends	34	30	30
44.0 Repayments to financing account		80	20
99.9 Total new obligations	1,021	950	539

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-4072-4-3-371	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
Capital investment: Claims and other:			
01.12 Upfront Grants			-80
10.00 Total new obligations (object class 33.0)			-80
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			-80
23.95 Total new obligations			80

Credit accounts—Continued

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

Program and Financing (in millions of dollars)—Continued

Identification code 86-4072-4-3-371	2004 actual	2005 est.	2006 est.
New budget authority (gross), detail:			
Mandatory:			
60.00			
69.00			
70.00			
Change in obligated balances:			
73.10			
73.20			
Outlays (gross), detail:			
86.97			
Offsets:			
Against gross budget authority and outlays:			
88.40			
Net budget authority and outlays:			
89.00			
90.00			
Memorandum (non-add) entries:			
92.01			
92.02			

Under several statutory provisions, HUD has the authority to remedy problems with the operation and repair of FHA-insured multi-family properties. These authorities allow the use of rehabilitation grants and property sales at prices below their market value for properties in mortgage default. These authorities impose costs on the FHA insurance fund and, as there is little restriction to their use, represent an open-ended liability. This proposal would make several FHA multi-family authorities subject to appropriations. By making their use subject to appropriations, the Administration and Congress will be able to set the level of activity for these authorities and have an opportunity to better control their use. The 2006 Budget lowers spending under these authorities (relative to the current law baseline level) and therefore creates savings.

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4115-0-3-371	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.02			
01.01			
10.00			
Budgetary resources available for obligation:			
21.40			
22.00			
22.10			
22.40			
22.60			
23.90			
23.95			
24.40			

New budget authority (gross), detail:			
Mandatory:			
69.00			
69.47			
69.90			
Change in obligated balances:			
72.40			
73.10			
73.20			
73.45			
74.40			
Outlays (gross), detail:			
86.97			
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00			
88.40			
88.90			
Net budget authority and outlays:			
89.00			
90.00			

Status of Direct Loans (in millions of dollars)

Identification code 86-4115-0-3-371	2004 actual	2005 est.	2006 est.
Cumulative balance of direct loans outstanding:			
1210			
1251			
1264			
1290			

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

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

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

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

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

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

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

Balance Sheet (in millions of dollars)

Identification code 86-4115-0-3-371	2003 actual	2004 actual
ASSETS:		
1101		

Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:			
1601	Direct loans, gross	7,449	6,991
1602	Interest receivable	79	78
1603	Allowance for estimated uncollectible loans and interest (-)	-18	-17
1604	Direct loans and interest receivable, net	7,510	7,052
1606	Acquired Real Property	8	31
1699	Value of assets related to direct loans	7,518	7,083
1999	Total assets	8,237	7,194
LIABILITIES:			
Federal liabilities:			
2102	Interest payable	108	81
2103	Debt	2,640	1,203
2104	Resources payable to Treasury	4,291	4,266
2207	Non-Federal liabilities: Other	17	18
2999	Total liabilities	7,056	5,568
NET POSITION:			
3100	Unexpended Appropriations	19	19
3300	Revolving Fund: Cumulative results of operations	1,162	1,607
3999	Total net position	1,181	1,626
4999	Total liabilities and net position	8,237	7,194

Object Classification (in millions of dollars)

Identification code 86-4115-0-3-371	2004 actual	2005 est.	2006 est.
32.0 Land and structures		5	5
43.0 Interest and dividends	164	161	161
99.9 Total new obligations	164	166	166

MANUFACTURED HOUSING FEES TRUST FUND

Unavailable Receipts (in millions of dollars)

Identification code 86-8119-0-7-376	2004 actual	2005 est.	2006 est.
Receipts:			
02.00 Mobile home inspection and monitoring fees, Manufactured housing	9	13	13
Appropriations:			
05.00 Manufactured housing fees trust fund	-9	-13	-13
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 86-8119-0-7-376	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Transfer to salaries and expenses	2	1	2
00.02 Other program costs	7	12	11
10.00 Total new obligations (object class 25.2)	9	13	13
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3	3	3
22.00 New budget authority (gross)	9	13	13
23.90 Total budgetary resources available for obligation	12	16	16
23.95 Total new obligations	-9	-13	-13
24.40 Unobligated balance carried forward, end of year	3	3	3
New budget authority (gross), detail:			
Discretionary:			
40.26 Appropriation (trust fund)	9	13	13
Change in obligated balances:			
72.40 Obligated balance, start of year	3	2	2
73.10 Total new obligations	9	13	13
73.20 Total outlays (gross)	-10	-13	-13
74.40 Obligated balance, end of year	2	2	2

Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	4	10	10
86.93	Outlays from discretionary balances	6	3	3
87.00	Total outlays (gross)	10	13	13
Net budget authority and outlays:				
89.00	Budget authority	9	13	13
90.00	Outlays	10	13	13

The National Manufactured Housing Construction and Safety Standards Act of 1974, as amended by the Manufactured Housing Improvement Act of 2000, authorizes development and enforcement of appropriate standards for the construction, design, and performance of manufactured homes to assure their quality, durability, affordability, and safety. All manufactured homes produced since the standards took effect on June 15, 1976 must comply with Federal construction and safety standards. The States are actively encouraged to participate in the program under compliance plans approved by HUD. New program requirements mandated by the Manufactured Housing Improvement Act of 2000 include procurement of an Administering Organization, formation of a Consensus Committee to recommend revisions to and interpretations of the manufactured housing standards, development and implementation of standards for installation of manufactured housing, and development and implementation of a dispute resolution program.

Fees are charged to the manufacturers for each manufactured home transportable section produced and will be used to fund the costs of all authorized activities necessary for the consensus committee, HUD, and its agents to carry out all aspects of the manufactured housing legislation. Fees are deposited in a trust fund administered by the Department, and a portion of the fee receipts are transferred to the salaries and expenses account to defray the direct administrative expenses of the program. In 2004, 230,255 transportable sections were produced, for a total of 127,931 manufactured homes.

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

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

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

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

An estimated 600 filings in 2006 will result in \$350,000 in fees.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

Federal Funds

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

FHA and VA loans are currently pooled into Ginnie Mae securities.

The Budget proposes two new FHA mortgage insurance programs. These programs will increase demand for FHA mortgages and thus increase the volume of Ginnie Mae guarantees of securities backed by FHA mortgages.

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.

Credit accounts:

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

New commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act, as amended (12 U.S.C. 1721(g)), shall not exceed \$200,000,000,000, to remain available until September 30, [2006] 2007.

For administrative expenses necessary to carry out the guaranteed mortgage-backed securities program, [\$10,695,000] \$11,360,000, to be derived from the GNMA guarantees of mortgage-backed securities guaranteed loan receipt account, of which not to exceed [\$10,695,000] \$11,360,000, shall be transferred to the appropriation for "Salaries and expenses". (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2005.*)

Unavailable Receipts (in millions of dollars)

Identification code 86-0186-0-1-371	2004 actual	2005 est.	2006 est.
01.99 Balance, start of year	2,084	2,478	2,835
Receipts:			
02.20 GNMA-guarantees of mortgage backed securities guarantee loans, N	405	368	368
04.00 Total: Balances and collections	2,489	2,846	3,203
Appropriations:			
05.00 Guarantees of mortgage-backed securities loan guar- antee program	-11	-11	-11
07.99 Balance, end of year	2,478	2,835	3,192

Program and Financing (in millions of dollars)

Identification code 86-0186-0-1-371	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.09 Administrative expenses, salaries and expenses	11	11	11
10.00 Total new obligations (object class 25.3)	11	11	11
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	11	11	11
23.95 Total new obligations	-11	-11	-11
New budget authority (gross), detail:			
Discretionary:			
40.20 Appropriation (special fund)	11	11	11
Change in obligated balances:			
73.10 Total new obligations	11	11	11
73.20 Total outlays (gross)	-11	-11	-11
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	11	11	11
Net budget authority and outlays:			
89.00 Budget authority	11	11	11
90.00 Outlays	11	11	11

