

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

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

For the past 2 years, the Department has been engaged in a comprehensive reform effort—HUD 2020—to create a streamlined organization ready to meet the challenges of the new century. HUD is now back in business and fully equipped to pursue its fundamental missions: improving the economic vitality and livability of communities through locally driven initiatives and programs; addressing homelessness through comprehensive continuum of care strategies; transforming public and assisted housing and expanding housing assistance to alleviate severe housing needs; enhancing homeownership opportunities, especially for minorities and first-time buyers; and ensuring equal housing opportunity.

The 2000 Budget request would maintain the Community Development Block Grant and HOME programs at slightly increased levels. To access these formula grants and other HUD funds, communities develop consolidated plans that identify local needs and priorities. A Community Empowerment Fund (CEF) is proposed to finance economic development efforts that help families move from welfare to work or link city and suburban businesses. By integrating Economic Development Initiative competitive grants with Section 108, the CEF also will expand and improve operation of the Section 108 program, which enables communities to borrow in the private market with a Federal guarantee. Grants for urban empowerment zones will allow the 15 new zones to stimulate job creation and other community revitalization strategies.

The HOME program, which provides funding for states and local jurisdictions to expand the supply of affordable housing, will include a new Regional Affordable Housing Initiative to encourage multi-jurisdictional cooperation to build affordable housing in areas of job growth. The 2000 Budget also includes a proposed new Regional Connections program that will support locally driven strategies for smart growth and livable communities. A Metro Job Links program, funded as a small set-aside from CDBG, will help community-based institutions serving Federally assisted housing in distressed neighborhoods prepare families making the transition from welfare to work and link them to jobs across the region.

The 2000 Budget includes 100,000 incremental vouchers that will help address the severe housing needs of low-income households. Of these additional vouchers, 25,000 will be used to expand the Welfare to Work Voucher program for families for whom housing assistance is essential to getting or keeping a job; 18,000 will be part of the continuum of care for the homeless; 15,000 will be allocated to elderly households who find housing in low income housing tax credit project; and 42,000 will be used for other low-income households with severe housing needs.

In addition to vouchers needed to move the homeless to permanent housing, the Homeless Assistance Grants program will be funded at slightly increased levels to enable communities to continue their development and implementation of comprehensive, coordinated continuum of care systems to address the needs of homeless people and families.

The 2000 Budget includes a new continuum of care approach to addressing the housing needs of the elderly. Proposed at the same level enacted in 1999, the elderly program includes both budgetary and non-budgetary initiatives to enable low-income elders to remain in their homes; to be housed

by their families; to live in both newly developed and well-maintained elderly housing developments; to access the services increasingly needed by an aging older population; and to live in assisted living facilities when that is the type of housing they need. An additional part of this elderly initiative is mandatory funding for 15,000 vouchers to be used initially by extremely low-income elders who rent apartments in projects developed using the Low Income Housing Tax Credit.

The 2000 budget proposes to extend the principles of HUD's 2020 reform to HUD's major contract relationships for the administration of assisted and public housing. The transformation of public and assisted housing must not result in a decline in housing assistance resources for any community. It is the Administration's policy to renew all expiring subsidies and to protect income-eligible tenants when units are retired from the housing stock or converted to market-rate housing. The Housing Certificate Fund includes funding adequate for these purposes.

The 2000 Budget maintains the Federal commitment to the transformation of the public housing stock and supports the reforms enacted by the Quality Housing and Work Responsibility Act of 1998. Pursuant to this Act, during 1999, the Department will modify its approach to the operating and capital subsidies formulas through negotiated rule-making with public housing authority representatives, public housing tenants, local officials and other stakeholders. The new formulas will be based on principles similar to the Administration's principles for performance-based service contracting (PBSC) and HUD's 2020 reforms. The HOPE VI program will be maintained at the funding level enacted in 1999. The 2000 Budget provides full funding for the Public Housing Operating Fund and maintains the Public Housing Capital Fund at a level that will continue to support the renovations needed by an aging public housing stock, including housing quality problems identified by HUD's new Assessment Center.

The increase in the FHA guarantee limitation recently enacted will make it possible for thousands of additional Americans to become homeowners, especially first-time buyers, minorities, and other underserved populations. Homeownership Zones, a successful program that revitalizes neighborhoods as well as creating homeownership opportunities, is proposed as a modest set-aside from CDBG.

Increased funding for the Fair Housing Assistance and Fair Housing Initiatives programs (FHAP and FHIP) will strengthen the ability of public and private fair housing groups, and partnerships between them, to enforce the laws protecting all Americans against illegal housing discrimination. Additional funding for the Regional Opportunity Counseling program will help low-income families who have housing vouchers, including minorities, use their assistance to make informed housing choices in a broad range of neighborhoods.

## PUBLIC AND INDIAN HOUSING

### *Federal Funds*

#### **General and special funds:**

#### HOUSING CERTIFICATE FUND (INCLUDING TRANSFERS OF FUNDS)

For activities and assistance to prevent the involuntary displacement of low-income families, the elderly and the disabled because of the loss of affordable housing stock, expiration of subsidy contracts (other than contracts for which amounts are provided under another

**General and special funds—Continued**HOUSING CERTIFICATE FUND—Continued  
(INCLUDING TRANSFERS OF FUNDS)—Continued

heading in this Act) or expiration of use restrictions, or other changes in housing assistance arrangements, and for other purposes, [\$10,326,542,030] \$11,522,095,215, to remain available until expended: *Provided*, That of the total amount provided under this heading, [\$9,600,000,000] \$10,640,135,215, of which \$6,440,135,215 shall be available on October 1, 1999 and \$4,200,000,000 shall be available on October 1, 2000, shall be for assistance under the United States Housing Act of 1937 (“The Act” herein) (42 U.S.C. 1437) for use in connection with expiring or terminating section 8 subsidy contracts[, for enhanced vouchers (including renewals) as provided under the “Preserving Existing Housing Investment” account in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (Public Law 104–204), and contracts entered into pursuant to section 441 of the Stewart B. McKinney Homeless Assistance Act: *Provided further*, That in the case of enhanced vouchers provided under this heading, if the income of a family receiving assistance declines to a significant extent, the percentage of income paid by the family for rent shall not exceed the greater of 30 percent or the percentage of income paid at the time of mortgage prepayment: *Provided further*, That the Secretary may determine not to apply section 8(o)(6)(B) of the Act to housing vouchers during fiscal year 1999: *Provided further*, That of the total amount provided under this heading, \$209,000,000 shall be for administration of project-based section 8 rental assistance contracts, including \$42,000,000 for performance-based contracting, notwithstanding the limitation on eligible vendors under section 8 of the Act: *Provided further*, That of the total amount provided under this heading, [\$433,542,030] \$156,000,000 shall be for section 8 rental assistance under the [United States Housing] Act [of 1937] including assistance to relocate residents of properties: (1) that are owned by the Secretary and being disposed of; [or] (2) that are discontinuing section 8 project-based assistance; [for relocation and replacement housing for units that are demolished or disposed of from the public housing inventory (in addition to amounts that may be available for such purposes under this and other headings); for the conversion of section 23 projects to assistance under section 8; for funds to carry out the family unification program; and for the relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency: *Provided further*, That of the total amount made available in the preceding proviso, \$40,000,000 shall be made available to nonelderly disabled families affected by the designation of a public housing development under section 7 of such Act, the establishment of preferences in accordance with section 651 of the Housing and Community Development Act of 1992 (42 U.S.C. 13611), or the restriction of occupancy to elderly families in accordance with section 658 of such Act, and to the extent the Secretary determines that such amount is not needed to fund applications for such affected families, to other nonelderly disabled families: *Provided further*, That the amount made available under the fifth proviso under the heading “Prevention of Resident Displacement” in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, Public Law 104–204, shall also be made available to nonelderly disabled families affected by the restriction of occupancy to elderly families in accordance with section 658 of the Housing and Community Development Act of 1992: *Provided further*, That to the extent the Secretary determines that the amount made available under the fifth proviso under the heading “Prevention of Resident Displacement” in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, Public Law 104–204, is not needed to fund applications for affected families described in the fifth proviso, or in the preceding proviso under this heading in this Act, the amount not needed shall be made available to other nonelderly disabled families] or (3) for enhanced vouchers as provided under the “Preserving Existing Housing Investment” account in the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (P.L. 104–204), for families eligible for assistance under such Act: *Provided further*, That in the case of enhanced vouchers under the prior proviso, if the income of a family receiving assistance declines to a significant extent, the percentage of income paid by the family for rent shall not exceed the greater of 30 percent or the percentage of income paid at the time of mortgage prepayment:

*Provided further*, That of the total amount provided under this heading, \$346,560,000, shall be for section 8 rental assistance under the United States Housing Act, authorized by section 558 of the Quality Housing and Work Responsibility Act of 1998, including \$103,968,000 for section 8 rental assistance for the homeless: *Provided further*, That of the total amount provided under this heading, [\$10,000,000] \$20,000,000 shall be for Regional Opportunity Counseling: *Provided further*, That [all balances, as of September 30, 1998, remaining in the “Prevention of Resident Displacement” account shall be transferred to and merged with the amounts provided for those purposes under this heading] of the total provided under this heading for section 8 tenant-based rental assistance, up to \$1,100,000,000 shall be available for administrative fees to cover the cost of administering that program.

For tenant-based assistance under the United States Housing Act [of 1937] to help eligible families make the transition from welfare to work, [\$283,000,000] \$144,400,000 from the total amount provided under this heading, to be administered by public housing agencies (including Indian tribes and their tribally designated housing entities, as defined by the Secretary of Housing and Urban Development), and to remain available until expended: *Provided*, That families initially selected to receive assistance under this paragraph: (1) shall be eligible to receive, shall be currently receiving, or shall have received within the preceding two years, assistance or services funded under the Temporary Assistance for Needy Families (TANF) program under part A of title IV of the Social Security Act or as part of a State’s qualified State expenditure under section 409(a)(7)(B)(i) of such Act; (2) shall be determined by the agency to be families for which tenant-based housing assistance is critical to successfully obtaining or retaining employment; and (3) shall not already be receiving tenant-based assistance under the United States Housing Act [of 1937]: *Provided further*, That each application shall: (1) describe the proposed program, which shall be developed by the public housing agency in consultation with the State, local or Tribal entity administering the TANF program and the entity, if any, administering the Welfare-to-Work grants allocated by the United States Department of Labor pursuant to section 403(a)(5)(A) of the Social Security Act, and which shall take into account the particular circumstances of the community; (2) demonstrate that tenant-based housing assistance is critical to the success of assisting eligible families to obtain or retain employment; (3) specify the criteria for selecting among eligible families to receive housing assistance under this paragraph; (4) describe the proposed strategy for tenant counseling and housing search assistance and landlord outreach; (5) include any requests for waivers of any administrative requirements or any provisions of the United States Housing Act [of 1937], with a demonstration of how approval of the waivers would substantially further the objective of this paragraph; (6) include certifications from the State, local, or Tribal entity administering assistance under the TANF program and from the entity, if any, administering the Welfare-to-Work grants allocated by the United States Department of Labor, that the entity supports the proposed program and will cooperate with the public housing agency that administers the housing assistance to assure that such assistance is coordinated with other welfare reform and welfare to work initiatives; however, if either does not respond to the public housing agency within a reasonable time period, its concurrence shall be assumed, and if either objects to the application, its concerns shall accompany the application to the Secretary, who shall take them into account in this funding decision; and (7) include such other information as the Secretary may require and meet such other requirements as the Secretary may establish: *Provided further*, That the Secretary, after consultation with the Secretary of Health and Human Services and the Secretary of Labor, shall select public housing agencies to receive assistance under this paragraph on [a competitive basis] the basis of a national competition, taking into account the need for and quality of the proposed program (including innovative approaches), the extent to which the assistance will be coordinated with welfare reform and welfare to work initiatives, the extent to which the application demonstrates that tenant-based assistance is critical to the success of assisting eligible families to obtain or retain employment; and other appropriate criteria established by the Secretary: *Provided further*, That the Secretary may waive any administrative requirement or any provision of the Act if the Secretary determines that the waiver would substantially further the objective of the assistance under this proviso and P.L. 105–276, and in the event of any waiver, may make provision for alternative conditions or terms where appropriate, and approval shall not occur until 30 days after notification of each such waiver to the Committees on Ap-

proprations: *Provided further*, That the Secretary may use up to one percent of the amount available under this paragraph, directly or indirectly, to conduct detailed evaluations of the effect of providing assistance under this paragraph: *[Provided further*, That of the amount made available under this paragraph, at least \$4,000,000 each shall be made available for local self-sufficiency/welfare-to-work initiatives in San Bernardino County, California; Cleveland, Ohio; Kansas City, Missouri; Charlotte, North Carolina; Miami/Dade County, Florida; Prince Georges County, Maryland; New York City, New York; and Anchorage, Alaska]: *Provided further*, That all balances for the section 8 rental assistance, section 8 counseling, new construction sub-rehabilitation, relocation/replacement/demolition, section 23 conversions, rental and disaster vouchers, loan management set-aside, section 514 technical assistance, and programs previously funded within the "Annual Contributions" account shall be transferred to this account, to be available for the purposes for which they were originally appropriated: *Provided further*, That all balances previously recaptured in the "Section 8 Reserve Preservation" account shall be transferred to this account, to be available for the purposes for which they were originally appropriated: *Provided further*, That the unexpended amounts previously appropriated for special purpose grants within the "Annual Contributions for Assisted Housing" account shall be recaptured and transferred to this account, to be available for assistance under the Act for use in connection with expiring or terminating section 8 subsidy contracts: *Provided further*, That of the amounts previously appropriated for property disposition within the "Annual Contributions for Assisted Housing" account, up to \$79,000,000 shall be transferred to this account, to be available for assistance under the Act for use in connection with expiring or terminating section 8 subsidy contracts: *Provided further*, That of the unexpended amounts previously appropriated for carrying out the Low-Income Housing Preservation and Resident Homeownership Act of 1990 and the Emergency Low-Income Housing Preservation Act of 1987, other than amounts made available for rental assistance, within the "Annual Contributions for Assisted Housing" and "Preserving Existing Housing Investments" accounts, shall be recaptured and transferred to this account, to be available for assistance under the Act for use in connection with expiring or terminating section 8 subsidy contracts.

[From the sources and in the order hereinafter specified, \$1,650,000,000 is rescinded: *Provided*, That the first source shall be amounts that are available or may be recaptured from project-based contracts for section 8 assistance that expired or were terminated during fiscal year 1999 or any prior year: *Provided further*, That after all amounts that are available or may be recaptured from the first source have been exhausted, the second source shall be unobligated amounts from amendments to contracts for project-based section 8 assistance, other than contracts for projects developed under section 202 of the Housing Act of 1959, other than amounts described as the fourth source, in the fourth proviso in this paragraph, that are carried over into 1999: *Provided further*, That after all amounts that are available from the second source are exhausted, the third source shall be amounts recaptured from section 8 reserves in the section 8 moderate rehabilitation program: *Provided further*, That after all amounts that are available or may be recaptured from the third source have been exhausted, the fourth source shall be all unobligated amounts for project-based assistance that are earmarked under the third proviso under this heading in Public Law 105-65, 111 Stat. 1351 (approved October 27, 1997): *Provided further*, That any amounts that are available or recaptured in connection with the first or third provisos of this paragraph that are in the Annual Contributions for Assisted Housing account, and are required to be rescinded by this paragraph, shall be rescinded from the Annual Contributions for Assisted Housing account.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

Program and Financing (in millions of dollars)

Identification code 86-0319-0-1-604	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Contract renewals .....	9,708	11,238	8,790
00.02 Section 8 amendments .....	724	467	
00.03 Relocation & other .....	133	671	156
00.04 Preservation .....	12		
00.05 Section 514 Technical Assistance .....	1	3	
00.06 Non-Elderly Disabled .....	16	40	
00.07 Welfare to Work .....		283	144

00.08 Regional Opportunity Counseling .....		10	20
00.09 Contract Administrators .....			209
00.10 Increase in Administrative Fee .....			6
00.11 Homeless Vouchers .....			104
00.12 Incremental Rental Assistance .....			243
10.00 Total obligations (object class 41.0) .....	10,594	12,712	9,672

**Budgetary resources available for obligation:**

Unobligated balance available, start of year:			
21.40 Unobligated balance available, start of year .....	2,306	1,807	986
21.40 Unobligated balance available, start of year .....	1,180	1,670	
21.99 Total unobligated balance, start of year .....	3,486	3,477	986
22.00 New budget authority (gross) .....	9,373	9,491	7,426
22.10 Resources available from recoveries of prior year obligations .....	664	730	1,181
22.22 Unobligated balance transferred from other accounts .....	548		79
23.90 Total budgetary resources available for obligation .....	14,071	13,698	9,672
23.95 Total new obligations .....	-10,594	-12,712	-9,672
Unobligated balance available, end of year:			
24.40 Unobligated balance available, end of year .....	1,807	986	
24.40 Unobligated balance available, end of year .....	1,670		
24.99 Total unobligated balance, end of year .....	3,477	986	

**New budget authority (gross), detail:**

40.00 Appropriation .....	9,373	10,327	7,322
40.36 Unobligated balance rescinded .....		-836	
42.00 Transferred from other accounts .....			104
43.00 Appropriation (total) .....	9,373	9,491	7,426

**Change in unpaid obligations:**

72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	1,011	10,330	14,948
73.10 Total new obligations .....	10,594	12,712	9,672
73.20 Total outlays (gross) .....	-6,871	-7,364	-9,868
73.32 Obligated balance transferred from other accounts .....	6,260		934
73.45 Adjustments in unexpired accounts .....	-664	-730	-1,181
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	10,330	14,948	14,505

**Outlays (gross), detail:**

86.90 Outlays from new current authority .....	687	9	10
86.93 Outlays from current balances .....	6,183	7,355	9,858
87.00 Total outlays (gross) .....	6,871	7,364	9,868

**Net budget authority and outlays:**

89.00 Budget authority .....	9,373	9,491	7,426
90.00 Outlays .....	6,870	7,364	9,868

The funds requested will support the following activities for 2000:

A. *Contract Renewals.* Contract renewals provide funding to renew expiring Section 8 rental assistance contracts covering certificates, vouchers, and moderate rehabilitation (renewed as certificates or vouchers), Loan Management, New Construction/Substantial Rehabilitation, Property Disposition, and Preservation. In 2000, \$10.8 billion is requested to support 2.4 million units.

B. *Incremental Rental Assistance.* For 2000, the Department is requesting \$346,560,000 in budget authority to support a total of 60,000 incremental certificates and vouchers, including 18,000 specifically earmarked for the homeless. A portion of the total assistance may be used for family unification, witness relocation, settlement of litigation, section 23 conversions, and for families exercising portability.

C. *Welfare to Work.*—The lack of affordable, stable housing, or housing located close to employment, impedes the efforts of families moving from welfare to work. To help families who need housing assistance in order to achieve self-sufficiency, the Department is requesting \$144 million to fund 25,000 Welfare to Work Housing Vouchers to supplement the program enacted in 1999. Additionally, waiver authority is requested to allow applicants to receive waivers of administrative provisions or statutory provisions of the United States

**General and special funds**—Continued

## HOUSING CERTIFICATE FUND—Continued

## (INCLUDING TRANSFERS OF FUNDS)—Continued

Housing Act of 1937 that are needed to substantially further the objectives of the program.

**Public and Indian Housing**

*Regional Opportunity Counseling.* The Department is committed to increasing the housing opportunities available to low-income families. The Budget request includes \$20 million to pay for special counseling conducted by public housing agencies in partnership with local non-profit agencies to expand housing opportunities and deconcentrate the number of families living in high poverty neighborhoods.

Some of the results the Department expects to receive by providing intense regional opportunity counseling include: (1) expanding landlord participation in the Section 8 program and increases in the number and diversity of neighborhoods in which Section 8 recipients locate; (2) assisting and encouraging Section 8 families to move to low poverty neighborhoods that offer high quality housing, education, and employment opportunities; (3) addressing existing barriers to mobility and choice in the Section 8 program, including administrative barriers to portability; (4) promoting greater cooperation and joint problem-solving among Section 8 programs operating in a metropolitan housing market; and, (5) creating or strengthening institutions that administer the Section 8 program on a regional basis, including the provision of regional mobility counseling.

*Family Self-Sufficiency (FSS) Coordinators.* In 1990, the National Affordable Housing Act established the Family Self-Sufficiency Program. In establishing the program, Congress mandated that any housing agency that received any funding for rental vouchers and certificates in 1993 and subsequent would be required to establish a self-sufficiency program equal to the number of rental vouchers or certificates received.

Since that time, Congress has appropriated funds to support approximately one service coordinator in approximately 530 Public Housing Authorities each year. The PHAs that receive the special funding for FSS service coordinators were the smallest agencies that administered less than 1,500 rental vouchers and certificates.

The Department is committed to administering the FSS program for families receiving assistance under the rental voucher and certificate programs. The request for this account includes \$25.1 million to allow the smallest housing agencies to hire FSS coordinators. Under the FSS program, families will receive job training and employment that should lead to a decrease in their dependency on welfare programs and move them toward economic self-sufficiency.

**Housing**

*Tenant Protection Set-Asides.* The Housing Certificate Fund also serves a role in supporting families in FHA-insured, privately owned assisted housing projects affected by changes in project status. It is intended that income-eligible families who, through no fault of their own, are affected by HUD's management of the multifamily inventory be aided through the Housing Certificate Fund.

The \$156 million requested for 2000 Housing tenant protections will be used to provide funding for an estimated 12,000 preservation prepayment vouchers, and for 15,000 vouchers for residents in properties which are proposed for disposition from the assisted housing inventory, voluntarily terminating project-based assistance, terminations due to HUD housing

quality enforcement actions, or which are undergoing portfolio re-engineering.

Of this amount, \$22 million is included for Housing tenant protections to accommodate the more aggressive enforcement activities of the Department, including the cost of relocating affected families, and to address the potential need to modify current assistance payment standards and eligibility to avoid undue hardship or displacement of currently assisted families.

*Verifying the right person gets the right benefit.*—In 2000, HUD will begin verifying tenant reported income against other Federal income and other wage data, as authorized under existing statutes. This will help ensure that housing assistance is only provided to the extent entitled. It will improve the public's confidence in HUD stewardship of appropriated funds by providing greater assurance that tenants pay the proper amount of rent as provided under law.

While tenant income is a major factor affecting eligibility and the amount of federal rental subsidies, admission and subsidy determinations are almost entirely dependent on self-reporting. HUD research has determined that there is a significant level of under-reporting. HUD statistically sampled tenants from its automated data bases and matched their reported income with federal tax data in Social Security Administration (SSA) and Internal Revenue Service (IRS) data bases in CY 1995 and CY 1996. Based on the result of this computer income matching project, HUD statistically projected that the amount of excess rental subsidies when projected to the entire universe would total as much as hundreds of millions of dollars. HUD projects an estimated savings of \$15 million from this matching effort in 2000 and substantially larger savings in subsequent years.

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

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

Current statutes facilitate the verification program in public housing and Section 8 tenant-based rental assistance by requiring a subsidized tenant to turn over any letter regarding mismatches in reported income to HUD agents for resolution. Similar statutory authority is sought for the Section 8 project-based rental assistance program.

Pursuant to P.L. 105-276, the \$1.65 billion rescission of recaptures from project-based contracts is shown in two accounts, \$836 million in this account, and \$814 million in the Annual Contributions for Assisted Housing account.

SECTION 8 RESERVE PRESERVATION ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-0316-0-1-604	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Contract Renewals	289	995	
10.00 Total obligations (object class 41.0)	289	995	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year	4,202	995	
22.00 New budget authority (gross)	-2,897		
22.21 Unobligated balance transferred to other accounts	-21		
23.90 Total budgetary resources available for obligation	1,284	995	
23.95 Total new obligations	-289	-995	
24.40 Unobligated balance available, end of year	995		
<b>New budget authority (gross), detail:</b>			
40.36 Unobligated balance rescinded	-2,897		
<b>Change in unpaid obligations:</b>			
Unpaid obligations, start of year:			
72.40 Obligated balance, start of year		289	934
72.49 Obligated balance, start of year: Contract authority		995	
73.10 Total new obligations	289	995	
73.20 Total outlays (gross)	-350		
73.31 Obligated balance transferred to other accounts			-934
74.40 Unpaid obligations, end of year: Obligated balance, end of year	289	934	
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances		350	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	-2,897		
90.00 Outlays		350	

The Section 8 Reserve Preservation Account was authorized by P.L. 105-18. This account contains funds which were recaptured from project reserve accounts maintained by Housing Authorities nationwide. These funds will be used to renew expiring contracts during 1999 and 2000 to reduce the requirements for new contract renewal funding in the Housing Certificate Fund.

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

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

Program and Financing (in millions of dollars)

Identification code 86-0164-0-1-604	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Lower income housing	332	313	
00.04 Other programs	6	160	
00.05 Contract renewals		257	
10.00 Total obligations (object class 41.0)	338	730	
<b>Budgetary resources available for obligation:</b>			
Unobligated balance available, start of year:			
21.40 Unobligated balance available, start of year	495	391	79
21.40 Unobligated balance available, start of year: Contract authority:	4,090	712	
21.49 Unobligated balance available, start of year: Contract authority		16	
21.49 Unobligated balance available, start of year: Contract authority	73		
21.99 Total unobligated balance, start of year	4,658	1,119	79
22.00 New budget authority (gross)		-819	-104
22.10 Resources available from recoveries of prior year obligations	1,025	509	104
22.21 Unobligated balance transferred to other accounts	-3,285		-79
22.22 Unobligated balance transferred from other accounts	38		
22.75 Balance of contract authority withdrawn	-979		
23.90 Total budgetary resources available for obligation	1,457	809	

23.95 Total new obligations	-338	-730	
Unobligated balance available, end of year:			
24.40 Unobligated balance available, end of year	391	79	
24.40 Unobligated balance available, end of year	712		
24.49 Unobligated balance, end of year: Administrative commitments	16		
24.99 Total unobligated balance, end of year	1,119	79	

New budget authority (gross), detail:

Current:			
40.36 Unobligated balance rescinded		-814	
41.00 Transferred to other accounts		-5	-104
43.00 Appropriation (total)		-819	-104
Permanent:			
60.05 Appropriation (indefinite)	8,101	8,459	6,635
60.49 Portion applied to liquidate contract authority	-8,101	-8,459	-6,635
70.00 Total new budget authority (gross)		-819	-104

Change in unpaid obligations:

Unpaid obligations, start of year:			
72.40 Obligated balance, start of year	29,723	12,342	12,549
72.49 Obligated balance, start of year: Contract authority	55,249	46,226	37,783
72.99 Total unpaid obligations, start of year	84,972	58,568	50,332
73.10 Total new obligations	338	730	
73.20 Total outlays (gross)	-9,822	-8,459	-6,576
73.31 Obligated balance transferred to other accounts	-16,043		-24,000
73.32 Obligated balance transferred from other accounts	150		
73.40 Adjustments in expired accounts	-2		
73.45 Adjustments in unexpired accounts	-1,025	-509	-104
Unpaid obligations, end of year:			
74.40 Obligated balance, end of year	12,342	12,549	
74.49 Obligated balance, end of year: Contract authority	46,226	37,783	19,652
74.99 Total unpaid obligations, end of year	58,568	50,332	19,652

Outlays (gross), detail:

86.93 Outlays from current balances	9,822	8,459	6,576
<b>Net budget authority and outlays:</b>			
89.00 Budget authority		-819	-104
90.00 Outlays	9,822	8,459	6,576

Status of Contract Authority (in millions of dollars)

Identification code 86-0164-0-1-604	1998 actual	1999 est.	2000 est.
0100 Balance, start of year	55,322	46,242	37,783
0340 Unobligated balance transferred			-11,496
0400 Appropriation to liquidate contract authority	-8,101	-8,459	-6,635
0600 Balance of contract authority withdrawn	-979		
0700 Balance, end of year	46,242	37,783	19,652

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

The 2000 Budget proposes to complete the redistribution of remaining balances to other HUD accounts.

At the end of 2000, no further expenditures will appear in this account.

In 1998, pursuant to P.L. 105-65, the following transfers to other accounts were enacted: (1) all balances for Public Housing Development, Modernization, Family Investment Centers, Public Housing Amendments, and Lease Adjustments were transferred to the Public Housing Capital Fund; (2) all balances for Section 8 Amendments and Contract Renewals were transferred to the Housing Certificate Fund; (3) all balances for the Supportive Housing for the Elderly and Supportive Housing for the Disabled were transferred to the Housing for Special Populations account; and, (4) all balances for Indian Housing were transferred to the Indian Housing Block Grants account.

The \$550 million rescission enacted in the 1998 Appropriations Act of recaptured 1998 and prior years section 8 reserves, and the \$2.3 billion rescission enacted in P.L. 105-174 are shown under the Section 8 Reserve Preservation Account. Pursuant to P.L. 105-276, \$5 million of prior year

**General and special funds—Continued**

**ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING—Continued**

recaptures will be transferred to National Cities in School Community Development Program account in 1999. Also pursuant to P.L. 105-276, the \$1.65 billion rescission of recaptures from project-based contracts is shown in two accounts, \$814 million in this account and \$836 million in the Housing Certificate Fund account.

In 2000, all remaining balances are proposed to transfer to other HUD accounts. These include: (1) all balances for Section 8 Rental Assistance, Section 8 Counseling, relocation/replacement/demolition, preservation, Section 23 conversions, rental and disaster vouchers, Section 514 technical assistance, and property disposition transferred to the Housing Certificate Fund and available for those purposes; (2) all balances for debt service for Public and Indian Housing and Public and Indian Housing Grants transferred to the Public Housing Capital Fund; (3) all balances for lead-based paint transferred to the Lead Hazard Reduction program; (4) all balances for Capacity Building transferred to Capacity Building for Community Development Program; and (5) all balances for Economic Development Initiative grants, John Heinz Neighborhood Development program, Self Help Housing Opportunity program, and Moving to Work Demonstration program transferred to Community Development Block Grants.

**PRESERVING EXISTING-HOUSING INVESTMENT**

**Program and Financing (in millions of dollars)**

Identification code 86-0312-0-1-604	1998 actual	1999 est.	2000 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year	1,445		
22.21 Unobligated balance transferred to other accounts	-1,445		
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	2,825		
73.31 Obligated balance transferred to other accounts	-2,825		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays			

This account includes funding provided in 1997 for preservation, modernization, public housing development, Indian housing development, and public housing operating subsidies. Pursuant to P.L. 103-65: (1) all balances for preservation were transferred to the Annual Contributions for Assisted Housing account, (2) all balances for modernization and public housing development were transferred to the Public Housing Capital Fund; (3) all balances for Indian housing development were transferred to the Indian Housing Block Grants; and, (4) all balances for operating subsidies were transferred to the Public Housing Operating Fund.