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

Identification code 86-0186-0-1-371	2004 actual	2005 est.	2006 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Ginnie Mae mortgage-backed securities	146,066	160,000	160,000
215002 Standby commitment authority		40,000	40,000
215901 Total loan guarantee levels	146,066	200,000	200,000
Guaranteed loan subsidy (in percent):			
232001 Ginnie Mae mortgage-backed securities	-0.27	-0.23	-0.23
232002 Standby commitment authority	0.00	0.00	0.00
232901 Weighted average subsidy rate	-0.27	-0.23	-0.23
Guaranteed loan subsidy budget authority:			
233001 Ginnie Mae mortgage-backed securities	-405	-368	-368
233002 Standby commitment authority			
233901 Total subsidy budget authority	-405	-368	-368
Guaranteed loan subsidy outlays:			
234001 Ginnie Mae mortgage-backed securities	-405	-368	-368
234002 Standby commitment authority			
234901 Total subsidy outlays	-405	-368	-368
Administrative expense data:			
351001 Budget authority	11	11	11
359001 Outlays from new authority	11	11	11

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

GUARANTEES OF MORTGAGE-BACKED SECURITIES FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4240-0-3-371	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Default Claim Payments	260	70	600
00.03 Advances and other	18	28	29
00.04 Operating expenses	6	25	27
00.91 Direct Program by Activities—Subtotal (1 level)	284	123	656
08.01 Payment to receipt account for negative subsidy	405	368	368
10.00 Total new obligations	689	491	1,024
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	783	550	539
22.00 New financing authority (gross)	456	480	491
23.90 Total budgetary resources available for obligation	1,239	1,030	1,030
23.95 Total new obligations	-689	-491	-1,024
24.40 Unobligated balance carried forward, end of year	550	539	6
New financing authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	456	480	491
Change in obligated balances:			
72.40 Obligated balance, start of year	55	317	55
73.10 Total new obligations	689	491	1,024
73.20 Total financing disbursements (gross)	-427	-753	-1,024
74.40 Obligated balance, end of year	317	55	55
87.00 Total financing disbursements (gross)	427	753	1,024
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25 Interest on uninvested funds	-55	-57	-62
88.40 Guarantee Fees	-307	-323	-329
88.40 Commitment and other fees	-31	-35	-33
88.40 Multiclass fees	-35	-37	-39
88.40 Repayment of advances	-15	-15	-16
88.40 Servicing Fees	-1	-2	-2

88.40	Repayment on Mortgages	-12	-11	-10
88.90	Total, offsetting collections (cash)	-456	-480	-491

Net financing authority and financing disbursements:

89.00	Financing authority			
90.00	Financing disbursements	-29	273	533

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4240-0-3-371	2004 actual	2005 est.	2006 est.	
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders	200,000	200,000	200,000
2121	Limitation available from carry-forward	37,052	90,986	130,986
2143	Uncommitted limitation carried forward	-90,986	-130,986	-170,986
2150	Total guaranteed loan commitments	146,066	160,000	160,000
2199	Guaranteed amount of guaranteed loan commitments	146,066	160,000	160,000
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	473,799	453,163	492,358
2231	Disbursements of new guaranteed loans	149,081	160,000	160,000
2251	Repayments and prepayments	-169,457	-120,735	-80,934
2261	Adjustments: Terminations for default that result in loans receivable	-260	-70	-600
2290	Outstanding, end of year	453,163	492,358	570,824
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	453,163	492,358	570,824

Addendum:

Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year		260	330
2331	Disbursements for guaranteed loan claims	260	70	600
2351	Repayments of loans receivable			
2361	Write-offs of loans receivable			
2390	Outstanding, end of year	260	330	930

Balance Sheet (in millions of dollars)

Identification code 86-4240-0-3-371	2003 actual	2004 actual	
ASSETS:			
1101	Federal assets: Fund balances with Treasury	839	868
1206	Non-Federal assets: Receivables, net	26	25
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:			
1601	Direct loans, gross	50	40
1603	Allowance for estimated uncollectible loans and interest (-)	-13	-7
1699	Value of assets related to direct loans	37	33
1803	Other Federal assets: Property, plant and equipment, net	69	385
1999	Total assets	971	1,311
LIABILITIES:			
Non-Federal liabilities:			
2201	Accounts payable	151	82
2207	Other	10	398
2999	Total liabilities	161	480
NET POSITION:			
3300	Cumulative results of operations	810	831
3999	Total net position	810	831
4999	Total liabilities and net position	971	1,311

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

GUARANTEES OF MORTGAGE-BACKED SECURITIES LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4238-0-3-371	2004 actual	2005 est.	2006 est.	
Obligations by program activity:				
00.01	Administrative contract expenses	57	53	57
Operating expenses:				
00.03	Servicing expenses	2	7	7
00.91	Total operating expenses	59	60	64
Capital investment:				
01.01	Advances of guaranty payments	19	47	45
10.00	Total new obligations	78	107	109
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	7,229	7,543	7,900
22.00	New budget authority (gross)	392	464	470
23.90	Total budgetary resources available for obligation	7,621	8,007	8,370
23.95	Total new obligations	-78	-107	-109
24.40	Unobligated balance carried forward, end of year	7,543	7,900	8,261
New budget authority (gross), detail:				
Mandatory:				
60.00	Appropriation		53	57
69.00	Offsetting collections (cash)	392	411	413
70.00	Total new budget authority (gross)	392	464	470
Change in obligated balances:				
72.40	Obligated balance, start of year ¹	-28	-21	-99
73.10	Total new obligations	78	107	109
73.20	Total outlays (gross)	-71	-185	-106
74.40	Obligated balance, end of year	-21	-99	-96
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	71	185	106
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.20	Interest on Federal securities	-373	-398	-401
88.40	Repayments of guaranteed payments	-13	-12	-11
88.40	Servicing income	-1	-1	-1
88.40	Repayments on mortgages	-5		
88.90	Total, offsetting collections (cash)	-392	-411	-413
Net budget authority and outlays:				
89.00	Budget authority		53	57
90.00	Outlays	-321	-226	-307
Memorandum (non-add) entries:				
92.01	Total investments, start of year: Federal securities: Par value	7,241	7,562	7,905
92.02	Total investments, end of year: Federal securities: Par value	7,562	7,905	8,213

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	2004 actual	2005 est.	2006 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	105	12	17
1232	Disbursements: Purchase of loans assets from the public	19	47	45
1252	Repayments: Proceeds from loan asset sales to the public or discounted	-13	-12	-11
1263	Write-offs for default: Direct loans	-99	-30	-28
1290	Outstanding, end of year	12	17	23

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4238-0-3-371	2004 actual	2005 est.	2006 est.	
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	109	96	82

Credit accounts—Continued

GUARANTEES OF MORTGAGE-BACKED SECURITIES LIQUIDATING ACCOUNT—Continued

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

Identification code 86-4238-0-3-371	2004 actual	2005 est.	2006 est.
2251 Repayments and prepayments	-13	-14	-15
2290 Outstanding, end of year	96	82	67
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year ¹	96	82	67

Balance Sheet (in millions of dollars)

Identification code 86-4238-0-3-371	2003 actual	2004 actual
ASSETS:		
Federal assets:		
Investments in US securities:		
1102 Treasury securities, par	7,216	7,540
1106 Receivables, net	63	63
1206 Non-Federal assets: Receivables, net	11	7
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601 Direct loans, gross	105	12
1603 Allowance for estimated uncollectible loans and interest (-)	-105	-9
1699 Value of assets related to direct loans		3
1999 Total assets	7,290	7,613
LIABILITIES:		
Non-Federal liabilities:		
2201 Accounts payable	34	38
2207 Other	509	505
2999 Total liabilities	543	543
NET POSITION:		
3300 Cumulative results of operations	6,747	7,070
3999 Total net position	6,747	7,070
4999 Total liabilities and net position	7,290	7,613

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	2004 actual	2005 est.	2006 est.
25.2 Other services	59	60	64
33.0 Investments and loans	19	47	45
99.9 Total new obligations	78	107	109

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, **[\$45,500,000]** \$69,738,000, to remain available until September 30, **[2006: Provided,** That of the total amount provided under this heading, \$7,000,000 shall be for the Partnership for Advancing Technology in Housing (PATH) Initiative: *Provided further,* That of the amounts made available for PATH under this heading, \$3,500,000 shall not be subject to the requirements of section 205 of this title] **2007,** of which \$29,038,000 is for grants pursuant to section 107 of the Housing

and Community Development Act of 1974, as amended, as follows: \$2,989,000 to support Alaska Native serving institutions and Native Hawaiian serving institutions as defined under the Higher Education Act, as amended; \$2,562,000 for tribal colleges and universities to build, expand, renovate, and equip their facilities and to expand the role of the colleges into the community through the provision of needed services such as health programs, job training and economic development activities; \$8,967,000 for Historically Black Colleges and Universities program, of which up to \$2,000,000 may be used for technical assistance; \$5,979,000 for the Community Outreach Partnership Program; \$5,979,000 for the Hispanic Serving Institutions Program; and \$2,562,000 for the Community Development Work Study Program. (Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, FY 2005.)

Program and Financing (in millions of dollars)

Identification code 86-0108-0-1-451	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Housing Research	41	40	41
00.02 PATH	8	10	
00.03 University Programs			29
10.00 Total new obligations	49	50	70
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	7	5	
22.00 New budget authority (gross)	47	45	70
23.90 Total budgetary resources available for obligation	54	50	70
23.95 Total new obligations	-49	-50	-70
24.40 Unobligated balance carried forward, end of year	5		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	47	46	70
40.35 Appropriation permanently reduced		-1	
43.00 Appropriation (total discretionary)	47	45	70
Change in obligated balances:			
72.40 Obligated balance, start of year	30	36	43
73.10 Total new obligations	49	50	70
73.20 Total outlays (gross)	-43	-43	-56
73.40 Adjustments in expired accounts (net)	-1		
74.40 Obligated balance, end of year	36	43	57
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	23	18	28
86.93 Outlays from discretionary balances	20	25	28
87.00 Total outlays (gross)	43	43	56
Net budget authority and outlays:			
89.00 Budget authority	47	45	70
90.00 Outlays	43	43	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 2006, the research program includes funds for program evaluations and for work related to the removal of barriers to affordable housing. National surveys will continue in 2005. Funds are not requested for the Partnership for Advancing Technology (PATH) program in 2006. Research and evaluation activities will also support the Department in carrying out its responsibilities under the Government Performance and Results Act.

In 2006 the University Partnership Program grants will be funded from this account. These grants, pursuant to Section 107 of the Housing and Community Development Act of 1974, were funded under the Community Development Block Grant account. These programs were and will continue

to be administered by the Office of Policy Development and Research. The University Partnership Programs provide grants to colleges and universities to assist institutions of higher education in forming partnerships with the communities in which they are located to undertake a range of activities that foster and achieve neighborhood development and revitalization. Funds also support a work study program for disadvantaged and minority students in graduate level community building curricula. The University Partnership Programs include the following: Alaska Native and Native Hawaiian Serving Institutions program, Tribal Colleges and University program, Historically Black Colleges and Universities program, Community Outreach Partnerships program, Hispanic Serving Institutions program and the Community Development Work Study Program.

Object Classification (in millions of dollars)

Identification code 86-0108-0-1-451	2004 actual	2005 est.	2006 est.
25.2 Other services	46	47	38
41.0 Grants, subsidies, and contributions	3	3	32
99.9 Total new obligations	49	50	70

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, **[\$46,500,000] \$38,800,000**, to remain available until September 30, **[2006] 2007**, of which **[\$20,000,000] \$16,100,000** 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, FY 2005.*)

Program and Financing (in millions of dollars)

Identification code 86-0144-0-1-751	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Fair housing assistance	39	28	23
00.02 Fair housing initiatives	24	21	16
10.00 Total new obligations (object class 41.0)	63	49	39
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	23	8	5
22.00 New budget authority (gross)	48	46	39
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	72	54	44
23.95 Total new obligations	-63	-49	-39
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	8	5	5
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	48	46	39
Change in obligated balances:			
72.40 Obligated balance, start of year	49	65	68
73.10 Total new obligations	63	49	39
73.20 Total outlays (gross)	-46	-46	-43
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	65	68	64
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1	3	3

86.93	Outlays from discretionary balances	45	43	40
87.00	Total outlays (gross)	46	46	43
Net budget authority and outlays:				
89.00	Budget authority	48	46	39
90.00	Outlays	46	46	43

Performance Metrics

Identification code 86-0144-0-1-751	2004 actual	2005 est.	2006 est.	
Fair Housing Initiatives Program:				
218603	The percentage of enforcement efforts that result in complaints referred to HUD by FHIPs will increase by 2 percentage points			
218604	The percentage of complaints settled			
218605	The average amount of allocated PEI funding used per complaint referred to FHAPs and HUD			
218606	Percentage of the general public who can correctly identify six or more of the eight scenarios describing illegal conduct as unlawful		60%	
218609	Amount of FHOI funding allocated to each new fair housing organization established			
Fair Housing Assistance Program:				
243803	Improve the public's confidence in enforcement by reducing by four percentage points, from FY 2004, the number of aged cases in the overall FHAP inventory.		39% 35%	
243804	In order to increase the nation's capacity to provide coordinated enforcement of fair housing laws, certify two new substantially equivalent agencies under the Fair Housing Act	100	100	102
243805	FHAP grantees increase access to sale and rental housing by completing fair housing conciliation/settlement agreements in at least 33 percent of the complaints files in FY 2005	2044	2150	2150
243806	Increase the percentage of FHAP complaints closed in 100 days or less to 60 percent.		60%	
243807	Percentage of the general public who can correctly identify six or more of the eight scenarios describing illegal conduct as unlawful			60%
243808	Comparison between the amount of FHAP funding spent on training per person versus the amount of training money allocated per person for training through the National Fair Housing T	\$2,801	\$1,789	

The Budget proposes an appropriation of \$38.8 million in 2006 to fund fair housing activities that support efforts to end housing discrimination. Of the amount requested, \$22.7 million is for the Fair Housing Assistance Program and \$16.1 million is for the Fair Housing Initiatives Program.

The Fair Housing Assistance Program (FHAP), authorized by title VIII of the Civil Rights Act of 1968 as amended, provides funding to State and local agencies to assure prompt and effective processing of Title VIII (Civil Rights Act of 1968) complaints.

The funding requested for FHAP will support fair housing enforcement by increasing funding to support additional State and local fair housing organizations to meet the needs of currently underserved populations. It will also address the persistent high rate of discrimination against minorities as identified by the 2000 Housing Discrimination Study. It is estimated that the number of new State and local agencies with laws equivalent to the Fair Housing Act will increase to 104 in 2006 from 100 in 2005.

The Fair Housing Initiatives Program (FHIP), authorized by the Housing and Community Development Act of 1987, as amended by the Housing and Community Development Act of 1992, provides support to public and private organizations for the purpose of eliminating or preventing discrimination in housing and for enhancing fair housing opportunities. FHIP provides funding for projects that inform and educate the public, including housing providers, on the rights and obligations of the Fair Housing Act and about substantially equivalent state and local fair housing laws.