**PUBLIC HOUSING CAPITAL FUND  
(INCLUDING TRANSFERS OF FUNDS)**

For the Public Housing Capital Fund Program [for modernization of existing public housing projects] to carry out capital and management activities for public housing agencies, as authorized under section [14] 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437), [\$3,000,000,000] \$2,555,000,000, to remain available until expended: *Provided*, That of the total amount, up to \$100,000,000 shall be for carrying out activities under section [6(j)] 9(d) of such Act, and [technical assistance for the inspection of public housing units, contract expertise, and training and technical assistance directly or indirectly, under grants, contracts, or cooperative agreements, to assist in the oversight and management of public housing (whether or not the housing is being modernized with assist-

*ance under this proviso) or tenant-based assistance, including, but not limited to, an annual resident survey, data collection and analysis, training and technical assistance by or to officials and employees of the Department and of public housing agencies and to residents in connection with the public housing programs and] for lease adjustments to section 23 projects, including up to \$2,500,000 for related travel: *Provided further*, That [of the amount available under this heading, up to \$5,000,000 shall be for the Tenant Opportunity Program: *Provided further*, That all balances, as of September 30, 1998, of funds heretofore provided for section 673 public housing service coordinators shall be transferred to and merged with amounts made available under this heading] all balances for debt service for Public and Indian Housing and Public and Indian Housing Grants previously funded within the "Annual Contributions for Assisted Housing" account shall be transferred to this account, to be available for the purposes for which they were originally appropriated. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.)*

**Program and Financing (in millions of dollars)**

Identification code 86-0304-0-1-604	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Direct program	2,512	4,610	2,555
10.00 Total obligations (object class 41.0)	2,512	4,610	2,555
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year		1,611	1
22.00 New budget authority (gross)	2,500	3,000	2,555
22.10 Resources available from recoveries of prior year obligations	8		
22.22 Unobligated balance transferred from other accounts	1,615		
23.90 Total budgetary resources available for obligation	4,123	4,611	2,556
23.95 Total new obligations	-2,512	-4,610	-2,555
24.40 Unobligated balance available, end of year	1,611	1	1
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation	2,500	3,000	2,555
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year		6,105	8,012
73.10 Total new obligations	2,512	4,610	2,555
73.20 Total outlays (gross)	-3,321	-2,703	-3,151
73.32 Obligated balance transferred from other accounts	6,922		24,000
73.45 Adjustments in unexpired accounts	-8		
74.40 Unpaid obligations, end of year: Obligated balance, end of year		6,105	8,012
			31,416
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority			58
86.93 Outlays from current balances	3,321	2,703	3,093
87.00 Total outlays (gross)	3,321	2,703	3,151
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	2,500	3,000	2,555
90.00 Outlays	3,321	2,703	3,151

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

Of the \$2.555 billion requested for the Public Housing Capital Fund, \$2.15 billion will assist housing authorities in carrying out capital and management activities and is sufficient to cover the accrual of additional capital needs which has been estimated at \$2.1 billion annually. In addition, of the requested amount, up to \$100 million is set aside for technical assistance including the inspection of public housing units. The 2000 Budget also projects that housing authorities will use the authority to flex capital subsidies for operating purposes.

During 1999, the Department will modify its formula for allocating capital subsidies to housing authorities through negotiated rulemaking with representatives of public housing authorities, public housing tenants, local officials, and other stakeholders. The negotiated rulemaking on a new capital subsidies formula will be based on the principles set forth under the Public Housing Operating Fund program.

Pursuant to P.L. 105-276, all balances for the Public Housing Service Coordinators Program previously funded under the Annual Contributions for Assisted Housing account were transferred to the Public Housing Capital Fund in 1999.

The 2000 Budget proposes to transfer all balances reflected in the Annual Contributions for Assisted Housing account for debt service for Public and Indian Housing and Public and Indian Housing Grants to the Public Housing Capital Fund.

**PUBLIC HOUSING OPERATING FUND**  
**[(INCLUDING TRANSFERS OF FUNDS)]**

For payments to public housing agencies for [operating subsidies for low-income housing projects] *the operation and management of public housing*, as authorized by section [9] 9(e) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g), [\$2,818,000,000] \$3,003,000,000, to remain available until expended. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.)

**Program and Financing (in millions of dollars)**

Identification code 86-0163-0-1-604	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Operating subsidies .....	2,974	2,859	3,003
10.00 Total obligations (object class 41.0) .....	2,974	2,859	3,003
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....		41	
22.00 New budget authority (gross) .....	2,900	2,818	3,003
22.10 Resources available from recoveries of prior year obligations .....	1		
22.22 Unobligated balance transferred from other accounts .....	114		
23.90 Total budgetary resources available for obligation .....	3,015	2,859	3,003
23.95 Total new obligations .....	-2,974	-2,859	-3,003
24.40 Unobligated balance available, end of year .....	41		
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	2,900	2,818	3,003
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	74	1,441	1,494
73.10 Total new obligations .....	2,974	2,859	3,003
73.20 Total outlays (gross) .....	-3,116	-2,806	-2,908
73.32 Obligated balance transferred from other accounts .....	1,510		
73.40 Adjustments in expired accounts .....	1		
73.45 Adjustments in unexpired accounts .....	-1		
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	1,441	1,494	1,589
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	1,418	1,353	1,441
86.93 Outlays from current balances .....	1,698	1,453	1,466
87.00 Total outlays (gross) .....	3,116	2,806	2,908
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	2,900	2,818	3,003
90.00 Outlays .....	3,116	2,806	2,908

Operating subsidies are provided to public housing authorities (PHAs) to assist in funding the operation and maintenance expenses of public housing units in accordance with Section 9(e) of the United States Housing Act of 1937, as amended. The annual subsidy requirements shown were calculated on the basis of the Performance Funding System

(PFS) formula. It is anticipated that sufficient finds will be available to provide 100 percent of PFS requirements in 2000. The 2000 Budget proposes to fund the Public Housing Operating Fund at \$3.003 billion.

The following tables display the sources of housing authorities' expected income and expenditures by category for 2000. The distribution is based on actual housing authorities' income and expenses as reported to HUD on the Statement of Operating Receipts and Expenditures.

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

Category	Annual income	Percent of total
Operating Subsidies .....	\$3,003	51
Dwelling Rental .....	2,534	44
Investment .....	92	2
Other Income .....	154	3
Total, Operating Income .....	5,783	

*Operating Subsidies.*—Represent HUD's contributions to housing authorities estimated as the difference between a housing authority's operating requirements and income from tenant rents and other income.

*Dwelling Rental.*—Income derived from tenants' rents.

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

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

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

Category	Annual expenditures	Percent of total
Utilities .....	\$1,471	25
Administration .....	1,092	19
General Operating Expenses .....	1,025	18
Maintenance .....	1,781	30
Tenant Services .....	79	1
Protective Services .....	150	3
Capital Expenditures .....	88	2
Operating Reserve .....	98	2
Total, Operating Expenses .....	5,783	

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

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

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

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

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

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

*Capital Expenditures.*—Includes transitional funding for public housing units approved for demolition.

*Operating reserves.*—HUD requires each housing agency to maintain an operating reserve equal to 3 percent of its operating budget to cover emergency expenses and deficits in their operating budgets.

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

Pursuant to the requirements of the Quality Housing and Work Responsibility Act of 1998, during 1999, the Department

**General and special funds—Continued**

**PUBLIC HOUSING OPERATING FUND—Continued**

**[(INCLUDING TRANSFERS OF FUNDS)]—Continued**

will modify its approach to the operating subsidy calculation through negotiated rulemaking with public housing authority representatives, public housing tenants, local officials, and other stakeholders. The negotiated rulemaking on a new operating and capital subsidies formula will be based on the following four principles:

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

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

**DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING**

**[(INCLUDING TRANSFER OF FUNDS)]**

For grants to public housing agencies and Indian tribes and their tribally designated housing entities for use in eliminating crime in public housing projects authorized by 42 U.S.C. 11901–11908, for grants for federally assisted low-income housing authorized by 42 U.S.C. 11909, and for drug information clearinghouse services authorized by 42 U.S.C. 11921–11925, \$310,000,000, to remain available until expended, of which up to \$10,000,000 shall be for grants, technical assistance, contracts and other assistance, training, and program assessment and execution for or on behalf of public housing agencies, resident organizations, and Indian tribes and their tribally designated housing entities (including up to \$250,000 for the cost of necessary travel for participants in such training)[,]; \$100,000,000 for a Youth Anti-Drug Diversion program to provide competitive grants to public housing agencies (including Indian housing authorities, as defined by the Secretary), and to non-profit organizations who design effective, community-based strategies to combat drug use and other anti-social behavior targeted to youths living in and around public and Federally assisted housing: Provided, That the services permitted may include funding for mentoring, youth employment and after school programs; Provided further, That the Secretary may use up to \$1,000,000 of these funds to conduct a detailed impact evaluation of the Youth Anti-Drug Diversion program; \$10,000,000 shall be used in connection with efforts to combat violent crime in public and assisted housing under the Operation Safe Home Program administered by the Inspector General of the Department of Housing and Urban Development[,]; and \$10,000,000 shall be provided to the Office of Inspector General for Operation Safe Home; and \$20,000,000 shall be available for a program named the New Approach Anti-Drug program which will provide competitive grants to entities managing or operating public housing developments, federally assisted multifamily housing developments, or other multifamily housing developments for low-income families supported by non-Federal governmental entities or similar housing developments supported by nonprofit private sources in order to provide or augment security (including personnel costs), to assist in the investigation and/or prosecution of drug related criminal activity in and around such developments, and to provide assistance for the development of capital improvements at such developments directly relating to the security of such developments: Provided, That grants for the New Approach Anti-Drug program shall be made on a competitive basis as specified in section 102 of the Department of Housing and Urban Development Reform Act of 1989: Provided further, That the term "drug-related crime", as defined in 42 U.S.C. 11905(2), shall also include other types of crime as determined by the Secretary: Provided further, That, notwithstanding section 5130(c) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11909(c)), the Secretary may determine not to use any such funds to provide public housing youth sports grants]

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.)

Program and Financing (in millions of dollars)			
Identification code 86–0197–0–1–604	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	214	580	174
00.02 Federally Assisted Housing .....	16	16	16
00.03 Operation Safe Home .....	17	20	20
00.04 New Approach Anti-Drug Program .....	40		
00.05 Youth Anti-Drug Diversion .....			100
10.00 Total obligations (object class 41.0) .....	247	656	310
<b>Budgetary resources available for obligation:</b>			
Unobligated balance available, start of year:			
21.40 Unobligated balance available, start of year .....	272	336	
21.40 Administrative Authority .....	9	10	
21.99 Total unobligated balance, start of year .....	281	346	
22.00 New budget authority (gross) .....	310	310	310
22.10 Resources available from recoveries of prior year obligations .....	2		
23.90 Total budgetary resources available for obligation .....	593	656	310
23.95 Total new obligations .....	–247	–656	–310
Unobligated balance available, end of year:			
24.40 Unobligated balance available, end of year .....	336		
24.40 Administrative Commitments .....	10		
24.99 Total unobligated balance, end of year .....	346		
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	310	310	310
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	302	266	648
73.10 Total new obligations .....	247	656	310
73.20 Total outlays (gross) .....	–281	–274	–326
73.45 Adjustments in unexpired accounts .....	–2		
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	266	648	632
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....			21
86.93 Outlays from current balances .....	281	274	305
87.00 Total outlays (gross) .....	281	274	326
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	310	310	310
90.00 Outlays .....	281	274	326

The \$310 million requested for this program in 2000 includes funding for technical assistance for drug elimination, a Youth Anti-Drug Diversion program, and operation safe home activities.

The Public Housing Drug Elimination Grants program has been authorized since 1988, and provides funds to Public Housing Authorities (PHAs) and Tribally Designated Housing Entities (TDHEs) for their anti-drug, anti-crime efforts. To combat the concentration of crime in and around housing authorities, staff and residents use these resources to increase police coverage and security as well as to provide alternative activities to residents. Eligible activities include reimbursing local law enforcement for additional services, security contracts, investigators, and training residents for volunteer resident programs. The 1998 Amendments have expanded the definition of crime beyond drug-related patrols, physical changes to enhance security, drug prevention, and intervention and treatment; thus allowing housing authorities greater scope in targeting crime and developing successful alternatives. The new Youth Anti-Drug Diversion program builds on these changes to eligible activities by inviting applicants to design community-based anti-drug and anti-crime approaches targeted to youths living in and around public and Federally assisted housing. \$25 million in Youthbuild funds



will be awarded in conjunction with the Youth Anti-Drug Diversion program to neighborhoods with concentrations of public and Federally assisted housing.

The budget proposes to allocate the \$310 million requested in 2000 as follows: (1) \$163.8 million for Drug Elimination Grants and clearinghouse information services; (2) \$100 million for the Youth Anti-Drug Diversion program; (3) \$20 million for Operation Safe Home; (4) \$16.2 million for other Federally assisted low-income housing grants; and (5) \$10 million for technical assistance, training, and information dissemination.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING  
(HOPE VI)

For grants to public housing agencies for [assisting in the] 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, \$625,000,000 to remain available until expended: *Provided*, [of obsolete public housing projects or portions thereof, the revitalization (where appropriate) of sites (including remaining public housing units) on which such projects are located, replacement housing which will avoid or lessen concentrations of very low-income families, and tenant-based assistance in accordance with section 8 of the United States Housing Act of 1937; and for providing replacement housing and assisting tenants displaced by the demolition (including appropriate homeownership down payment assistance for displaced tenants), \$625,000,000, to remain available until expended, of which the Secretary may use up to \$15,000,000 for technical assistance and contract expertise, to be provided directly or indirectly by grants, contracts or cooperative agreements, including training and cost of necessary travel for participants in such training, by or to officials and employees of the Department and of public housing agencies and to residents: *Provided*, That no funds appropriated under this heading shall be used for any purpose that is not provided for herein, in the United States Housing Act of 1937, in the Appropriations Acts for the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies, for the fiscal years 1993, 1994, 1995, 1997, and 1998, and the Omnibus Consolidated Rescissions and Appropriations Act of 1996: *Provided further*,] That for purposes of environmental review pursuant to the National Environmental Policy Act of 1969, a grant under this heading or under prior appropriations Acts for use for the purposes under this heading shall be treated as assistance under title I of the United States Housing Act of 1937 and shall be subject to the regulations issued by the Secretary to implement section 26 of such Act[: *Provided further*, That none of such funds shall be used directly or indirectly by granting competitive advantage in awards to settle litigation or pay judgments, unless expressly permitted herein]. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

Program and Financing (in millions of dollars)

Identification code 86-0218-0-1-604	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	617	655	625
10.00 Total obligations (object class 41.0) .....	617	655	625
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	698	630	600
22.00 New budget authority (gross) .....	550	625	625
23.90 Total budgetary resources available for obligation .....	1,248	1,255	1,225
23.95 Total new obligations .....	-617	-655	-625
24.40 Unobligated balance available, end of year .....	630	600	600
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	550	625	625
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	1,563	1,943	2,081
73.10 Total new obligations .....	617	655	625
73.20 Total outlays (gross) .....	-237	-517	-588

74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	1,943	2,081	2,118
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....	237	517	588
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	550	625	625
90.00 Outlays .....	237	517	588

This program utilizes Federal resources to rehabilitate and restore severely distressed public housing projects, thereby expanding the supply of decent, safe, and affordable housing for low-income renters. The funds may also be used for project demolition, hard replacement units, as well as tenant-based rental assistance.

[NATIVE AMERICAN] INDIAN HOUSING BLOCK [GRANTS] GRANT  
[(INCLUDING TRANSFER OF FUNDS)]

For the [Native American] Indian Housing Block [Grants] Grant program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) (Public Law 104-330), \$620,000,000, to remain available until expended, of which up to \$6,000,000 shall be used to support the inspection of Indian housing units, contract expertise, training, and technical assistance in the oversight and management of Indian housing and tenant-based assistance, including up to [\$200,000] \$300,000 for related travel: *Provided*, That of the amount provided under this heading, [\$6,000,000] \$5,000,000 shall be made available for the cost of guaranteed notes and other obligations, as authorized by title VI of [the Native American Housing Assistance and Self-Determination Act of 1996] NAHASDA: *Provided*[,] further, That such costs, including the costs of modifying such notes and other obligations, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided*[,] further, That these funds are available to subsidize the total principal amount of any notes and other obligations, any part of which is to be guaranteed, not to exceed [\$54,600,000. In addition,] \$45,167,000: *Provided further*, That for administrative expenses to carry out the guaranteed loan program, up to \$200,000 from amounts in the first proviso, which shall be transferred to and merged with the appropriation for departmental salaries and expenses, to be used only for the administrative costs of these guarantees[: *Provided*, That the funds made available in the first proviso in the preceding paragraph are for a demonstration on ways to enhance economic growth, to increase access to private capital, and to encourage the investment and participation of traditional financial institutions in tribal and other Native American areas]. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

Program and Financing (in millions of dollars)

Identification code 86-0313-0-1-604	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Indian Housing Block Grants .....	592	745	620
00.02 Title VI Indian Federal Guarantees .....		11	
10.00 Total obligations (object class 41.0) .....	592	756	620
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....		136	
22.00 New budget authority (gross) .....	600	620	620
22.22 Unobligated balance transferred from other accounts .....	127		
23.90 Total budgetary resources available for obligation .....	727	756	620
23.95 Total new obligations .....	-592	-756	-620
24.40 Unobligated balance, end of year .....	136		
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	600	620	620
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....		1,121	1,176
73.10 Total new obligations .....	592	756	620
73.20 Total outlays (gross) .....	-453	-701	-665
73.32 Obligated balance transferred from other accounts .....	982		

**General and special funds—Continued****[NATIVE AMERICAN] INDIAN HOUSING BLOCK [GRANTS] GRANT—Continued****[(INCLUDING TRANSFER OF FUNDS)]—Continued****Program and Financing (in millions of dollars)—Continued**

Identification code 86-0313-0-1-604	1998 actual	1999 est.	2000 est.
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	1,121	1,176	1,131
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	24	196	309
86.93 Outlays from current balances .....	429	505	356
87.00 Total outlays (gross) .....	453	701	665
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	600	620	620
90.00 Outlays .....	453	701	665

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

Identification code 86-0313-0-1-604	1998 actual	1999 est.	2000 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Loan guarantee levels .....		54	45
2159 Total loan guarantee levels .....		54	45
Guaranteed loan subsidy (in percent):			
2320 Subsidy rate .....	11.07	11.07	11.07
2329 Weighted average subsidy rate .....	11.07	11.07	11.07
Guaranteed loan subsidy budget authority:			
2330 Subsidy budget authority .....		11	5
2339 Total subsidy budget authority .....		11	5
Guaranteed loan subsidy outlays:			
2340 Subsidy outlays .....		3	6
2349 Total subsidy outlays .....		3	6

Title I of the Native American Housing Assistance and Self-Determination Act (NAHASDA) of 1996 (P.L. 104-330) authorized the Indian Housing Block Grant program. This program provides an allocation of funds on a formula basis to Indian tribes and their tribally designated housing entities to help them address housing needs within their communities. Indian tribes use performance measures and benchmarks that are consistent with the national goals of the program but can base these measures on the needs and priorities they establish in their own Indian housing plan.