OFFICE OF LEAD HAZARD CONTROL

Federal Funds

General and special funds:

LEAD HAZARD REDUCTION

For the Lead Hazard Reduction Program, as authorized by section 1011 of the Residential Lead-Based Paint Hazard Reduction Act of 1992, [\$168,000,000] \$119,000,000, to remain available until September 30, [2006] 2007, of which [\$9,900,000] \$8,815,000 shall be for the Healthy Homes Initiative, pursuant to sections 501 and 502 of the Housing and Urban Development Act of 1970 that shall include research, studies, testing, and demonstration efforts, including education and outreach concerning lead-based paint poisoning and other housing-related diseases and hazards: *Provided*, That for purposes of environmental review, pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other provisions of law that further the purposes of such Act, a grant under the Healthy Homes Initiative, Operation Lead Elimination Action Plan (LEAP), or the Lead Technical Studies program under this heading or under prior appropriations Acts for such purposes under this heading, shall be considered to be funds for a special project for purposes of section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994: *Provided further*, That of the total amount made available under this heading, \$47,000,000 shall be made available on a competitive basis for areas with the highest lead paint abatement needs, as identified by the Secretary as having: (1) the highest number of occupied pre-1940 units of rental housing; and (2) a disproportionately high number of documented cases of lead-poisoned children: *Provided further*, That each grantee receiving funds under the previous proviso shall target those privately owned units and multifamily buildings that are occupied by low-income families as defined under section 3(b)(2) of the United States Housing Act of 1937: *Provided further*, That not less than 90 percent of the funds made available under this paragraph shall be used exclusively for abatement, inspections, risk assessments, temporary relocations and interim control of lead-based hazards as defined by 42 U.S.C. 4851: *Provided further*, That each recipient of funds provided under the first proviso shall make a matching contribution in an amount not less than 25 percent: *Provided further*, That each applicant shall submit a detailed plan and strategy that demonstrates adequate capacity that is acceptable to the Secretary to carry out the proposed use of funds pursuant to a Notice of Funding Availability. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2005.)

Program and Financing (in millions of dollars)

Identification code 86-0174-0-1-451	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Lead abatement	180	177	119
10.00 Total new obligations (object class 41.0)	180	177	119
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	14	10	.....
22.00 New budget authority (gross)	174	167	119
22.10 Resources available from recoveries of prior year obligations	2	.....	.....
23.90 Total budgetary resources available for obligation	190	177	119
23.95 Total new obligations	-180	-177	-119
24.40 Unobligated balance carried forward, end of year	10	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	175	168	119
40.35 Appropriation permanently reduced	-1	-1	.....
43.00 Appropriation (total discretionary)	174	167	119
Change in obligated balances:			
72.40 Obligated balance, start of year	364	429	472
73.10 Total new obligations	180	177	119
73.20 Total outlays (gross)	-113	-134	-138
73.45 Recoveries of prior year obligations	-2	.....	.....
74.40 Obligated balance, end of year	429	472	453

Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	3	2	.....
86.93 Outlays from discretionary balances	113	131	136
87.00 Total outlays (gross)	113	134	138
Net budget authority and outlays:			
89.00 Budget authority	174	167	119
90.00 Outlays	113	134	138

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

The program is a major part of a 10-year strategy to eliminate lead poisoning in children. The 2006 Budget includes \$93 million for HUD's Lead Hazard Control Program competitive grants and \$8.8 million for operation LEAP. The Technical Support Program and the Healthy Homes Initiative are also funded at \$8.8 million each. Operation LEAP funds will be used to leverage other private and public sector resources for the lead hazard control program.

The Lead Hazard Control Grant Program provides grants of \$1 million to \$2.5 million to State and local governments and Indian tribes for control of lead-based paint hazards in privately owned, low-income owner-occupied and rental housing. The grants are also designed to stimulate the development of a housing maintenance and rehabilitation workforce trained in lead-safe work practices and a certified hazard evaluation and control industry. In awarding grants, HUD promotes the use of new, low cost approaches to hazard control that can be replicated across the nation.

The Healthy Homes Initiative will enable the Department to assess and control housing-related hazards that contribute to childhood diseases and injuries. The initiative will demonstrate and evaluate methods for controlling two or more housing related diseases through a single intervention. A public education/outreach effort, that enables the public to act effectively to protect their children from exposure to hazards, will also be conducted.

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

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 purchase of uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901-5902; hire of passenger motor vehicles; services as authorized by 5 U.S.C. 3109; and not to exceed \$25,000 for official reception and representation expenses, [\$1,120,000,000] \$1,152,519,000, of which [\$560,400,000] \$562,400,000 shall be provided from the various funds of the Federal Housing Administration, [\$10,695,000] \$10,695,000 shall be provided from funds of the Government National Mortgage Association, [\$1,000,000] shall be provided from the "Community development loan guarantees program" account, [\$150,000] \$146,000 shall be provided

by transfer from the "Native American housing block grants" account, **[\$250,000]** \$244,000 shall be provided by transfer from the "Indian housing loan guarantee fund program" account and **[\$35,000]** \$34,000 shall be transferred from the "Native Hawaiian housing loan guarantee fund" account. *Provided*, That funds made available under this heading shall only be allocated in the manner specified in the report accompanying this Act unless the Committees on Appropriations of both the House of Representatives and the Senate are notified of any changes in an operating plan or reprogramming. *Provided further*, That no official or employee of the Department shall be designated as an allotment holder unless the Office of the Chief Financial Officer (OCFO) has determined that such allotment holder has implemented an adequate system of funds control and has received training in funds control procedures and directives. *Provided further*, That the Chief Financial Officer shall establish positive control of and maintain adequate systems of accounting for appropriations and other available funds as required by 31 U.S.C. 1514. *Provided further*, That for purposes of funds control and determining whether a violation exists under the Anti-Deficiency Act (31 U.S.C. 1341 et seq.), the point of obligation shall be the executed agreement or contract, except with respect to insurance and guarantee programs, certain types of salaries and expenses funding, and incremental funding that is authorized under an executed agreement or contract, and shall be designated in the approved funds control plan. *Provided further*, That the Chief Financial Officer shall: (1) appoint qualified personnel to conduct investigations of potential or actual violations; (2) establish minimum training requirements and other qualifications for personnel that may be appointed to conduct investigations; (3) establish guidelines and timeframes for the conduct and completion of investigations; (4) prescribe the content, format and other requirements for the submission of final reports on violations; and (5) prescribe such additional policies and procedures as may be required for conducting investigations of, and administering, processing, and reporting on, potential and actual violations of the Anti-Deficiency Act and all other statutes and regulations governing the obligation and expenditure of funds made available in this or any other Act. *Provided further*, That up to \$20,000,000 may be transferred to the Working Capital Fund. *Provided further*, That the Secretary shall fill 7 out of 10 vacancies at the GS-14 and GS-15 levels until the total number of GS-14 and GS-15 positions in the Department has been reduced from the number of GS-14 and GS-15 positions on the date of enactment of Public Law 106-377 by 2½ percent. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2005.*)

Program and Financing (in millions of dollars)

Identification code 86-0143-0-1-999	2004 actual	2005 est.	2006 est.
Direct program:			
Direct program:			
00.01 Housing, mortgage credit, regulatory and energy conservation	239	237	253
00.02 Community planning and development programs	44	43	46
00.03 Equal opportunity and research programs	47	46	49
00.04 Departmental management, legal and audit services	48	47	50
00.05 Field direction and administration	173	170	181
09.01 Reimbursable program	576	568	574
09.99 Total reimbursable program	576	568	574
10.00 Total new obligations	1,127	1,111	1,153
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	16		
22.00 New budget authority (gross)	1,120	1,111	1,153
23.90 Total budgetary resources available for obligation	1,136	1,111	1,153
23.95 Total new obligations	-1,127	-1,111	-1,153
23.98 Unobligated balance expiring or withdrawn	-8		
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	547	547	579
40.35 Appropriation permanently reduced	-3	-4	
43.00 Appropriation (total discretionary)	544	543	579
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	576	568	574

70.00 Total new budget authority (gross)	1,120	1,111	1,153
Change in obligated balances:			
72.40 Obligated balance, start of year	117	129	128
73.10 Total new obligations	1,127	1,111	1,153
73.20 Total outlays (gross)	-1,105	-1,112	-1,144
73.40 Adjustments in expired accounts (net)	-10		
74.40 Obligated balance, end of year	129	128	137
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	995	987	1,020
86.93 Outlays from discretionary balances	110	125	124
87.00 Total outlays (gross)	1,105	1,112	1,144
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-576	-568	-574
Net budget authority and outlays:			
89.00 Budget authority	544	543	579
90.00 Outlays	530	544	570