The Indian Housing Block Grant program includes a guaranteed loan provision (Title VI). A guarantee level of \$45 million is proposed for this loan guarantee program for 2000. The subsidy rate for this program is set at 11.07 percent with a federal guarantee of 80 percent. A primary goal of the Title VI program is to encourage private lenders to provide financing in Indian country. Therefore, the program provides for the federal guarantee of notes or other obligations issued by Indian tribes or tribally designated housing entities for the purpose of financing affordable housing activities described in section 202 of the Act. A tribe or its tribally designated housing entity can pledge up to five times its future IHBG funds to collateralize the loan.

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

**Public enterprise funds:****LOW-RENT PUBLIC HOUSING—LOANS AND OTHER EXPENSES****Program and Financing (in millions of dollars)**

Identification code 86-4098-0-3-604	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable program: Capital investment loans to PHAs .....	22	50	40
10.00 Total new obligations (object class 33.0) .....	22	50	40
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	3	17	5
22.00 New budget authority (gross) .....	120	109	80
22.60 Redemption of debt .....	-84	-71	-45
23.90 Total budgetary resources available for obligation .....	39	55	40
23.95 Total new obligations .....	-22	-50	-40
24.40 Unobligated balance available, end of year .....	17	5	
<b>New budget authority (gross), detail:</b>			
67.15 Authority to borrow (indefinite) .....	37	50	40
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	83	59	40
70.00 Total new budget authority (gross) .....	120	109	80
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	1,068	965	878
73.10 Total new obligations .....	22	50	40
73.20 Total outlays (gross) .....	-125	-137	-85
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	965	878	833
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	22	50	40
86.98 Outlays from permanent balances .....	103	87	45
87.00 Total outlays (gross) .....	125	137	85
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-70	-59	-40
88.40 Non-Federal sources .....	-13		
88.90 Total, offsetting collections (cash) .....	-83	-59	-40
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	37	50	40
90.00 Outlays .....	42	78	45

**Status of Direct Loans (in millions of dollars)**

Identification code 86-4098-0-3-604	1998 actual	1999 est.	2000 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	1,562	1,492	1,433
1251 Repayments: Repayments and prepayments .....	-70	-59	-45
1290 Outstanding, end of year .....	1,492	1,433	1,388

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 86-4098-0-3-604	1998 actual	1999 est.	2000 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	3,586	3,307	3,028
2251 Repayments and prepayments .....	-279	-279	-279
2290 Outstanding, end of year .....	3,307	3,028	2,749
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	3,306	3,026	2,746

The Low-Rent Public Housing Loan Fund provides direct Federal loans to fund remaining Public Housing Agency and Indian Housing Authority construction, acquisition, and modernization activities reserved under the Annual Contributions

appropriation through 1986. These loans are made from borrowings from the Treasury. Under legislation enacted during 1986 (Public Law 99-272), the borrowings from the Treasury are forgiven at the end of each fiscal year and the loans to PHAs/IHAs are forgiven as construction, acquisition, and modernization activities are completed. Under the provisions of this legislation, \$37 million of borrowings from the Treasury were forgiven in 1998, an estimated \$40 million will be borrowed from the Treasury and forgiven in 1999, and an estimated \$40 million will be borrowed from the Treasury and forgiven in 2000.

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

*Operating results.*—The actual and estimated net operating income for 1997, 1998, 1999, and 2000 follows:

#### Statement of Operations (in millions of dollars)

Identification code 86-4098-0-3-604	1997 actual	1998 actual	1999 est.	2000 est.
0101 Revenue .....	108	104	100	100
0102 Expense .....	-99	-95	-91	-91
0109 Net income or loss (-) .....	9	9	9	9

#### Balance Sheet (in millions of dollars)

Identification code 86-4098-0-3-604	1997 actual	1998 actual	1999 est.	2000 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	1,072	968	854	854
Investments in US securities:				
1106 Receivables, net .....	1,656	1,585	1,513	1,513
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	45	35	24	24
1602 Interest receivable .....	6	3	3	3
1603 Allowance for estimated uncollectible loans and interest (-) .....	-13	-12	-12	-12
1604 Direct loans and interest receivable, net .....	38	26	15	15
1699 Value of assets related to direct loans .....	38	26	15	15
1999 Total assets .....	2,766	2,579	2,382	2,382
<b>LIABILITIES:</b>				
Federal liabilities:				
2102 Interest payable .....	189	181	173	173
2104 Resources payable to Treasury .....	1,561	1,491	1,420	1,420
2207 Non-Federal liabilities: Other .....	1	1	1	1
2999 Total liabilities .....	1,751	1,673	1,594	1,594
<b>NET POSITION:</b>				
3100 Appropriated capital .....	972	866	757	757
3300 Cumulative results of operations .....	43	40	31	31
3999 Total net position .....	1,015	906	788	788
4999 Total liabilities and net position .....	2,766	2,579	2,382	2,382

#### Credit accounts:

##### INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

For the cost of guaranteed loans, as authorized by section 184 of the Housing and Community Development Act of 1992 (106 Stat. 3739), \$6,000,000, to remain available until expended: *Provided*, That such costs, including the costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed [\$68,881,000] \$71,956,000.

In addition, for administrative expenses to carry out the guaranteed loan program, up to [\$400,000] \$150,000 from amounts in the first paragraph, which shall be transferred to and merged with the appropriation for departmental salaries and expenses, to be used only

for the administrative costs of these guarantees. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

#### Program and Financing (in millions of dollars)

Identification code 86-0223-0-1-371	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....		12	6
00.02 Guaranteed loan subsidy .....	2		
10.00 Total obligations (object class 41.0) .....	2	12	6
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	1	4	
22.00 New budget authority (gross) .....	5	6	6
23.90 Total budgetary resources available for obligation .....	6	10	6
23.95 Total new obligations .....	-2	-12	-6
24.40 Unobligated balance available, end of year .....	4		
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	5	6	6
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	6	6	14
73.10 Total new obligations .....	2	12	6
73.20 Total outlays (gross) .....	-2	-4	-6
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	6	14	14
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	1	1	1
86.93 Outlays from current balances .....	2	3	6
87.00 Total outlays (gross) .....	2	4	6
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	5	6	6
90.00 Outlays .....	2	4	6
<b>Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)</b>			
Identification code 86-0223-0-1-371	1998 actual	1999 est.	2000 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Loan guarantee levels .....	22	69	72
2159 Total loan guarantee levels .....	22	69	72
Guaranteed loan subsidy (in percent):			
2320 Subsidy rate .....	8.13	8.13	8.13
2329 Weighted average subsidy rate .....	8.13	8.13	8.13
Guaranteed loan subsidy budget authority:			
2330 Subsidy budget authority .....	2	6	6
2339 Total subsidy budget authority .....	2	6	6
Guaranteed loan subsidy outlays:			
2340 Subsidy outlays .....	2	3	4
2349 Total subsidy outlays .....	2	3	4

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

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

It is anticipated that the funding requested for 2000 will support 325 loans.

## Credit accounts—Continued

## INDIAN HOUSING LOAN GUARANTEE FUND FINANCING ACCOUNT

Program and Financing (in millions of dollars)				
Identification code 86-4104-0-3-604	1998 actual	1999 est.	2000 est.	
<b>Budgetary resources available for obligation:</b>				
21.40 Unobligated balance available, start of year .....	2	4	8	
22.00 New financing authority (gross) .....	3	3	3	
23.90 Total budgetary resources available for obligation .....	5	7	11	
24.40 Unobligated balance available, end of year .....	4	8	11	
<b>New financing authority (gross), detail:</b>				
68.00 Spending authority from offsetting collections (gross):				
Federal sources .....	3	3	3	
<b>Offsets:</b>				
Against gross financing authority and financing dis-				
bursements:				
88.00 Offsetting collections (cash) from: Federal sources:				
Payments from program account .....	-3	-3	-3	
<b>Net financing authority and financing disbursements:</b>				
89.00 Financing authority .....				
90.00 Financing disbursements .....	-3	-3	-3	

## Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4104-0-3-604	1998 actual	1999 est.	2000 est.	
Position with respect to appropriations act limitation on commitments:				
2111 Limitation on guaranteed loans made by private lenders .....	67	69	72	
2112 Uncommitted loan guarantee limitation .....	-45			
2150 Total guaranteed loan commitments .....	22	69	72	
2199 Guaranteed amount of guaranteed loan commitments .....	22	69	72	
Cumulative balance of guaranteed loans outstanding:				
2210 Outstanding, start of year .....	17	38	69	
2231 Disbursements of new guaranteed loans .....	24	34	40	
2251 Repayments and prepayments .....	-3	-3	-3	
2290 Outstanding, end of year .....	38	69	106	
Memorandum:				
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	38	69	106	

As required by the Federal Credit Reform Act of 1990, this nonbudgetary account records all cash flows to and from the Government resulting from the loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from obligations in any year). The amounts in this account are a means of financing and 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	1997 actual	1998 actual	1999 est.	2000 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	2	4	4	4
1999 Total assets .....	2	4	4	4
<b>LIABILITIES:</b>				
2204 Non-Federal liabilities: Liabilities for loan guarantees .....	2	4	3	3
2999 Total liabilities .....	2	4	3	3
4999 Total liabilities and net position .....	2	4	3	3

## TITLE VI INDIAN FEDERAL GUARANTEES FINANCING ACCOUNT

## Program and Financing (in millions of dollars)

Identification code 86-4244-0-3-604	1998 actual	1999 est.	2000 est.	
<b>Budgetary resources available for obligation:</b>				
21.40 Unobligated balance available, start of year .....			3	
22.00 New financing authority (gross) .....		3	3	
23.90 Total budgetary resources available for obligation .....		3	6	
24.40 Unobligated balance available, end of year .....		3	6	
<b>New financing authority (gross), detail:</b>				
68.00 Spending authority from offsetting collections (gross):				
Offsetting collections (cash) .....		3	3	
<b>Offsets:</b>				
Against gross financing authority and financing dis-				
bursements:				
88.00 Offsetting collections (cash) from: Federal sources .....		-3	-3	
<b>Net financing authority and financing disbursements:</b>				
89.00 Financing authority .....				
90.00 Financing disbursements .....		-3	-3	

## Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4244-0-3-604	1998 actual	1999 est.	2000 est.	
Position with respect to appropriations act limitation on commitments:				
2111 Limitation on guaranteed loans made by private lenders .....	45	54	45	
2112 Uncommitted loan guarantee limitation .....	-45			
2150 Total guaranteed loan commitments .....		54	45	
Cumulative balance of guaranteed loans outstanding:				
2210 Outstanding, start of year .....			51	
2231 Disbursements of new guaranteed loans .....		54	45	
2251 Repayments and prepayments .....		-3	-3	
2290 Outstanding, end of year .....		51	93	

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), [\$215,000,000] \$240,000,000, to remain available until expended: *Provided*, That the Secretary may use up to 1 percent of the funds under this heading for technical assistance: [*Provided further*, That within 30 days of the close of fiscal year 1999, the Secretary shall submit a report to the Congress summarizing all technical assistance provided during the fiscal year]. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

Note.—Additional funding is provided in P.L. 105-277 the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, Division A, Section 121.

## Program and Financing (in millions of dollars)

Identification code 86-0308-0-1-604	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Housing for AIDs victims .....	200	265	240
10.00 Total obligations (object class 41.0) .....	200	265	240
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	36	40	.....
22.00 New budget authority (gross) .....	204	225	240
23.90 Total budgetary resources available for obligation	240	265	240
23.95 Total new obligations .....	-200	-265	-240
24.40 Unobligated balance available, end of year .....	40	.....	.....
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	204	225	240
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	439	439	540
73.10 Total new obligations .....	200	265	240
73.20 Total outlays (gross) .....	-200	-164	-191
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	439	540	589
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	4	5	5
86.93 Outlays from current balances .....	196	160	186
87.00 Total outlays (gross) .....	200	164	191
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	204	225	240
90.00 Outlays .....	199	164	191

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

One percent of funds are used for technical assistance to grantees. States and metropolitan areas receive 90 percent of the remaining funds by formula based on the incidence of HIV/AIDS in their jurisdictions. The final 10 percent is awarded competitively to States, local governments, and private nonprofit entities for projects of national significance. Awards are also made to States and local governments for projects in jurisdictions which do not qualify for a formula allocation. The requested funding for 2000 will support approximately 44,000 housing units for persons with HIV/AIDS and their families.

COMMUNITY DEVELOPMENT BLOCK GRANTS  
(INCLUDING TRANSFERS OF FUNDS)

For grants to States and units of general local government and for related expenses, not otherwise provided for, to carry out a community development grants program as authorized by title I of the Housing and Community Development Act of 1974, as amended (the "Act" herein) (42 U.S.C. 5301), [\$4,750,000,000] \$4,725,000,000, to remain available until September 30, [2001] 2002: *Provided*, That \$67,000,000 shall be for grants to Indian tribes notwithstanding section 106(a)(1) of such Act, [\$3,000,000 shall be available as a grant to the Housing Assistance Council, \$3,000,000 shall be available for the Organizing Committee for the 1999 Special Olympics Summer Games to be used in support of related activities in the Triangle Area of North Carolina, \$1,800,000 shall be available as a grant to the National American Indian Housing Council, \$50,000,000] and \$45,500,000 shall be for grants pursuant to section 107 of the Act: *Provided further*, That all funding decisions under section 107 except as specified herein shall be subject to a reprogramming request unless otherwise specified in accordance with the terms and conditions specified in the joint explanatory statement of the committee of conference accompanying this Act (H.R. 4194): *Provided further*, That \$27,500,000 shall be for grants pursuant to the Self Help Housing Opportunity program, subject to authorization, of which \$7,500,000

shall be for capacity building efforts:] ; and \$10,000,000 shall be for technical assistance, contracts and other assistance, and training in connection with the Empowerment Zones and Enterprise Communities, designated by the Secretary of Housing and Urban Development, to continue efforts to stimulate economic opportunity in America's distressed communities: *Provided further*, That not to exceed 20 percent of any grant made with funds appropriated herein (other than [a grant made available in this paragraph to the Housing Assistance Council or the National American Indian Housing Council, or] a grant using funds under section 107(b)(3) of the [Housing and Community Development] Act [of 1974, as amended]) shall be expended for "Planning and Management Development" and "Administration" as defined in regulations promulgated by the Department. *Provided further*, That all balances for the Economic Development Initiative grants program, the John Heinz Neighborhood Development program, grants to Self Help Housing Opportunity program, and the Moving to Work Demonstration program previously funded within the "Annual Contributions for Assisted Housing" account shall be transferred to this account, to be available for the purposes for which they were originally appropriated.