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	2004 actual	2005 est.	2006 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	333	345	361
11.3 Other than full-time permanent	3	3	3
11.5 Other personnel compensation	7	7	7
11.9 Total personnel compensation	343	355	371
12.1 Civilian personnel benefits	83	85	89
21.0 Travel and transportation of persons	9	8	10
23.1 Rental payments to GSA	49	48	52
23.3 Communications, utilities, and miscellaneous charges	12	12	13
24.0 Printing and reproduction	2	2	2
25.1 Advisory and assistance services	41	23	29
25.2 Other services	2	2	2
25.3 Other purchases of goods and services from Government accounts	1	1	1
25.4 Operation and maintenance of facilities	2	2	3
25.7 Operation and maintenance of equipment	1	1	1
26.0 Supplies and materials	3	2	3
31.0 Equipment	3	1	3
42.0 Insurance claims and indemnities		1	
99.0 Direct obligations	551	543	579
99.0 Reimbursable obligations	576	568	574
99.9 Total new obligations	1,127	1,111	1,153

Personnel Summary

Identification code 86-0143-0-1-999	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	4,420	4,307	4,346
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	4,612	4,493	4,535

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, **[\$104,000,000]** \$103,000,000, of which \$24,000,000 shall be provided

General and special funds—Continued

OFFICE OF INSPECTOR GENERAL—Continued
(INCLUDING TRANSFER OF FUNDS)—Continued

from the various funds of the Federal Housing Administration: *Provided*, That the Inspector General shall have independent authority over all personnel issues within this office: *Provided further*, That \$300,000 shall be transferred to the Working Capital Fund. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2005.*)

Program and Financing (in millions of dollars)

Identification code 86-0189-0-1-451	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct program	76	79	79
09.01 Reimbursable program	24	24	24
10.00 Total new obligations	100	103	103
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	101	103	103
23.95 Total new obligations	-100	-103	-103
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	77	80	79
40.35 Appropriation permanently reduced		-1	
43.00 Appropriation (total discretionary)	77	79	79
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	24	24	24
70.00 Total new budget authority (gross)	101	103	103
Change in obligated balances:			
72.40 Obligated balance, start of year	21	19	19
73.10 Total new obligations	100	103	103
73.20 Total outlays (gross)	-100	-103	-103
73.40 Adjustments in expired accounts (net)	-1		
74.40 Obligated balance, end of year	19	19	19
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	83	85	85
86.93 Outlays from discretionary balances	17	18	18
87.00 Total outlays (gross)	100	103	103
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-24	-24	-24
Net budget authority and outlays:			
89.00 Budget authority	77	79	79
90.00 Outlays	77	79	79

This appropriation provides agency wide audit and investigative functions to identify and correct management and administrative deficiencies that create conditions for existing or potential instances of fraud, waste and mismanagement. The audit function provides internal audit and contract audit. Internal audits review and evaluate all facets of agency operations. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations.

Object Classification (in millions of dollars)

Identification code 86-0189-0-1-451	2004 actual	2005 est.	2006 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	38	40	41
11.5 Other personnel compensation	5	5	5
11.9 Total personnel compensation	43	45	46
12.1 Civilian personnel benefits	12	12	13
21.0 Travel and transportation of persons	4	4	4
23.1 Rental payments to GSA	6	6	6

23.3 Communications, utilities, and miscellaneous charges		1	
25.1 Advisory and assistance services	8	9	9
25.2 Other services	1	1	1
25.3 Other purchases of goods and services from Government accounts	1	1	
26.0 Supplies and materials	1		
99.0 Direct obligations	76	79	79
99.0 Reimbursable obligations	24	24	24
99.9 Total new obligations	100	103	103

Personnel Summary

Identification code 86-0189-0-1-451	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	495	497	489
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	162	163	161

GSE REGULATION

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-0142-2-1-371	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
09.00 GSE Regulation expenses			6
10.00 Total new obligations			6
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			6
23.95 Total new obligations			-6
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)			6
Change in obligated balances:			
73.10 Total new obligations			6
73.20 Total outlays (gross)			-6
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority			6
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources			-6
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

The Administration's proposal to strengthen GSE regulation will include authority for the cost of HUD's responsibilities under the Federal Housing Enterprise Safety and Soundness Act of 1992, and amendments as proposed, to be assessed on the Government-sponsored enterprises (GSEs), Fannie Mae and Freddie Mac. These responsibilities include the establishment and enforcement of affordable housing goals for the GSEs, ensuring GSE compliance with fair housing laws and their charters, and providing consultation to the safety and soundness regulator on the GSEs' new activities.

Object Classification (in millions of dollars)

Identification code 86-0142-2-1-371	2004 actual	2005 est.	2006 est.
99.0 Reimbursable obligations: Reimbursable obligations			6
99.9 Total new obligations			6

Personnel Summary

Identification code 86-0142-2-1-371	2004 actual	2005 est.	2006 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment			19

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

[For carrying out the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, including not to exceed \$500 for official reception and representation expenses, \$59,209,000, to remain available until expended, to be derived from the Federal Housing Enterprises Oversight Fund: *Provided*, That of the amount made available under this heading, \$5,000,000 is for litigation and to continue ongoing special investigations of the Federal housing enterprises: *Provided further*, That the Director shall submit a spending plan for the amounts provided under this heading no later than January 15, 2005: *Provided further*, That not less than 80 percent of total amount made available under this heading shall be used only for examination, supervision, and capital oversight of the enterprises (as such term is defined in section 1303 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4502)) to ensure that the enterprises are operating in a financially safe and sound manner and complying with the capital requirements under Subtitle B of such Act: *Provided further*, That not to exceed the amount provided herein 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, FY 2005.*)

Unavailable Receipts (in millions of dollars)

Identification code 86-5272-0-2-371	2004 actual	2005 est.	2006 est.
Receipts:			
02.60 Office of Federal Housing Enterprise Oversight	40	59	60
02.61 Office of Federal Housing Enterprise Oversight			-60
02.99 Total receipts and collections	40	59	
Appropriations:			
05.00 Office of Federal Housing Enterprise Oversight	-40	-59	-60
05.01 Office of Federal Housing Enterprise Oversight			60
05.99 Total appropriations	-40	-59	
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 86-5272-0-2-371	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct program	40	59	60
10.00 Total new obligations	40	59	60
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	40	59	60
23.95 Total new obligations	-40	-59	-60
New budget authority (gross), detail:			
Discretionary:			
40.20 Appropriation (special fund)	40	59	60
Change in obligated balances:			
72.40 Obligated balance, start of year	7	8	9
73.10 Total new obligations	40	59	60
73.20 Total outlays (gross)	-39	-58	-61
74.40 Obligated balance, end of year	8	9	8

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	33	50	52
86.93 Outlays from discretionary balances	6	8	9
87.00 Total outlays (gross)	39	58	61
Net budget authority and outlays:			
89.00 Budget authority	40	59	60
90.00 Outlays	39	58	61

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	2004 actual	2005 est.	2006 est.
Budget Authority	40	59	60
Outlays	39	58	61
Legislative proposal, not subject to PAYGO:			
Budget Authority			-60
Outlays			-52
Total:			
Budget Authority	40	59	
Outlays	39	58	9

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

It is expected that all resources available to OFHEO would be transferred to a new strengthened housing GSE regulator that will be proposed in 2005. The Administration continues to support direct funding of these activities with mandatory assessments on Fannie Mae and Freddie Mac.