[Of the amount made available under this heading, \$15,000,000 shall be made available for "Capacity Building for Community Development and Affordable Housing," for LISC and the Enterprise Foundation for activities as authorized by section 4 of the HUD Demonstration Act of 1993 (Public Law 103-120), as in effect immediately before June 12, 1997, with not less than \$5,000,000 of the funding to be used in rural areas, including tribal areas.]

[Of the amount made available under this heading, \$12,000,000 is for the City of Oklahoma City, Oklahoma, for a revolving loan pool that shall be subject to the following requirements and conditions: (1) amounts in the pool shall be available only for the purposes of making loans to carry out economic development activities that primarily benefit the area in Oklahoma City bounded on the south by Robert S. Kerr Avenue, on the north by North 13th Street, on the east by Oklahoma Avenue, and on the west by Shartel Avenue, and covering costs involved in administering the loan pool; (2) amounts provided under this paragraph shall be available for use from the loan pool only to the extent that the amounts contributed to the loan pool (or committed to be contributed) from non-Federal sources equal or exceed two times the amounts provided under this paragraph; (3) any repayments of principal and interest from loans made by the pool shall be deposited in the pool and available for use for loans in accordance with this paragraph; (4) amounts in the pool may not be used to provide loans to any agency or entity of the Federal Government or any State government or unit of general local government; (5) amounts provided under this paragraph shall be available for use from the loan pool only if the City of Oklahoma City, Oklahoma agrees (to the satisfaction of the Secretary of Housing and Urban Development) to deposit in the pool (for use for loans in accordance with this paragraph) the net proceeds from any amounts that are repaid to the City under loans made by the City using amounts provided under this same heading under chapter III of title III of Public Law 104-19 (109 Stat. 253).]

Of the amount provided under this heading, the Secretary of Housing and Urban Development may use up to [\$55,000,000 for a public and assisted housing self-sufficiency program, of which up to \$5,000,000 may be used for the Moving to Work Demonstration, and at least \$20,000,000 shall be used for grants for service coordinators and congregate services for the elderly and disabled: *Provided*, That for self-sufficiency activities, the Secretary may make grants to public housing agencies (including Indian tribes and their tribally designated housing entities), nonprofit corporations, and other appropriate entities for a supportive services program to assist residents of public and assisted housing, former residents of such housing receiving tenant-based assistance under section 8 of such Act (42 U.S.C. 1437f), and other low-income families and individuals: *Provided further*, That the program shall provide supportive services, principally for the benefit of public housing residents, to the elderly and the disabled, and to families with children where the head of household would benefit from the receipt of supportive services and is working, seeking work, or is preparing for work by participating in job training or educational programs: *Provided further*, That the supportive services may include congregate services for the elderly and disabled, service coordinators, and coordinated education, training, and other supportive services, including case management skills training, job search assistance, assistance related to retaining employment, vocational and entrepreneurship development and support programs, such as transportation, and child care: *Provided further*, That the Sec-

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

retary shall require applications to demonstrate firm commitments of funding or services from other sources: *Provided further*, That the Secretary shall select public and Indian housing agencies to receive assistance under this heading on a competitive basis, taking into account the quality of the proposed program, including any innovative approaches, the extent of the proposed coordination of supportive services, the extent of commitments of funding or services from other sources, the extent to which the proposed program includes reasonably achievable, quantifiable goals for measuring performance under the program over a three-year period, the extent of success an agency has had in carrying out other comparable initiatives, and other appropriate criteria established by the Secretary (except that this proviso shall not apply to renewal of grants for service coordinators and congregate services for the elderly and disabled).] *\$45,000,000 for supportive services for public housing residents, as authorized by section 34 of the United States Housing Act of 1937, as amended, and not less than \$10,000,000 for grants for service coordinators and congregate services for the elderly and disabled residents of public and assisted housing.*

Of the amount made available under this heading, notwithstanding any other provision of law, [\$42,500,000] *\$75,000,000* shall be available for YouthBuild program activities authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as amended, and such activities shall be an eligible activity with respect to any funds made available under this heading [ *Provided*, That local YouthBuild programs that demonstrate an ability to leverage private and nonprofit funding shall be given a priority for YouthBuild funding; *Provided further*, That up to \$2,500,000 may be used for capacity buildings efforts].

Of the amount made available under this heading, [\$225,000,000] *\$125,000,000* shall be available for grants for the Economic Development Initiative (EDI) *as authorized by section 108(q) of the Act to finance a variety of economic development efforts*[, including \$190,000,000 for making grants for targeted economic investments in accordance with the terms and conditions specified for such grants in the joint explanatory statement of the committee of conference accompanying this Act].

[Of the amount made available under this heading, \$25,000,000 shall be available for neighborhood initiatives that are utilized to improve the conditions of distressed and blighted areas and neighborhoods, and to determine whether housing benefits can be integrated more effectively with welfare reform initiatives.]

For the cost of guaranteed loans, \$29,000,000, as authorized by section 108 of the Housing and Community Development Act of 1974: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$1,261,000,000, notwithstanding any aggregate limitation on outstanding obligations guaranteed in section 108(k) of the Housing and Community Development Act of 1974: *Provided further*, That 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 departmental salaries and expenses.

[For any fiscal year, of the amounts made available as emergency funds under the heading "Community Development Block Grants Fund" and notwithstanding any other provision of law, not more than \$250,000 may be used for the non-Federal cost-share of any project funded by the Secretary of the Army through the Corps of Engineers.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

[For an additional amount for "Community development block grants", as authorized under title I of the Housing and Community Development Act of 1974, \$250,000,000, which shall remain available until September 30, 2002, for use only for disaster relief, long-term recovery, and mitigation in communities affected by Presidentially-declared natural disasters designated during fiscal years 1998 and 1999, except for those activities reimbursable by or for which funds are made available by the Federal Emergency Management Agency, the Small Business Administration, or the Army Corps of Engineers: *Provided*, That in administering these amounts and except as provided in the next proviso, the Secretary of Housing and Urban Development (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 statutory requirements related to civil rights, fair housing and nondiscrimination, the environment, and labor standards, 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, upon a finding of compelling need, the Secretary must provide an explanation of the finding to the Committees on Appropriations: *Provided further*, That all funds under this heading shall be allocated by the Secretary to states (including Indian tribes for all purposes under this heading) to be administered by each state in conjunction with its Federal Emergency Management Agency program or its community development block grants program or by the entity designated by its Chief Executive Officer to administer the HOME Investment Partnerships Program: *Provided further*, That each state shall provide not less than 25 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: *Provided further*, That, in conjunction with the Director of the Federal Emergency Management Agency (the Director), the Secretary shall allocate funds based on the unmet needs identified by the Director as those which have not or will not be addressed by other federal disaster assistance programs: *Provided further*, That, in conjunction with the Director, the Secretary shall utilize annual disaster cost estimates in order that the funds under this heading shall be available, to the maximum extent feasible, to assist states with all Presidentially declared disasters designated during these fiscal years: *Provided further*, That the Secretary shall publish a notice in the Federal Register governing the allocation and use of the community development block grants funds made available under this heading for disaster areas: *Provided further*, That any project or activity underway prior to a Presidentially declared disaster may not receive funds under this heading unless the disaster directly impacted the project: *Provided further*, That 10 days prior to distribution of funds, the Secretary and the Director shall submit a list to the Committees on Appropriations, setting forth the proposed uses of funds, including an explanation of why other Federal disaster assistance programs do not cover the costs of unmet needs identified by the Director, the most recent estimates of unmet needs (including all uses of waivers and the reasons therefore), and an explanation of how the disaster impacted the proposed project: *Provided further*, That the Secretary and the Director shall submit quarterly reports to the Committees on Appropriations regarding the actual projects, localities and needs for which funds have been provided: *Provided further*, That these reports shall be based upon quarterly reports submitted to the Secretary and the Director by each state receiving funds under this heading: *Provided further*, That the entire amount shall be available only to the extent an official budget request, that includes designation of the entire amount of the request as an emergency requirement as defined by the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.] (*Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, Public Law 105-277, Division B, Title IV, Chapter 7.*)

[SEC. 124. Notwithstanding the third undesignated paragraph under the heading "Community development block grants" under title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999, of the amount made available under such heading for the city of Oklahoma City, Oklahoma, up to 50 percent of such amount shall be available to such city for payment of claims for bomb damage and repairs for infrastructure located in the area described in clause (1) of such undesignated paragraph. Any amounts available for use under such undesignated paragraph that are not expended to pay such claims or for such repairs shall be utilized for the revolving loan pool described in such undesignated paragraph.]

[SEC. 125. Of the amounts earmarked in the Joint Explanatory Statement of the Committee of Conference accompanying H.R. 4194 for grants targeted for economic investments, \$2,000,000 made available to the Hawaii Housing Authority for work associated with the

construction of the Community Resource Center at Kuhio Homes/ Kuhio Park Terrace in Honolulu, Hawaii shall instead be made available to the Housing and Community Development Corporation of Hawaii for the same purpose.] (*Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, Public Law 105-277, Division A, Sections 124-125.*)

**Program and Financing** (in millions of dollars)

Identification code 86-0162-0-1-451	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Community development .....	4,863	5,705	4,725
10.00 Total obligations (object class 41.0) .....	4,863	5,705	4,725
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	777	832	.....
22.00 New budget authority (gross) .....	4,925	4,873	4,725
22.10 Resources available from recoveries of prior year obligations .....	1	.....	.....
23.90 Total budgetary resources available for obligation .....	5,703	5,705	4,725
23.95 Total new obligations .....	-4,863	-5,705	-4,725
23.98 Unobligated balance expiring .....	-8	.....	.....
24.40 Unobligated balance available, end of year .....	832	.....	.....
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	4,675	4,750	4,725
40.15 Appropriation (emergency) .....	250	130	.....
41.00 Transferred to other accounts .....	.....	-7	.....
43.00 Appropriation (total) .....	4,925	4,873	4,725
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	8,793	9,031	9,772
73.10 Total new obligations .....	4,863	5,705	4,725
73.20 Total outlays (gross) .....	-4,621	-4,964	-4,855
73.31 Obligated balance transferred to other accounts .....	.....	.....	-99
73.40 Adjustments in expired accounts .....	-3	.....	.....
73.45 Adjustments in unexpired accounts .....	-1	.....	.....
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	9,031	9,772	9,543
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	98	97	95
86.93 Outlays from current balances .....	4,523	4,867	4,760
87.00 Total outlays (gross) .....	4,621	4,964	4,855
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	4,925	4,873	4,725
90.00 Outlays .....	4,621	4,964	4,855

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	1998 actual	1999 est.	2000 est.
<b>Enacted/requested:</b>			
Budget Authority .....	4,925	4,873	4,725
Outlays .....	4,621	4,964	4,855
<b>Legislative proposal, not subject to PAYGO:</b>			
Budget Authority .....	.....	.....	50
Outlays .....	.....	.....	1
<b>Total:</b>			
Budget Authority .....	4,925	4,873	4,775
Outlays .....	4,621	4,964	4,856

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

Funds are allocated to Indian tribes as authorized by Section 106(a)(1) of the Housing and Community Development Act of 1974. Seventy percent of available funds are allocated to metropolitan cities and urban counties which receive their grants using the higher of two objective formulas. States and small cities receive 30 percent of the available funds. The proposed level of funding for CDBG and the Section 108 Loan

Guarantee Program will support an estimated 283,000 jobs. These funds will also help to rehabilitate 204,000 housing units.

Section 107 Grants include funding for Insular Areas, technical assistance, Historically Black Colleges and Universities, and the Community Development Work Study and Community Outreach Partnership Centers (COPC) programs.

The 2000 request includes funding of \$55 million for the Resident Opportunity and Supportive Services (ROSS) program. Formerly called the Economic Development and Supportive Services (EDSS) and Tenant Opportunity Program (TOP) programs, ROSS is intended to fuse the objectives of the two predecessor programs. The program will also address the expanded needs among residents and housing authorities brought upon by welfare reform legislation that sets time limits on how long recipients can receive welfare assistance. Principally for the benefit of public housing residents, ROSS grants are intended to assist the elderly and disabled, and families with children where the head of the household is working, seeking work, or participating in job training or educational programs. Eligible services under ROSS include academic skills training, residential management, microenterprise and small business development and start-ups, and social service support programs.

The Youthbuild program provides resources to educate, train and provide stipends for economically disadvantaged young adults through their participation in the construction and rehabilitation of housing for low-income and homeless persons. The program expands the supply of affordable housing and, at the same time, enables high school drop-outs to obtain the education and employment skills necessary to achieve self-sufficiency. The 2000 request for \$75 million will provide more than 9,000 young people with skills they need to obtain jobs and will provide approximately 1,300 families in distressed communities with homes. This expanded Youthbuild program is linked to the \$100 million earmark for a new Youth Drug Diversion Grant program in public and assisted housing.

The 2000 Budget proposes \$125 million for the Economic Development Initiative (EDI) program within the new Community Empowerment Fund to support an estimated 100,000 jobs in distressed areas. CEF will support the financing of critical economic development efforts, in tandem with the existing Section 108 guaranteed loan program. EDI funds provide enhanced security for Section 108 loans, and improve the viability of projects financed with these loans. The CEF, including a new trust mechanism that is being piloted in 1999, will facilitate and encourage the use of the Section 108 program by State and local governments.

HUD's Section 108 guaranteed loan program, when combined with EDI grants, supports jobs in distressed communities. Over the past six years, we have committed to 556 projects and completed the financing on 332 of those for a total of \$1.1 billion—projects such as supermarkets in Washington, DC, and Houston, TX, industrial parks, and other business ventures. When all 556 projects are completed, an estimated 300,000 jobs will have been created or retained.

The 2000 proposal for CEF seeks to target assistance in two ways: Welfare to Work; and "City-Suburb Business Connections." Each of these is discussed in greater detail in the Budget Justifications. The CEF trust will help establish a secondary market for expanded and improved operation of the Section 108 Loan Guarantee Program. It is anticipated that approximately one-fourth of all loans would participate in the Trust.

**General and special funds—Continued**

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

**Program and Financing** (in millions of dollars)

Identification code 86-0162-2-1-451	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Homeownership Zones .....			25
00.02 Metro Job Links .....			10
00.03 Citizens Volunteer Housing Corps .....			5
00.04 Planning/Implementation Grants .....			10
10.00 Total obligations (object class 41.0) .....			50
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			50
23.95 Total new obligations .....			-50
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....			50
<b>Change in unpaid obligations:</b>			
73.10 Total new obligations .....			50
73.20 Total outlays (gross) .....			-1
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....			49
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....			1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			50
90.00 Outlays .....			1

The 2000 request includes \$25 million for the Homeownership program and \$10 million for a new Metro Job Links program, both as set-asides within Community Development Block Grants (CDBG).

Proposed funding of \$25 million for Homeownership Zones would support approximately five zones at an average of \$5 million each and would support 1,500 new homeowners. The Homeownership Zone program would provide flexible grants on a competitive basis to local governments for large-scale redevelopment of abandoned neighborhoods to create viable communities of mixed-income homebuyers. Applications would be evaluated on specific criteria, such as the degree to which the proposed activities meet the goals of the program; the financial soundness of the proposals; level of economic distress of the area to be served; and the capacity of applicants to carry out their proposal. Funds would be used to create new housing opportunities in distressed areas. Eligible activities would include: property acquisition; housing construction; housing rehabilitation; demolition; site preparation; homeownership counseling; relocation; housing marketing; activities to further fair housing; and other activities essential to homeownership.

The \$10 million Metro Job Links program will build upon the lessons of Jobs Plus and the Neighborhood Jobs Initiative (NJI) demonstration programs to provide comprehensive services necessary to help residents of HUD-assisted housing developments operated by for-profit and non-profit housing managers, including community development corporations (CDCs), find and retain employment. The participating developments will be ones that house high concentrations of families who are welfare-dependent or have left welfare within the past year, but need support to retain jobs, gain skills and remain welfare free. Managers of the housing developments chosen to participate in the Metro Job Links will be permitted to serve others in the neighborhood as well. Grantees will be expected to focus on the regional job market, rather than their specific neighborhood or locality when attempting to find jobs for program participants.

The goal of Metro Job Links is to apply the concentrated, coordinated support service delivery techniques used in Jobs Plus and the NJI to populations in assisted housing run by CDCs in order to improve the ability of residents to obtain and retain jobs throughout the metropolitan region. Housing providers will have the resources needed to create a "continuum of care" in work force development for their residents—complementing, not duplicating, Health and Human Services and Labor Department activities. Metro Job Links fills a gap that becomes obvious when you look at Jobs Plus, NJI, and HUD's other employment and training programs. We have invested most of our employment and training resources to date to serve public housing residents, and to a smaller extent to help recipients of tenant-based Section 8. However, despite the approximately 250,000 assisted housing households also struggling with the transition to work, we have no program that attempts to use the Jobs Plus saturation technique in an assisted housing setting. Metro Job Links does that.

The \$5 million Citizens Volunteer Housing Corps initiative will mobilize a corps of citizens to help reclaim and rebuild abandoned and dilapidated housing in eighty cities across the country. The Citizens Volunteer Housing Corps will help expand the supply of affordable housing while tapping into the spirit of civic renewal and volunteerism—themes that have been a hallmark of President Clinton's administration. HUD will work through the Nation's mayors and community groups, especially faith-based organizations, to bring together housing rehabilitation experts, drawn from the private and non-profit sectors, to train local citizen teams to do housing reconstruction. Building materials and expertise will be provided in large part by the leading organizations in the President's homeownership coalition—the National Partners in Homeownership.

The Budget proposes \$10 million for Round II Planning/Implementation Grants for approximately 15 communities that applied for Round II Empowerment Zone (EZ) designation, but were not chosen. Many of these communities had well-conceived, competitive strategic plans and, while they did not rank high enough to earn an EZ designation, these efforts should be recognized and encouraged. The overall framework of the EZ program is embodied in four key principles: The Strategic Vision for Change; Community-Based Partnerships; Economic Opportunity; and Sustainable Community Development. These principles are drawn from the experiences of communities around the Nation that have used them successfully to develop holistic approaches to community revitalization. These grants will provide needed funding to the non-designated communities to enable them to maintain momentum and remain engaged while providing resources to assist them in planning and implementing portions of their strategic plans.

*REGIONAL CONNECTIONS*

*(Legislative proposal, not subject to PAYGO)*

**Program and Financing** (in millions of dollars)

Identification code 86-0325-2-1-452	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Grants for Regional Activities .....			50
10.00 Total new obligations (object class 41.0) .....			50
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			50
23.95 Total new obligations .....			-50
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....			50



<b>Change in unpaid obligations:</b>	
73.10 Total new obligations .....	50
73.20 Total outlays (gross) .....	-1
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	49
<b>Outlays (gross), detail:</b>	
86.90 Outlays from new current authority .....	1
<b>Net budget authority and outlays:</b>	
89.00 Budget authority .....	50
90.00 Outlays .....	1

Regional Connections will provide \$50 million to fund local partnerships to design and implement smarter growth strategies across jurisdictional lines. Such strategies will include: (a) compact development rules and incentives for new growth areas; and (b) coordinated reinvestment in already built-up and infrastructure-rich areas of participating regions. Participating regions will also be asked to outline strategies for managing economic and workforce development in ways that reinforce the overall development strategy. Eligible lead applicants will include states and groups of localities (cities, counties, towns), but these will demonstrate active partnerships with private and nonprofit stakeholders. Where formally designated by states or eligible local governments, existing regional institutions, such as Councils of Government (COGs), regional councils, and Metropolitan Planning Organizations (MPOs), will also be eligible as lead applicants.

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

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

*REDEVELOPMENT OF ABANDONED BUILDINGS  
(Legislative proposal, not subject to PAYGO)*

**Program and Financing** (in millions of dollars)

Identification code 86-0328-2-1-451	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Building Redevelopment .....			50
10.00 Total new obligations (object class 41.0) .....			50
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			50
23.95 Total new obligations .....			-50
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....			50
<b>Change in unpaid obligations:</b>			
73.10 Total new obligations .....			50
73.20 Total outlays (gross) .....			-1
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....			49
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....			1

<b>Net budget authority and outlays:</b>	
89.00 Budget authority .....	50
90.00 Outlays .....	1

The 2000 request includes \$50 million for this initiative to address one of the primary causes of blight in urban neighborhoods: abandoned apartment buildings, single family homes, warehouses, office buildings and commercial centers. Through the Redevelopment of Abandoned Buildings Initiative, HUD would provide \$50 million in competitive grants to local governments to demolish blighted, abandoned buildings as part of a development plan—with significant private-sector participation—and to redevelop properties for commercial or residential use.

This program would provide an average of \$30,000 per building to pay for demolition; debris removal; environmental remediation; and site preparation. This estimate assumes a mix of single family housing and larger buildings. To ensure proper incentives for investment, no building abandoned after October 1, 1999 would be eligible for redevelopment and preference would be given to buildings abandoned for longer periods of time. Applicants would be required to demonstrate that rehabilitation is not feasible or effective and that historic buildings would be protected. Also, the program would be sunsetted after three years. The application would require local governments to demonstrate a redevelopment plan with significant private-sector and local government commitment. Preference would be given to those applicants that linked the property's redevelopment to existing youth training programs.

URBAN EMPOWERMENT ZONES

Note.—Additional funding is provided in P.L. 105-277, the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, Division A, Section 121.

**Program and Financing** (in millions of dollars)

Identification code 86-0315-0-1-451	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Develop urban sites .....	2	49	
10.00 Total obligations (object class 41.0) .....	2	49	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....			4
22.00 New budget authority (gross) .....	5	45	
23.90 Total budgetary resources available for obligation .....	5	49	
23.95 Total new obligations .....	-2	-49	
24.40 Unobligated balance available, end of year .....	4		
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	5	45	
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....			1
73.10 Total new obligations .....	2	49	
73.20 Total outlays (gross) .....	-1	-4	-17
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	1	46	29
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	1	1	
86.93 Outlays from current balances .....		3	16
87.00 Total outlays (gross) .....	1	4	17
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	5	45	
90.00 Outlays .....	1	4	17

**General and special funds—Continued**

**URBAN EMPOWERMENT ZONES—Continued**

**Summary of Budget Authority and Outlays**

(in millions of dollars)

Enacted/requested:	1998 actual	1999 est.	2000 est.
Budget Authority .....	5	45	.....
Outlays .....	1	4	16
Legislative proposal, subject to PAYGO:			
Budget Authority .....	.....	.....	150
Outlays .....	.....	.....	3
Total:			
Budget Authority .....	5	45	150
Outlays .....	1	4	19

**URBAN EMPOWERMENT ZONES**

*(Legislative proposal, subject to PAYGO)*

**Program and Financing (in millions of dollars)**

Identification code 86-0315-4-1-451	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Develop urban sites .....	.....	.....	150
10.00 Total obligations (object class 41.0) .....	.....	.....	150
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	.....	.....	150
23.95 Total new obligations .....	.....	.....	-150
<b>New budget authority (gross), detail:</b>			
60.00 Appropriation .....	.....	.....	150
<b>Change in unpaid obligations:</b>			
73.10 Total new obligations .....	.....	.....	150
73.20 Total outlays (gross) .....	.....	.....	-3
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	.....	.....	147
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	.....	.....	3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	.....	.....	150
90.00 Outlays .....	.....	.....	3

The goal of the Empowerment Zone (EZ) initiative is to revitalize city neighborhoods in a way that will retain and attract middle-class residents and provide employment opportunities that will move people from welfare to work. Grant funds will allow the 15 new urban EZs that were authorized by the Taxpayer Relief Act of 1997, in accordance with their strategic plans, to create economic opportunity in America's distressed communities, with a special emphasis on stimulating job creation linked to welfare reform. Flexible grant funds will be used to integrate human capital needs with economic development initiatives.

Thirty applicants were chosen as Round II finalists based on the strength of their strategic plans. Fifteen of the finalists were chosen for EZ designation and will receive \$100 million each over a 10-year period. The fifteen finalists that did not win EZ designations will be known as Strategic Planning Communities and will each receive a \$3 million grant to further the implementation of their strategic plans.

Funding will be available for a broad range of activities aimed at assisting residents, businesses and organizations in urban EZs, including: community policing; health care; neighborhood development; brownfields clean-up and redevelopment; support for financing of capital projects; education; work force preparation and job creation efforts linked to welfare reform; repayment of debt financing by municipal bonds; financing of projects in conjunction with the Section 108 loan

guarantee program and other economic development projects; support for project-based rental assistance; and, financing other housing activities.

Round I EZs are helping to stimulate billions of dollars in private investment, reviving inner city neighborhoods once given up for dead, and supporting jobs and helping families move from welfare to work. The second round will build on these successes.

**REGIONAL EMPOWERMENT ZONE INITIATIVE**

*(Legislative proposal, not subject to PAYGO)*

**Program and Financing (in millions of dollars)**

Identification code 86-0329-2-1-451	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Empowerment Zones .....	.....	.....	50
10.00 Total new obligations (object class 41.0) .....	.....	.....	50
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	.....	.....	50
23.95 Total new obligations .....	.....	.....	-50
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	.....	.....	50
<b>Change in unpaid obligations:</b>			
73.10 Total new obligations .....	.....	.....	50
73.20 Total outlays (gross) .....	.....	.....	-1
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	.....	.....	49
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	.....	.....	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	.....	.....	50
90.00 Outlays .....	.....	.....	1

The 2000 request includes \$50 million for the new Regional Empowerment Zone Initiative to help urban Empowerment Zones and Enterprise Communities (EZ/ECs) link their economic development strategies to their broader metropolitan regional economies to increase youth employment. Under this initiative, HUD would award competitive grants to current and future EZ/ECs to finance regional strategies for addressing youth employment. In preparing their regional strategy, EZ/EC communities would be required to include input from a variety of stakeholders within the EZ and surrounding region, including the private sector, non-profits, job-training providers, and metropolitan planning organizations or coordinating councils where they exist. In particular, actual commitments from regional private employers to hire EZ residents would strengthen the application. Special consideration would be given to those strategies that target EZ residents aged 16-21 and incorporate transportation linkage methods. Second Round EZs, where relevant, would be encouraged to link EZ residents with developable sites designated by the EZs. This level of funding would support 10 Empowerment Zones and Enhanced Enterprise Communities grants of \$4 million each and 10 Enterprise Communities grants of \$1 million each.

**BROWNFIELDS REDEVELOPMENT**

For Economic Development Grants, as authorized by section 108(q) of the Housing and Community Development Act of 1974, as amended, for Brownfields redevelopment projects, **[\$25,000,000]** \$50,000,000, to remain available until expended: *Provided*, That the Secretary of Housing and Urban Development shall make these grants available on a competitive basis as specified in section 102 of the Department of Housing and Urban Development Reform Act

of 1989. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.)

**Program and Financing** (in millions of dollars)

Identification code 86-0314-0-1-451	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Cleanup and develop contaminated sites .....		50	50
10.00 Total obligations (object class 41.0) .....		50	50
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....		25	
22.00 New budget authority (gross) .....	25	25	50
23.90 Total budgetary resources available for obligation .....	25	50	50
23.95 Total new obligations .....		-50	-50
24.40 Unobligated balance available, end of year .....	25		
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	25	25	50
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....			40
73.10 Total new obligations .....		50	50
73.20 Total outlays (gross) .....		-10	-20
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....		40	70
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....		1	1
86.93 Outlays from current balances .....		9	19
87.00 Total outlays (gross) .....		10	20
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	25	25	50
90.00 Outlays .....		10	20

The Brownfields Redevelopment program provides competitive economic development grants in conjunction with Section 108 loan guarantees for qualified brownfield projects. Eligible communities are invited to submit proposals to return contaminated sites to productive and employment-generating uses, with an emphasis on creating substantial numbers of jobs for lower-income people in physically and economically distressed neighborhoods.

Grants are made in accordance with section 108(q) selection criteria and such other criteria deemed appropriate for brownfield projects, including the extent to which an applicant is currently operating a brownfields program and is working with appropriate environmental regulatory agencies.

The Administration's initiative is further bolstered by the proposal for State and local Better America Bonds, which can be used for a variety of land and environmental preservation strategies, including brownfields clean-up. The use of Better America Bonds for conversion of brownfields to open space will complement HUD's Brownfields Redevelopment Program, which focuses on reuse of brownfields for economic and housing development.

The Brownfields Redevelopment program was funded at \$25 million in 1998 and 1999. The 2000 request of \$50 million represents an acceleration of the President's commitment to help communities clean up and redevelop the approximately 450,000 brownfields sites nationwide. This level of funding is expected to leverage \$200 million in Section 108 loan guarantee commitments, which will support the creation of more than 28,000 jobs.

**YOUTHBUILD PROGRAM**

**Program and Financing** (in millions of dollars)

Identification code 86-0219-0-1-604	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Youth training .....	1		
10.00 Total obligations (object class 41.0) .....	1		
<b>Budgetary resources available for obligation:</b>			
22.10 Resources available from recoveries of prior year obligations .....	1		
23.95 Total new obligations .....	-1		
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	13	4	
73.10 Total new obligations .....	1		
73.20 Total outlays (gross) .....	-9	-4	
73.45 Adjustments in unexpired accounts .....	-1		
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	4		
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....	9	4	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	9	4	

This program provides resources to educate, train, and provide stipends for economically disadvantaged young adults through their participation in the construction and rehabilitation of housing for low-income and homeless persons. The program expands the supply of affordable housing and, at the same time, enables high school dropouts to obtain the education and employment skills necessary to achieve self-sufficiency. The 2000 request of \$75 million will provide more than 9,000 young people with skills they need to get jobs and will provide 1,300 families with homes in distressed communities with homes. The 2000 request is reflected in the CDBG account.

For 1996 through 1999, funding for the Youthbuild program was included in the Community Development Block Grants account.

**HOME INVESTMENT PARTNERSHIPS PROGRAM**

For the HOME investment partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101-625), as amended, **[\$1,600,000,000]** \$1,585,000,000, to remain available until expended: *Provided*, That up to \$7,000,000 of these funds shall be available for the development and operation of integrated community development management information systems: *Provided further*, That up to **[\$17,500,000]** \$20,000,000 of these funds shall be available for Housing Counseling under section 106 of the Housing and Urban Development Act of 1968: *Provided further*, That all Housing Counseling program balances previously appropriated in the "Housing Counseling Assistance" account shall be transferred to this account, to be available for the purposes for which they were originally appropriated. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.)

**Program and Financing** (in millions of dollars)

Identification code 86-0205-0-1-604	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 HOME grants .....	1,461	1,836	1,585
10.00 Total obligations (object class 41.0) .....	1,461	1,836	1,585
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	210	236	

General and special funds—Continued

HOME INVESTMENT PARTNERSHIPS PROGRAM—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-0205-0-1-604	1998 actual	1999 est.	2000 est.
22.00 New budget authority (gross) .....	1,500	1,600	1,585
22.10 Resources available from recoveries of prior year obligations .....	1		
22.21 Unobligated balance transferred to other accounts .....	-13		
23.90 Total budgetary resources available for obligation .....	1,698	1,836	1,585
23.95 Total new obligations .....	-1,461	-1,836	-1,585
24.40 Unobligated balance available, end of year .....	236		
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	1,500	1,600	1,585
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	3,511	3,650	3,986
73.10 Total new obligations .....	1,461	1,836	1,585
73.20 Total outlays (gross) .....	-1,286	-1,500	-1,655
73.31 Obligated balance transferred to other accounts .....	-35		
73.45 Adjustments in unexpired accounts .....	-1		
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	3,650	3,986	3,916
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	23	32	32
86.93 Outlays from current balances .....	1,263	1,468	1,624
87.00 Total outlays (gross) .....	1,286	1,500	1,655
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,500	1,600	1,585
90.00 Outlays .....	1,286	1,500	1,655

Summary of Budget Authority and Outlays

(in millions of dollars)

	1998 actual	1999 est.	2000 est.
Enacted/requested:			
Budget Authority .....	1,500	1,600	1,585
Outlays .....	1,286	1,500	1,656
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			25
Outlays .....			1
Total:			
Budget Authority .....	1,500	1,600	1,610
Outlays .....	1,286	1,500	1,657

The HOME Investment Partnership program is authorized by the National Affordable Housing Act (P.L. 101-625). This program provides assistance to States and units of local government, through formula allocation, for the purpose of expanding the supply and affordability of housing. Eligible activities include acquisition, rehabilitation, and new construction of housing and tenant-based rental assistance. The 2000 request will result in the production of 84,400 units of affordable housing through new construction, rehabilitation, or acquisition. In addition, tenant-based rental assistance will be provided for 10,600 units.