Object Classification (in millions of dollars)

Identification code 86-5272-0-2-371	2004 actual	2005 est.	2006 est.
Direct obligations:			
11.1 Personnel compensation: Personnel Compensation	18	29	30
12.1 Civilian personnel benefits	4	8	9
23.2 Rental payments to others	4	5	5
25.2 Other services	11	11	9
31.0 Equipment	1	4	5
32.0 Land and structures	1	1	1
99.0 Direct obligations	39	58	59
99.5 Below reporting threshold	1	1	1
99.9 Total new obligations	40	59	60

Personnel Summary

Identification code 86-5272-0-2-371	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	152	218	225

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-5272-2-2-371	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct program			-60
10.00 Total new obligations			-60
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			-60
23.95 Total new obligations			60

General and special funds—Continued

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

Program and Financing (in millions of dollars)—Continued

Identification code 86-5272-2-2-371	2004 actual	2005 est.	2006 est.
New budget authority (gross), detail:			
Discretionary:			
40.20 Appropriation (special fund)			- 60
Change in obligated balances:			
72.40 Obligated balance, start of year			
73.10 Total new obligations			- 60
73.20 Total outlays (gross)			52
74.40 Obligated balance, end of year			- 8
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			- 52
Net budget authority and outlays:			
89.00 Budget authority			- 60
90.00 Outlays			- 52

Object Classification (in millions of dollars)

Identification code 86-5272-2-2-371	2004 actual	2005 est.	2006 est.
Direct obligations:			
11.1 Personnel compensation: Personnel Compensation			- 30
12.1 Civilian personnel benefits			- 9
23.2 Rental payments to others			- 5
25.2 Other services			- 9
31.0 Equipment			- 5
32.0 Land and structures			- 1
99.0 Direct obligations			- 59
99.5 Below reporting threshold			- 1
99.9 Total new obligations			- 60

Personnel Summary

Identification code 86-5272-2-2-371	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment			- 225

Intragovernmental funds:

WORKING CAPITAL FUND

For additional capital for the Working Capital Fund (42 U.S.C. 3535) for the development of, modifications to, and infrastructure for Department-wide information technology systems, for the continuing operation of both Department-wide and program-specific information systems, and for program-related development activities, **[\$270,000,000] \$265,000,000**, to remain available until September 30, **[2006] 2007: Provided**, That any amounts transferred to this Fund under this Act shall remain available until expended: *Provided further*, That any amounts transferred to this Fund from amounts appropriated by previously enacted appropriations Acts or from within this Act may be used only for the purposes specified under this Fund, in addition to the purposes for which such amounts were appropriated. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2005.*)

Program and Financing (in millions of dollars)

Identification code 86-4586-0-4-451	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct Program Activity	283	269	262
09.01 Reimbursable program	108	78	57
10.00 Total new obligations	391	347	319

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	119	32	16
22.00 New budget authority (gross)	299	319	322
22.10 Resources available from recoveries of prior year obligations	6	12	12
23.90 Total budgetary resources available for obligation	424	363	350
23.95 Total new obligations	- 391	- 347	- 319
23.98 Unobligated balance expiring or withdrawn	- 1		
24.40 Unobligated balance carried forward, end of year	32	16	31

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	235	270	265
40.35 Appropriation permanently reduced	- 1	- 2	
43.00 Appropriation (total discretionary)	234	268	265
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	69	51	57
68.10 Change in uncollected customer payments from Federal sources (unexpired)	- 4		
68.90 Spending authority from offsetting collections (total discretionary)	65	51	57
70.00 Total new budget authority (gross)	299	319	322

Change in obligated balances:

72.40 Obligated balance, start of year	132	240	137
73.10 Total new obligations	391	347	319
73.20 Total outlays (gross)	- 281	- 438	- 321
73.45 Recoveries of prior year obligations	- 6	- 12	- 12
74.00 Change in uncollected customer payments from Federal sources (unexpired)	4		
74.40 Obligated balance, end of year	240	137	123

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	149	232	233
86.93 Outlays from discretionary balances	132	206	88
87.00 Total outlays (gross)	281	438	321

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	- 69	- 51	- 57
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	4		

Net budget authority and outlays:

89.00 Budget authority	234	268	265
90.00 Outlays	212	387	264

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. Since 2003, a direct appropriation has been requested for the operations of the computer system and for development and modifications of Department-wide systems. Fees have continued for services to develop and modify systems where the benefit is limited to a specific program.

Object Classification (in millions of dollars)

Identification code 86-4586-0-4-451	2004 actual	2005 est.	2006 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	34	32	33
12.1 Civilian personnel benefits	5	5	5
21.0 Travel and transportation of persons	1	2	2
23.3 Communications, utilities, and miscellaneous charges	15	5	5
25.1 Advisory and assistance services	217	211	206
26.0 Supplies and materials	1	1	1
31.0 Equipment	10	13	10
99.0 Direct obligations	283	269	262
Reimbursable obligations:			
25.1 Advisory and assistance services	108	78	57
99.0 Reimbursable obligations	108	78	57

99.9	Total new obligations	391	347	319
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Personnel Summary

Identification code 86-4586-0-4-451	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	373	350	350

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 (42 U.S.C. 1437 note) shall be rescinded, or in the case of cash, shall be remitted to the Treasury, and such amounts of budget authority or cash recaptured and not rescinded or remitted to the Treasury shall be used by State housing finance agencies or local governments or local housing agencies with projects approved by the Secretary of Housing and Urban Development for which settlement occurred after January 1, 1992, in accordance with such section. Notwithstanding the previous sentence, the Secretary may award up to 15 percent of the budget authority or cash recaptured and not rescinded or remitted to the Treasury to provide project owners with incentives to refinance their project at a lower interest rate.

SEC. 202. None of the amounts made available under this Act may be used during fiscal year [2005] 2006 to investigate or prosecute under the Fair Housing Act any otherwise lawful activity engaged in by one or more persons, including the filing or maintaining of a non-frivolous legal action, that is engaged in solely for the purpose of achieving or preventing action by a Government official or entity, or a court of competent jurisdiction.

SEC. 203. (a) Notwithstanding section 854(c)(1)(A) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)(1)(A)), from any amounts made available under this title for fiscal year [2005] 2006 that are allocated under such section, the Secretary of Housing and Urban Development shall allocate and make a grant, in the amount determined under subsection (b), for any State that—

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

(2) is not otherwise eligible for an allocation for fiscal year [2005] 2006 under such clause (ii) because the areas in the State outside of the metropolitan statistical areas that qualify under clause (i) in fiscal year [2005] 2006 do not have the number of cases of acquired immunodeficiency syndrome (AIDS) required under such clause.

(b) The amount of the allocation and grant for any State described in subsection (a) shall be an amount based on the cumulative number of AIDS cases in the areas of that State that are outside of metropolitan statistical areas that qualify under clause (i) of such section 854(c)(1)(A) in fiscal year [2005] 2006, in proportion to AIDS cases among cities and States that qualify under clauses (i) and (ii) of such section and States deemed eligible under subsection (a).

(c) Notwithstanding any other provision of law, the amount allocated for fiscal year [2005] 2006 under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)), to the City of New York, New York, on behalf of the New York-Wayne-White Plains, New York-New Jersey Metropolitan Division (hereafter "metropolitan division") of the New York-Newark-Edison, NY-NJ-PA Metropolitan Statistical Area, shall be adjusted by the Secretary of Housing and Urban Development by: (1) allocating to the City of Jersey City, New Jersey, the proportion of the metropolitan area's or division's amount that is based on the number of cases of AIDS reported in the portion of the metropolitan area or division that is located in Hudson County, New Jersey, and adjusting for the proportion of the metropolitan division's high incidence bonus if this area in New Jersey also has a higher than average per capita incidence of AIDS; and (2) allocating to the City of Paterson, New Jersey, the proportion of the metropolitan area's or division's amount that is based on the number of cases of AIDS reported in the portion of the metropolitan area or division that is located in Bergen County and Passaic County, New Jersey, and adjusting for the proportion of the metropolitan division's high incidence bonus if this area in New Jersey also has a higher than average per capita incidence of AIDS. The recipient

cities shall use amounts allocated under this subsection to carry out eligible activities under section 855 of the AIDS Housing Opportunity Act (42 U.S.C. 12904) in their respective portions of the metropolitan division that is located in New Jersey.

(d) Notwithstanding any other provision of law, the amount allocated for fiscal year 2006 under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)) to areas with a higher than average per capita incidence of AIDS, shall be adjusted by the Secretary on the basis of area incidence reported over a three year period.

SEC. 204. (a) During fiscal year [2005] 2006, in the provision of rental assistance under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) in connection with a program to demonstrate the economy and effectiveness of providing such assistance for use in assisted living facilities that is carried out in the counties of the State of Michigan specified in subsection (b) of this section, notwithstanding paragraphs (3) and (18)(B)(iii) of such section 8(o), a family residing in an assisted living facility in any such county, on behalf of which a public housing agency provides assistance pursuant to section 8(o)(18) of such Act, may be required, at the time the family initially receives such assistance, to pay rent in an amount exceeding 40 percent of the monthly adjusted income of the family by such a percentage or amount as the Secretary of Housing and Urban Development determines to be appropriate.