The HOME request also includes up to \$7 million to continue to develop, implement and refine integrated community development management information systems in order to establish a national database of local programs. Funding for technical assistance is also included.

Funding of \$20 million for the Housing Counseling Assistance program is also included in this account. This program provides comprehensive housing counseling services, including pre-purchase, default, and renter counseling, to eligible homeowners and tenants. The Housing Counseling program was funded at \$20 million in 1998, and at \$17.5 million in 1999, both as set-asides in the HOME account.

HOME INVESTMENT PARTNERSHIP PROGRAM

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-0205-2-1-604	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Regional Affordable Housing Initiative .....			25
10.00 Total obligations (object class 41.0) .....			25
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			25
23.95 Total new obligations .....			-25
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....			25
<b>Change in unpaid obligations:</b>			
73.10 Total new obligations .....			25
73.20 Total outlays (gross) .....			-1
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....			24
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....			1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			25
90.00 Outlays .....			1

The Regional Affordable Housing Initiative (RAHI) requested at \$25 million, is a competitive pilot program designed to result in a more balanced distribution of affordable housing across jurisdictions within the participating metropolitan regions. In particular, the program seeks to increase the availability of affordable housing in areas with high job growth and inadequate supplies of affordable housing for low-wage workers. RAHI pursues this goal by promoting the creation and implementation of regional, as opposed to jurisdiction-by-jurisdiction, affordable housing strategies. It provides technical assistance and project planning and implementation funding to partnerships of public and private sector participants that have agreed to create and adhere to an affordable housing plan, including regulatory streamlining where appropriate, that integrates job and housing development across local jurisdictions.

HOMELESS ASSISTANCE GRANTS

For the emergency shelter grants program (as authorized under subtitle B of title IV of the Stewart B. McKinney Homeless Assistance Act, as amended); the supportive housing program (as authorized under subtitle C of title IV of such Act); the section 8 moderate rehabilitation single room occupancy program (as authorized under the United States Housing Act of 1937, as amended) to assist homeless individuals pursuant to section 441 of the Stewart B. McKinney Homeless Assistance Act; and the shelter plus care program (as authorized under subtitle F of title IV of such Act), **[\$975,000,000]** \$1,020,000,000, to remain available until expended: *Provided*, That **[not less than 30 percent of these funds shall be used for permanent housing, and]** all funding for services must be matched by 25 percent in funding by each grantee: **[Provided further**, That the Secretary of Housing and Urban Development shall conduct a review of any balances of amounts provided under this heading in this or any previous appropriations Act that have been obligated but remain unexpended and shall deobligate any such amounts that the Secretary determines were obligated for contracts that are unlikely to be performed and award such amounts during this fiscal year: **] Provided further**, That up to 1 percent of the funds appropriated under this heading may be used for technical assistance **[**and tracking systems needed to carry out the directives provided in House Report 105-610 **]**: *Provided further*, that all balances previously appropriated in the "Emergency Shelter Grants," "Supportive Housing," "Supplemental Assistance for Facilities to Assist the Homeless," "Shelter Plus Care," "Section 8 Moderate Rehabilitation Single Room Occupancy,"

and "Innovative Homeless Initiatives Demonstration" accounts shall be transferred to and merged with this account, to be available for any authorized purpose under this heading. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.)

**Program and Financing** (in millions of dollars)

Identification code 86-0192-0-1-604	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Homeless assistance grants .....	763	1,994	1,020
10.00 Total obligations (object class 41.0) .....	763	1,994	1,020
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	955	1,019	.....
22.00 New budget authority (gross) .....	823	975	1,020
22.10 Resources available from recoveries of prior year obligations .....	4	.....	.....
23.90 Total budgetary resources available for obligation .....	1,782	1,994	1,020
23.95 Total new obligations .....	-763	-1,994	-1,020
24.40 Unobligated balance available, end of year .....	1,019	.....	.....
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	823	975	1,020
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	1,294	1,588	2,894
73.10 Total new obligations .....	763	1,994	1,020
73.20 Total outlays (gross) .....	-463	-688	-961
73.31 Obligated balance transferred to other accounts .....	-2	.....	.....
73.32 Obligated balance transferred from other accounts .....	.....	.....	720
73.45 Adjustments in unexpired accounts .....	-4	.....	.....
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	1,588	2,894	3,673
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	7	29	31
86.93 Outlays from current balances .....	456	659	930
87.00 Total outlays (gross) .....	463	688	961
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	823	975	1,020
90.00 Outlays .....	463	688	961

The Homeless Assistance Grants program funds the Shelter Plus Care, Supportive Housing, Emergency Shelter Grants, and Section 8 Single Room Occupancy programs. These funds will enable localities to continue to shape and implement comprehensive, flexible, coordinated "continuum of care" approaches to solving rather than institutionalizing homelessness. In fact, in recent years, many communities have made great strides in developing holistic continuum of care approaches to solving homelessness. A community-based process is required as part of the application process. Communities are required to include in their applications performance measures that contain specific goals that would accrue from the community's efforts, and are required to demonstrate tangible results on an annual basis. Requested funding would be available for a wide range of activities to assist homeless persons and prevent future homelessness. The 2000 request will fund 10,000 transitional beds and 7,500 permanent beds, all linked to supportive services.

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

Finally, \$104 million is requested in the Housing Certificate Fund for 18,000 housing vouchers for homeless families or individuals who have achieved a sufficient level of independence to move to permanent housing linked to services. These vouchers will offer the ongoing assistance so desperately need-

ed to help move homeless people into the housing mainstream when they are ready to do so. These vouchers are intended for homeless individuals and families who would otherwise have the most difficult time in securing permanent housing resources, as determined through the approved Continuum of Care strategy. Helping them secure permanent housing will allow HUD to assist even more homeless persons through existing emergency and transitional programs.

**HOMELESS ASSISTANCE DEMONSTRATION PROGRAM**

For a homeless assistance demonstration program to investigate and test models to link Stewart B. McKinney Homeless Assistance Act programs, including but not limited to permanent housing under the Shelter Plus Care program (as authorized under subtitle F of title IV of such Act) and Supportive Services (as authorized under subtitle C of title IV of such Act), to Federal entitlement programs, State programs, and other supportive services, \$5,000,000, to remain available until expended.

**Program and Financing** (in millions of dollars)

Identification code 86-0327-0-1-604	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Homeless Demonstration .....	.....	.....	5
10.00 Total new obligations (object class 41.0) .....	.....	.....	5
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	.....	.....	5
23.95 Total new obligations .....	.....	.....	-5
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	.....	.....	5
<b>Change in unpaid obligations:</b>			
73.10 Total new obligations .....	.....	.....	5
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	.....	.....	5
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	.....	.....	5
90.00 Outlays .....	.....	.....	.....

HUD is the primary provider of permanent housing to reduce homelessness. However, to the extent that homeless persons and families are eligible for entitlement programs but are not using the programs, a strategy is needed to make this happen. The demonstration would investigate and test the most promising models for moving the homeless, specifically the chronically homeless, to self-sufficiency using a combination of permanent housing and links to mainstream services. The demonstration will be a collaborative effort between Federal agencies, assisted by homeless assistance providers, to investigate ways in which these dollars can be most efficiently and effectively used at the local level to support transitions to stable permanent housing dollars.

**RURAL HOUSING AND ECONOMIC DEVELOPMENT**

**[(INCLUDING TRANSFER OF FUNDS)]**

[For an Office of Rural Housing and Economic Development to be established in the Department of Housing and Urban Development, \$25,000,000, to remain available until expended: *Provided*, That of the amount under this heading, \$4,000,000 shall be used to develop capacity at the State and local level for developing rural housing and for economic development, of which \$1,000,000 shall be used to develop a clearinghouse of ideas for innovative strategies for rural housing and economic development and revitalization and of which \$3,000,000 shall be awarded by June 1, 1999 directly to local rural nonprofits, community development corporations and Indian tribes to support capacity building and technical assistance: *Provided further*, That of the amount under this heading, \$21,000,000 which amount shall be awarded by June 1, 1999 to Indian tribes,

**General and special funds—Continued**

**RURAL HOUSING AND ECONOMIC DEVELOPMENT—Continued**

**[(INCLUDING TRANSFER OF FUNDS)]—Continued**

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, of which \$5,000,000 shall be awarded as seed support for Indian tribes, nonprofits and community development corporations that are located in areas that have limited capacity for the development of rural housing and for economic development: *Provided further*, That all grants shall be awarded on a competitive basis as specified in section 102 of the HUD Reform Act: *Provided further*, That all funds unobligated as of October 1, 1998 under the fifth paragraph of the Community Development Block Grants account in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriation Act, 1998 (Public Law 105-65; October 27, 1997) shall be transferred to this account to be awarded to Indian tribes, State housing finance agencies, State community and/or economic development agencies, local rural nonprofits and community development corporations for activities under this heading with any outstanding earmarks for a State to be awarded to that State's housing finance agency.】 (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

**Program and Financing (in millions of dollars)**

Identification code 86-0324-0-1-604	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Rural Housing .....		32	
10.00 Total new obligations (object class 41.0) .....		32	
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		32	
23.95 Total new obligations .....		-32	
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....		25	
42.00 Transferred from other accounts .....		7	
43.00 Appropriation (total) .....		32	
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....			31
73.10 Total new obligations .....		32	
73.20 Total outlays (gross) .....		-1	-10
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....		31	21
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....		1	
86.93 Outlays from current balances .....			10
87.00 Total outlays (gross) .....		1	10
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		32	
90.00 Outlays .....		1	10

**Summary of Budget Authority and Outlays**

(in millions of dollars)

Enacted/requested:	1998 actual	1999 est.	2000 est.
Budget Authority .....		32	
Outlays .....		1	10
<b>Legislative proposal, not subject to PAYGO:</b>			
Budget Authority .....			20
Outlays .....			
<b>Total:</b>			
Budget Authority .....		32	20
Outlays .....		1	10

The 1999 VA-HUD and Independent Agencies Appropriations Act (P.L. 105-276) provided \$25 million to the Rural Housing and Economic Development program. This program is located in the Office of Community Planning and Develop-

ment and will address rural housing and economic development needs.

**RURAL HOUSING AND ECONOMIC DEVELOPMENT**

(Legislative proposal, not subject to PAYGO)

**Program and Financing (in millions of dollars)**

Identification code 86-0324-2-1-604	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Rural Housing .....			20
10.00 Total new obligations (object class 41.0) .....			20
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			20
23.95 Total new obligations .....			-20
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....			20
<b>Change in unpaid obligations:</b>			
73.10 Total new obligations .....			20
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....			20
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			20
90.00 Outlays .....			

These funds will be used to encourage new and innovative approaches to serving the housing and economic development needs of the Nation's rural populations. This will include assessing existing programs to determine if legislative and/or regulatory changes may be necessary to make them more responsive to rural needs. There is a great need to expand the supply of housing in rural America, particularly affordable housing for low-income families and individuals. In addition, because of out-migration from rural areas and other factors causing economic dislocation, many rural areas suffer from severe economic distress. There has been a growing national recognition of the need to enhance the capacity of State and local governments and Indian tribes to expand the supply of affordable housing and to provide economic development opportunities in rural areas.

**URBAN DEVELOPMENT ACTION GRANTS**

**Program and Financing (in millions of dollars)**

Identification code 86-0170-0-1-451	1998 actual	1999 est.	2000 est.
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....		96	87
73.20 Total outlays (gross) .....	-6	-9	-10
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	96	87	77
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....	6	9	10
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	6	9	10

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

CAPACITY BUILDING FOR COMMUNITY DEVELOPMENT AND AFFORDABLE HOUSING

From amounts previously funded in the "Annual Contributions for Assisted Housing" account, all balances for the Capacity Building for the Community Development program shall be transferred into this account, to be available for the purposes for which they were originally appropriated.

Program and Financing (in millions of dollars)

Identification code 86-0222-0-1-451	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Build capacity of community development organizations .....	23	8	
10.00 Total obligations (object class 41.0) .....	23	8	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	30	8	
23.95 Total new obligations .....	-23	-8	
24.40 Unobligated balance available, end of year .....	8		
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	5	21	13
73.10 Total new obligations .....	23	8	
73.20 Total outlays (gross) .....	-7	-16	-5
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	21	13	8
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....	7	16	5
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	7	16	5

As authorized by section 4 of the HUD Demonstration Act of 1993, this program provides funding to the National Community Development Initiative to build the capacity of community-based development corporations and housing development organizations, and to assist such corporations and organizations to carry out community development and affordable housing activities. Funding for this program was provided under the Annual Contributions for Assisted Housing account in 1996. Public Law 105-18 amended authorizing legislation to include additional eligible recipients and provided funding for this program through a transfer from the Homeownership and Opportunity for People Everywhere Grants account in 1997. Public Law 105-65 provided funding for this program under the Community Development Block Grant Account in 1998. P.L. 105-276 provided \$15 million for this program in 1999 for the two organizations eligible prior to the enactment of P.L. 105-18. No funding is being requested for 2000.

EMERGENCY SHELTER GRANTS PROGRAM

Program and Financing (in millions of dollars)

Identification code 86-0181-0-1-604	1998 actual	1999 est.	2000 est.
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	2	1	
73.20 Total outlays (gross) .....	-1	-1	
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	1		
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....	1	1	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	1	1	

Title IV, subtitle B, of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77) authorizes the Secretary

to make Emergency Shelter Grants to States and units of local government to provide emergency shelter and other support for the homeless. Since 1995, this assistance has been funded under the Homeless Assistance Grants account. The 2000 Budget proposes to transfer all balances in this account to the Homeless Assistance Grants account.

SUPPORTIVE HOUSING PROGRAM

Program and Financing (in millions of dollars)

Identification code 86-0188-0-1-604	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Homelessness prevention .....	2	17	
10.00 Total obligations (object class 41.0) .....	2	17	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	19	17	
22.00 New budget authority (gross) .....	-6		
22.10 Resources available from recoveries of prior year obligations .....	6		
23.90 Total budgetary resources available for obligation .....	19	17	
23.95 Total new obligations .....	-2	-17	
24.40 Unobligated balance available, end of year .....	17		
<b>New budget authority (gross), detail:</b>			
40.36 Unobligated balance rescinded .....	-6		
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	314	177	73
73.10 Total new obligations .....	2	17	
73.20 Total outlays (gross) .....	-133	-121	
73.31 Obligated balance transferred to other accounts .....			-73
73.45 Adjustments in unexpired accounts .....	-6		
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	177	73	
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....	133	121	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	-6		
90.00 Outlays .....	133	121	

Title IV, subtitle C, of the Stewart B. McKinney Homeless Assistance Act authorizes assistance to promote the development of supportive housing and services, especially for: deinstitutionalized homeless individuals; homeless families with children; homeless individuals with mental disabilities; and other persons including those with AIDS. Such assistance is available for the acquisition, rehabilitation, construction, or leasing of structures to be used for homeless persons as well as to pay for operating costs and supportive services.

Since 1995, this type of assistance has been funded under the Homeless Assistance Grants account. The 2000 Budget proposes to transfer all balances in this account to the Homeless Assistance Grants account.

SUPPLEMENTAL ASSISTANCE FOR FACILITIES TO ASSIST THE HOMELESS

Program and Financing (in millions of dollars)

Identification code 86-0187-0-1-451	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Homelessness prevention .....		1	
10.00 Total obligations (object class 41.0) .....		1	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	1	1	
23.95 Total new obligations .....		-1	

**General and special funds—Continued**

**SUPPLEMENTAL ASSISTANCE FOR FACILITIES TO ASSIST THE HOMELESS—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 86-0187-0-1-451	1998 actual	1999 est.	2000 est.
24.40 Unobligated balance available, end of year .....	1		
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	1	1	
73.10 Total new obligations .....		1	
73.20 Total outlays (gross) .....		-2	
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	1		
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....		2	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....		2	

Title IV, subtitle D, of the Stewart B. McKinney Homeless Assistance Act authorized the Supplemental Assistance for Facilities To Assist the Homeless program (SAFAH) to provide comprehensive assistance for particularly innovative programs or alternative methods of meeting the immediate and long-term needs of the homeless. The authority for the SAFAH program was terminated by section 1403 of the Housing and Community Development Act of 1992. The 2000 Budget proposes to transfer all balances in this account to the Homeless Assistance Grants account.