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

SEC. 205. Except as explicitly provided in law, any grant, cooperative agreement or other assistance made pursuant to title II of this Act shall be made on a competitive basis and in accordance with section 102 of the Department of Housing and Urban Development Reform Act of 1989.

SEC. 206. Funds of the Department of Housing and Urban Development subject to the Government Corporation Control Act or section 402 of the Housing Act of 1950 shall be available, without regard to the limitations on administrative expenses, for legal services on a contract or fee basis, and for utilizing and making payment for services and facilities of the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Financing Bank, Federal Reserve banks or any member thereof, Federal Home Loan banks, and any insured bank within the meaning of the Federal Deposit Insurance Corporation Act, as amended (12 U.S.C. 1811-1831).

SEC. 207. Unless otherwise provided for in this Act or through a reprogramming of funds, no part of any appropriation for the Department of Housing and Urban Development shall be available for any program, project or activity in excess of amounts set forth in the budget estimates submitted to Congress.

SEC. 208. Corporations and agencies of the Department of Housing and Urban Development which are subject to the Government Corporation Control Act, as amended, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of such Act as may be necessary in carrying out the programs set forth in the budget for [2005] 2006 for such corporation or agency except as hereinafter provided: *Provided*, That collections of these corporations and agencies may be used for new loan or mortgage purchase commitments only to the extent expressly provided for in this Act (unless such loans are in support of other forms of assistance provided for in this or prior appropriations Acts), except that this proviso shall not apply to the mortgage insurance or guaranty operations of these corporations, or where loans or mortgage purchases are necessary to protect the financial interest of the United States Government.

SEC. 209. None of the funds provided in this title for technical assistance, training, or management improvements may be obligated or expended unless HUD provides to the Committees on Appropriations a description of each proposed activity and a detailed budget estimate of the costs associated with each program, project or activity as part of the Budget Justifications. For fiscal year [2005] 2006, HUD shall transmit this information to the Committees by March 15, [2005] 2006 for 30 days of review.

SEC. 210. The Secretary of Housing and Urban Development shall provide quarterly reports to the House and Senate Committees on Appropriations regarding all uncommitted, unobligated, recaptured and excess funds in each program and activity within the jurisdiction of the Department and shall submit additional, updated budget information to these Committees upon request.

Intragovernmental funds—Continued

ADMINISTRATIVE PROVISIONS—Continued

SEC. 211. Notwithstanding any other provision of law, in fiscal year [2005] 2006, in managing and disposing of any multifamily property that is owned or held by the Secretary and is occupied primarily by elderly or disabled families, the Secretary of Housing and Urban Development shall maintain any rental assistance payments under section 8 of the United States Housing Act of 1937 that are attached to any dwelling units in the property. To the extent the Secretary determines that such a multifamily property owned or held by the Secretary is not feasible for continued rental assistance payments under such section 8, the Secretary may, in consultation with the tenants of that property, contract for project-based rental assistance payments with an owner or owners of other existing housing properties or provide other rental assistance.

SEC. 212. (a) Notwithstanding any other provision of law, the amount allocated for fiscal year [2005] 2006 under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)), to the City of Wilmington, Delaware, on behalf of the Wilmington, Delaware-Maryland-New Jersey Metropolitan Division (hereafter “metropolitan division”), shall be adjusted by the Secretary of Housing and Urban Development by allocating to the State of New Jersey the proportion of the metropolitan division’s amount that is based on the number of cases of AIDS reported in the portion of the metropolitan division that is located in New Jersey, and adjusting for the proportion of the metropolitan division’s high incidence bonus if this area in New Jersey also has a higher than average per capita incidence of AIDS. The State of New Jersey shall use amounts allocated to the State under this subsection to carry out eligible activities under section 855 of the AIDS Housing Opportunity Act (42 U.S.C. 12904) in the portion of the metropolitan division that is located in New Jersey.

(b) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development shall allocate to Wake County, North Carolina, the amounts that otherwise would be allocated for fiscal year [2005] 2006 under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)) to the City of Raleigh, North Carolina, on behalf of the Raleigh-Cary, North Carolina Metropolitan Statistical Area. Any amounts allocated to Wake County shall be used to carry out eligible activities under section 855 of such Act (42 U.S.C. 12904) within such metropolitan statistical area.

(c) Notwithstanding section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)), the Secretary of Housing and Urban Development may adjust the allocation of the amounts that otherwise would be allocated for fiscal year [2005] 2006 under section 854(c) of such Act, upon the written request of an applicant, in conjunction with the State(s), for a formula allocation on behalf of a metropolitan statistical area, to designate the State or States in which the metropolitan statistical area is located as the eligible grantee(s) of the allocation. In the case that a metropolitan statistical area involves more than one State, such amounts allocated to each State shall be in proportion to the number of cases of AIDS reported in the portion of the metropolitan statistical area located in that State. Any amounts allocated to a State under this section shall be used to carry out eligible activities within the portion of the metropolitan statistical area located in that State.

[SEC. 213. Notwithstanding any other provision of law, for this fiscal year and every fiscal year thereafter, funds appropriated for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act, shall be available for the cost of maintaining and disposing of such properties that are acquired or otherwise become the responsibility of the Department.]

[SEC. 214. The Secretary of Housing and Urban Development shall submit an annual report no later than August 30, 2005 and annually thereafter to the House and Senate Committees on Appropriations regarding the number of Federally assisted units under lease and the per unit cost of these units to the Department of Housing and Urban Development.]

[SEC. 215. The Department of Housing and Urban Development shall submit the Department’s fiscal year 2006 congressional budget justifications to the Committees on Appropriations of the House of Representatives and the Senate using the identical structure provided under this Act and only in accordance with the direction specified in the report accompanying this Act.]

SEC. [216.] 213. [That incremental voucher] *Incremental vouchers* previously made available under the heading “Housing Certificate Fund” or renewed under the heading, “Tenant-Based Rental Assistance,” for non-elderly disabled families shall, to the extent practicable, continue to be provided to non-elderly disabled families upon turnover.

[SEC. 217. The installment contract between the Village of Hanna City, Illinois and the General Services Administration is in the nature of a purchase money mortgage which will be paid off at initial closing. The Department of Housing and Urban Development shall accept the Village of Hanna City, Illinois’ holding of equitable title to this property as sufficient for the purposes of the section 202 housing program.]

SEC. [218] 214. A public housing agency or such other entity that administers Federal housing assistance in the States of Alaska, Iowa, and Mississippi shall not be required to include a resident of public housing or a recipient of assistance provided under section 8 of the United States Housing Act of 1937 on the board of directors or a similar governing board of such agency or entity as required under section (2)(b) of such Act. Each public housing agency or other entity that administers Federal housing assistance under section 8 in the States of Alaska, Iowa and Mississippi shall establish an advisory board of not less than 6 residents of public housing or recipients of section 8 assistance to provide advice and comment to the public housing agency or other administering entity on issues related to public housing and section 8. Such advisory board shall meet not less than quarterly.

[SEC. 219. (a) Section 536(b)(1) of the National Housing Act (12 U.S.C. 1735f–14(b)(1)) is amended by adding the following new subparagraph at the end:

“(J) Failure to perform a required physical inspection of the mortgaged property.”.

(b) Section 537(c)(1)(B)(ii) of such Act (12 U.S.C. 1735f–15(c)(1)(B)(ii)) is amended by inserting after “rents,” the following: “other revenues, or contract rights,”.

(c) Section 537(c)(1)(B)(x) of such Act (12 U.S.C. 1735f–15(c)(1)(B)(x)) is amended to read as follows:

“(x) Failure to furnish the Secretary, by the expiration of the 90-day period beginning on the first day after the completion of each fiscal year (unless the Secretary has approved an extension of the 90-day period in writing), with a complete annual financial report, in accordance with requirements prescribed by the Secretary, including requirements that the report be—

“(I) based upon an examination of the books and records of the mortgagor;

“(II) prepared and certified to by an independent public accountant or a certified public accountant (unless the Secretary has waived this requirement in writing); and

“(III) certified to by the mortgagor or an authorized representative of the mortgagor.

“The Secretary shall approve an extension where the mortgagor demonstrates that failure to comply with this clause is due to events beyond the control of the mortgagor.”.]

[SEC. 220. Section 421 of the Housing and Community Development Act of 1987 (12 U.S.C. 1715z–4a) is amended—

(1) in subsection (a)(1)(A), by inserting after “project” the following: “, nursing home, intermediate care facility, board and care home, assisted living facility, or hospital”;

(2) in subsection (a)(1)(B), by inserting after “is” the following: “or, at the time of the violations, was”;

(3) in the second sentence of subsection(a)(1), by striking “project” and inserting “property”;

(4) in subsection (a)(2) by striking “which” and all that follows through “any owner” and inserting the following: “that owns or operates a property, as identified in the regulatory agreement, including but not limited to—

“(A) any stockholder holding 25 percent or more interest of a corporation that owns that property;

“(B) any beneficial owner of the property under any business or trust;

“(C) any officer, director, or partner of an entity owning or controlling the property;

“(D) any nursing home lessee or operator;

“(E) any hospital lessee or operator;

“(F) any other person or entity that controls the property regardless of that person or entity’s official relationship to the property; and

“(G) any heir, assignee, successor in interest, or agent of any person or entity described in the preceding subparagraphs”;

(5) in subsection (c), by striking “project” the first two places it appears and inserting “property”; and

(6) in subsection (d), by striking “project” and inserting “a property’s”.]

【SEC. 221. Section 204(h) of the National Housing Act (12 U.S.C. 1710(h)) is amended—

(1) in paragraph (2)—

(A) by striking “following assets of the Secretary” and inserting “following categories of assets of the Secretary, unless the Secretary determines at any time that the asset property is economically or otherwise infeasible to rehabilitate or that the best use of the asset property is as open space (including park land)”;

(B) in subparagraph (B)(ii), by inserting after “Act” the following: “except for mortgages insured under or made pursuant to sections 235, 247, or 255”; and

(C) by striking subparagraph (C);

(2) in the second sentence of paragraph (3), by inserting after “government” the following: “, States, and Indian tribes”;

(3) in paragraph (4)—

(A) in subparagraph (A)(i), by inserting after “government” the following: “, State, or Indian tribe”;

(B) by revising subparagraph (B)(ii) to read as follows:

“(ii) purchases all assets of the Secretary in the category or categories of eligible assets set forth in the sale agreement required under paragraph (7) that, at any time during the period which shall be set forth in the sale agreement—

“(I) are or become eligible for purchase under this subsection; and
“(II) are located in the asset control area of the purchaser; and”;

(C) in subparagraph (C), by striking “purchase of eligible assets under” and inserting “purchase of the category or categories of eligible assets set forth in the sale agreement under”;

(4) in paragraph (6)—

(A) by revising subparagraph (C) to read as follows:

“(C) DISCOUNTS.—The Secretary, in the sole discretion of the Secretary, shall establish the discount under this paragraph for an eligible asset. In determining the discount, the Secretary may consider the condition of the asset property, the extent of resources available to the preferred purchaser, the comprehensive revitalization plan undertaken by such purchaser, the financial safety and soundness of the Mutual Mortgage Insurance Fund, and any other circumstances the Secretary considers appropriate”; and

(B) by striking subparagraph (D);

(5) in paragraph (7)(A), by striking “eligible assets to be purchased and the interests sold” and inserting “category or categories of eligible assets to be purchased and, based on the purchaser’s capacity to manage and dispose of assets, the maximum number of assets owned by the Secretary at the time the sale agreement is executed that shall be sold to the purchaser”; and

(6) in paragraph (8)—

(A) in subparagraph (F), by inserting after “State” the following: “, and any agency or instrumentality thereof that is established pursuant to legislation and designated by the chief executive officer to act on behalf of the jurisdiction with regard to the provisions of this subsection”; and

(B) by adding the following new subparagraphs at the end:

“(G) STATE.—The term ‘State’ means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, or any agency or instrumentality thereof that is established pursuant to legislation and designated by the chief executive officer to act on behalf of the State with regard to provisions of this subsection.

“(H) INDIAN TRIBE.—The term ‘Indian tribe’ has the same meaning as in section 248(i)(I) of this Act.”.]

【SEC. 222. Section 203(c) of the National Housing Act (12 U.S.C. 1709(c)), as amended, is further amended in paragraph (1) by striking “subsections (n) and (k)” and inserting “subsection (n)” and striking “or (k)”.]

【SEC. 223. Section 203(c)(2)(A) of the National Housing Act (12 U.S.C. 1709(c)(2)(A)) is amended in the last sentence after “subparagraph” by inserting the following: “, provided that the mortgagor refinances the unpaid principal obligation under title II of this Act”.

This provision shall apply to loans that become insured on or after date of enactment of this Act.】

【SEC. 224. The portion of any athletic scholarship assistance that is available for housing costs shall be considered adjusted income for purposes of section 3(b)(5) of the United States Housing Act of 1937. The Secretary of Housing and Urban Development shall by notice establish criteria under which persons who receive athletic scholarship assistance may be denied housing assistance under the United States Housing Act of 1937.】

【SEC. 225. The funds made available for Native Alaskans under the heading “Native American Housing Block Grants” in title II of this Act shall be allocated to the same Native Alaskan housing block grant recipients that received funds in fiscal year 2004.】

SEC. 215. *Payment Incentives for Certain Single Family Mortgages.* The National Housing Act (12 U.S.C. 1701 et seq.) is amended by adding the following new section at the end:

“Sec. 257. *FHA Payment Incentive Program.*—For purposes of establishing an alternative to high cost mortgages for borrowers with credit impairments, the Secretary may insure under sections 203(b) and 234(c) of this title any mortgage that meets the requirements of such sections, except as follows: The Secretary may establish lower percentages of appraised value limitations than those provided in section 203(b)(2)(B). Notwithstanding section 203(c)(2)(B), the Secretary may establish and collect annual premium payments in an amount not exceeding 1.0 percent of the remaining insured principal balance, and such payments may be reduced or eliminated in subsequent years based on mortgage payment performance. All mortgages insured pursuant to this section shall be obligations of the Mutual Mortgage Insurance Fund, notwithstanding section 519 of this Act.”.

SEC. 216. *The National Housing Act (12 U.S.C. 1701 et seq.) is amended as follows:*

(a) In section 203 by adding the following new subsection at the end:

“(y) Notwithstanding any other provision of this section or any other section of this title, the Secretary is authorized to insure, and to commit to insure, any mortgage involving a property upon which there is located a dwelling designed principally for a 1-family residence which (1) involves a principal obligation not in excess of 100 percent of the applicable maximum dollar amount limit under subsection (b)(2)(A) for a one unit dwelling, and (2) is not in excess of 100 percent of the appraised value of the property plus any initial service charges, appraisal, inspection, and other fees in connection with the mortgage as approved by the Secretary. The Secretary is authorized to establish any additional requirements as may be necessary, or appropriate, including requirements regarding mortgagor and property eligibility.”; and

(b) in section 519(e):

(1) by striking “and” after “203(h)” and inserting a comma; and
(2) by inserting after “203(i),” “and 203(y),”.

SEC. 217. *Clarification Regarding Mortgage Insurance for Purchase of Existing Health Care Facilities.*—Section 223(f)(1) of the National Housing Act is amended by inserting “purchase or” immediately before “refinancing of existing debt”. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2005.)

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

	2004 actual	2005 est.	2006 est.
Offsetting receipts from the public:			
86-271910 FHA-general and special risk, Negative subsidies	281	190	357
86-271930 FHA-general and special risk, Downward re-estimates of subsidies	138	208	.....
86-274330 Indian housing loan guarantees, Downward reestimates of subsidies .....	.....	4	.....
86-277330 Community development loan guarantees, Downward reestimates	7	15	.....
General Fund Offsetting receipts from the public	426	417	357