**SHELTER PLUS CARE**

**Program and Financing (in millions of dollars)**

Identification code 86-0204-0-1-604	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Homelessness prevention .....	4	6	
10.00 Total obligations (object class 41.0) .....	4	6	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	10	6	
23.95 Total new obligations .....	-4	-6	
24.40 Unobligated balance available, end of year .....	6		
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	367	300	256
73.10 Total new obligations .....	4	6	
73.20 Total outlays (gross) .....	-71	-50	
73.31 Obligated balance transferred to other accounts .....			-256
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	300	256	
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....	71	50	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	71	50	

Title IV, subtitle F, of the Stewart B. McKinney Homeless Assistance Act authorizes the Secretary to provide rental assistance to persons with disabilities. Supportive services at least equal in value to the aggregate rental assistance must also be provided by grant recipients using other Federal, State, local and private resources. Eligible recipients include States and units of general local government.

Since 1995, this type of assistance has been funded under the Homeless Assistance Grants account.

Public Law 105-65 included a \$4 million rescission of funding, recaptured in 1998, for approved projects from prior years which were either not undertaken or utilized less funding than was originally obligated. The 2000 Budget proposes to transfer all balances in this account to the Homeless Assistance Grants account.

**INNOVATIVE HOMELESS INITIATIVES DEMONSTRATION PROGRAM**

**Program and Financing (in millions of dollars)**

Identification code 86-0221-0-1-604	1998 actual	1999 est.	2000 est.
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	37	18	4
73.20 Total outlays (gross) .....	-19	-14	
73.31 Obligated balance transferred to other accounts .....			-4
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	18	4	
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....	19	14	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	19	14	

Section 2 of the HUD Demonstration Act of 1993 authorized assistance for projects intended to provide a continuum of care for homeless persons and for innovative programs to assist homeless persons. Eligible recipients included States, units of local government, Indian tribes, and nonprofit organizations. Authorization for this program expired at the end of 1994. The 2000 Budget proposes to transfer all balances in this account to the Homeless Assistance Grants account.

**NATIONAL CITIES IN SCHOOLS COMMUNITY DEVELOPMENT PROGRAM**

**Program and Financing (in millions of dollars)**

Identification code 86-0220-0-1-451	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Grants for Schools .....		5	
10.00 Total new obligations (object class 41.0) .....		5	
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		5	
23.95 Total new obligations .....		-5	
<b>New budget authority (gross), detail:</b>			
42.00 Transferred from other accounts .....		5	
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....			4
73.10 Total new obligations .....		5	
73.20 Total outlays (gross) .....		-1	-4
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....		4	
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....		1	
86.93 Outlays from current balances .....			4
87.00 Total outlays (gross) .....		1	4
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		5	
90.00 Outlays .....		1	4

The National Cities in Schools program, also known as Communities in Schools, provides funding to empower local communities to work through collaborative public/private partnerships involving schools, public housing communities,



and community organizations to prevent youngsters from dropping out of school, while involving youth in local community building, job training and neighborhood revitalization projects. P.L. 105-276 authorized the transfer of \$5,000,000 in Annual Contributions for Assisted Housing recaptures to this account in 1999. No funds are requested for 2000.

**Public enterprise funds:**

**REVOLVING FUND (LIQUIDATING PROGRAMS)**

**Program and Financing (in millions of dollars)**

Identification code 86-4015-0-3-451	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
09.01 Loan servicing .....	10	13	10
09.03 Administrative expenses .....	1	1	1
10.00 Total new obligations .....	11	14	11
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	103	95	81
22.00 New budget authority (gross) .....	60	55	42
22.10 Resources available from recoveries of prior year obligations .....	4		
22.40 Capital transfer to general fund .....	-60	-55	-45
23.90 Total budgetary resources available for obligation .....	107	95	78
23.95 Total new obligations .....	-11	-14	-11
24.40 Unobligated balance available, end of year .....	95	81	67
<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....	60	55	42
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	19	17	8
73.10 Total new obligations .....	11	14	11
73.20 Total outlays (gross) .....	-9	-23	-11
73.45 Adjustments in unexpired accounts .....	-4		
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	17	8	8
<b>Outlays (gross), detail:</b>			
86.98 Outlays from permanent balances .....	9	23	11
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-60	-55	-42
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-51	-32	-31

**Status of Direct Loans (in millions of dollars)**

Identification code 86-4015-0-3-451	1998 actual	1999 est.	2000 est.
<b>Cumulative balance of direct loans outstanding:</b>			
1210 Outstanding, start of year .....	271	220	180
1251 Repayments: Repayments and prepayments .....	-46	-40	-35
1263 Write-offs for default: Direct loans .....	-5		
1290 Outstanding, end of year .....	220	180	145

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 86-4015-0-3-451	1998 actual	1999 est.	2000 est.
<b>Cumulative balance of guaranteed loans outstanding:</b>			
2210 Outstanding, start of year .....	2	2	1
2251 Repayments and prepayments .....		-1	-1
2290 Outstanding, end of year .....	2	1	
<b>Memorandum:</b>			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	2	1	

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

**Statement of Operations (in millions of dollars)**

Identification code 86-4015-0-3-451	1997 actual	1998 actual	1999 est.	2000 est.
0101 Revenue .....	15	11	12	13
0102 Expense .....	-12	-4	-5	-5
0109 Net income or loss (-) .....	3	7	7	8

**Balance Sheet (in millions of dollars)**

Identification code 86-4015-0-3-451	1997 actual	1998 actual	1999 est.	2000 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	121	112	110	110
<b>Non-Federal assets:</b>				
1206 Receivables, net .....	3	10	8	6
1207 Advances and prepayments .....	1	2		
<b>Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:</b>				
1601 Direct loans, gross .....	274	220	189	155
1602 Interest receivable .....	18	17	16	15
1603 Allowance for estimated uncollectible loans and interest (-) .....	-24	-20	-18	-18
1604 Direct loans and interest receivable, net .....	268	217	187	152
1606 Foreclosed property .....	1			
1699 Value of assets related to direct loans .....	269	217	187	152
1801 Other Federal assets: Cash and other monetary assets .....		1		
1999 Total assets .....	394	342	305	268
<b>LIABILITIES:</b>				
<b>Non-Federal liabilities:</b>				
2201 Accounts payable .....		1		
2207 Other .....	8	7	6	5
2999 Total liabilities .....	8	8	6	5
<b>NET POSITION:</b>				
3100 Appropriated capital .....	25	25	25	25
3200 Invested capital .....	172	172	83	83
3300 Cumulative results of operations .....	189	138	191	155
3999 Total net position .....	386	335	299	263
4999 Total liabilities and net position .....	394	343	305	268

**Object Classification (in millions of dollars)**

Identification code 86-4015-0-3-451	1998 actual	1999 est.	2000 est.
25.2 Other services .....	8	6	6
32.0 Land and structures .....	3	8	5
99.9 Total new obligations .....	11	14	11

**Credit accounts:**

**COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 86-0198-0-1-451	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.02 Community development loan guarantee credit subsidy .....	9	29	29
00.09 Administrative expense .....	1	1	1
10.00 Total obligations (object class 33.0) .....	10	30	30
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	30	30	30
23.95 Total new obligations .....	-10	-30	-30
23.98 Unobligated balance expiring .....	-20		

**Credit accounts—Continued**

**COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM  
ACCOUNT—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 86-0198-0-1-451	1998 actual	1999 est.	2000 est.
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	30	30	30
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	13	18	32
73.10 Total new obligations .....	10	30	30
73.20 Total outlays (gross) .....	-6	-16	-23
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	18	32	39
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	3	5	5
86.93 Outlays from current balances .....	3	11	18
87.00 Total outlays (gross) .....	6	16	23
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	30	30	30
90.00 Outlays .....	6	16	23

*Guaranteed Loans.*—The Community Development Block Grant program includes a guaranteed loan provision (Section 108). A commitment level of \$1.3 billion is proposed for the Community Development Loan Guarantees (Section 108) program for 2000. The credit subsidy/administrative cost estimate for the guaranteed loan program is \$30 million in 2000.

Section 108 loan guarantees are used by entitlement and nonentitlement communities (assisted by their State) to cover the cost of: acquiring real property; rehabilitating publicly owned real property; housing rehabilitation; and, certain other economic development activities. In addition, Section 108 has, in some cases, been used to finance the construction of housing by nonprofit organizations.

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

Identification code 86-0198-0-1-451	1998 actual	1999 est.	2000 est.
<b>Guaranteed loan levels supportable by subsidy budget authority:</b>			
2150 Loan guarantee levels .....	382	1,261	1,261
2159 Total loan guarantee levels .....	382	1,261	1,261
<b>Guaranteed loan subsidy (in percent):</b>			
2320 Subsidy rate .....	2.30	2.30	2.30
2329 Weighted average subsidy rate .....	2.30	2.30	2.30
<b>Guaranteed loan subsidy budget authority:</b>			
2330 Subsidy budget authority .....	9	29	29
2339 Total subsidy budget authority .....	9	29	29
<b>Guaranteed loan subsidy outlays:</b>			
2340 Subsidy outlays .....	5	15	22
2349 Total subsidy outlays .....	5	15	22
<b>Administrative expense data:</b>			
3510 Budget authority .....	1	1	1
3590 Outlays from new authority .....	1	1	1

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

**COMMUNITY DEVELOPMENT LOAN GUARANTEES FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 86-4096-0-3-451	1998 actual	1999 est.	2000 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	2	7	25
22.00 New financing authority (gross) .....	5	17	25
23.90 Total budgetary resources available for obligation .....	7	24	50
24.40 Unobligated balance available, end of year .....	7	25	50
<b>New financing authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....	5	17	25
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-5	-16	-23
88.25 Interest on uninvested funds .....		-1	-2
88.90 Total, offsetting collections (cash) .....	-5	-17	-25
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....			
90.00 Financing disbursements .....	-5	-17	-25

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 86-4096-0-3-451	1998 actual	1999 est.	2000 est.
<b>Position with respect to appropriations act limitation on commitments:</b>			
2111 Limitation on guaranteed loans made by private lenders .....	1,261	1,261	1,261
2112 Uncommitted loan guarantee limitation .....	-879		
2150 Total guaranteed loan commitments .....	382	1,261	1,261
<b>Cumulative balance of guaranteed loans outstanding:</b>			
2210 Outstanding, start of year .....	775	1,190	1,990
2231 Disbursements of new guaranteed loans .....	547	1,000	1,000
2251 Repayments and prepayments .....	-132	-200	-200
2290 Outstanding, end of year .....	1,190	1,990	2,790
<b>Memorandum:</b>			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	1,190	1,990	2,790

**Balance Sheet (in millions of dollars)**

Identification code 86-4096-0-3-451	1997 actual	1998 actual	1999 est.	2000 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....		7	25	50
1999 Total assets .....		7	25	50
<b>LIABILITIES:</b>				
2204 Non-Federal liabilities: Liabilities for loan guarantees .....		8	25	50
2999 Total liabilities .....		8	25	50
4999 Total liabilities and net position .....		8	25	50

*Guaranteed loans.*—The Community Development Loan Guarantees program provides a mechanism for the Federal guarantee of private loans. There is an accompanying liquidating account which shows activity for Federal Financing Bank (FFB) direct loan activity, obligated prior to July 1, 1986. Also following is a status of privately financed guaranteed loan commitments made prior to 1992.

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

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

COMMUNITY DEVELOPMENT LOAN GUARANTEES LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4097-0-3-451	1998 actual	1999 est.	2000 est.
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	6	4	4
22.10 Resources available from recoveries of prior year obligations .....	3		
22.60 Redemption of debt .....	-6	-4	-4
22.70 Balance of authority to borrow withdrawn .....	-3		
<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....	6	4	4
<b>Change in unpaid obligations:</b>			
Unpaid obligations, start of year:			
72.40 Obligated balance, start of year .....	147	138	138
72.95 From Federal sources: Receivables and unpaid, unfilled orders .....	8	8	8
72.99 Total unpaid obligations, start of year .....	155	146	146
73.20 Total outlays (gross) .....	-6		
73.45 Adjustments in unexpired accounts .....	-3		
Unpaid obligations, end of year:			
74.40 Obligated balance, end of year .....	138	138	138
74.95 From Federal sources: Receivables and unpaid, unfilled orders .....	8	8	8
74.99 Total unpaid obligations, end of year .....	146	146	146
<b>Outlays (gross), detail:</b>			
86.98 Outlays from permanent balances .....	6		
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-6	-4	-4
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....		-4	-4

Status of Direct Loans (in millions of dollars)

Identification code 86-4097-0-3-451	1998 actual	1999 est.	2000 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	36	30	26
1251 Repayments: Repayments and prepayments .....	-6	-4	-4
1290 Outstanding, end of year .....	30	26	22

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4097-0-3-451	1998 actual	1999 est.	2000 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	198	165	135
2251 Repayments and prepayments .....	-33	-30	-25
2290 Outstanding, end of year .....	165	135	110
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	165	135	110

Statement of Operations (in millions of dollars)

Identification code 86-4097-0-3-451	1997 actual	1998 actual	1999 est.	2000 est.
0101 Revenue .....		8	6	6
0102 Expense .....		-8	-6	-6

Balance Sheet (in millions of dollars)

Identification code 86-4097-0-3-451	1997 actual	1998 actual	1999 est.	2000 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....		-8	-7	-6
Investments in US securities:				
1106 Receivables, net .....		9	8	7
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1701 Defaulted guaranteed loans, gross ....		31	31	31
1702 Interest receivable .....		4	4	4
1799 Value of assets related to loan guarantees .....		35	35	35
1901 Other Federal assets: Other assets .....		149	145	140
1999 Total assets .....		185	181	176
<b>LIABILITIES:</b>				
2105 Federal liabilities: Other .....		155	151	146
2201 Non-Federal liabilities: Accounts payable .....		30	30	30
2999 Total liabilities .....		185	181	176
4999 Total liabilities and net position .....		185	181	176

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

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

AMERICA'S PRIVATE INVESTMENT COMPANIES PROGRAM ACCOUNT  
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-0326-2-1-451	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.02 American Private Investment Corporation Credit Subsidy .....			36
00.09 Administrative Expenses .....			1
10.00 Total new obligations (object class 33.0) .....			37
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			37
23.95 Total new obligations .....			-37
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....			37
<b>Change in unpaid obligations:</b>			
73.10 Total new obligations .....			37
73.20 Total outlays (gross) .....			-27
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....			10
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....			27
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			37

**Credit accounts—Continued**

*AMERICA'S PRIVATE INVESTMENT COMPANIES PROGRAM ACCOUNT—Continued*

**Program and Financing** (in millions of dollars)—Continued

Identification code 86-0326-2-1-451	1998 actual	1999 est.	2000 est.
90.00 Outlays .....			27

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

Identification code 86-0326-2-1-451	1998 actual	1999 est.	2000 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Loan guarantee levels .....			1,000
2159 Total loan guarantee levels .....			1,000
Guaranteed loan subsidy (in percent):			
2320 Subsidy rate .....			3.60
2329 Weighted average subsidy rate .....			3.60
Guaranteed loan subsidy budget authority:			
2330 Subsidy budget authority .....			36
2339 Total subsidy budget authority .....			36
Guaranteed loan subsidy outlays:			
2340 Subsidy outlays .....			26
2349 Total subsidy outlays .....			26
Administrative expense data:			
3510 Budget authority .....			1
3590 Outlays from new authority .....			1

The America's Private Investment Companies (APIC) is a vehicle for increasing the private equity capital invested in distressed urban and rural areas. The difficulty in obtaining equity-type financing, which is harder to come by than debt financing, worsens the overall shortage of investment capital in distressed inner city and rural areas. This credit subsidy would result in the leveraging of an estimated \$1 billion in private capital.

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

*AMERICA'S PRIVATE INVESTMENT COMPANIES LOAN GUARANTEE FINANCING ACCOUNT*

(Legislative proposal, not subject to PAYGO)

**Program and Financing** (in millions of dollars)

Identification code 86-4102-2-3-451	1998 actual	1999 est.	2000 est.
<b>Budgetary resources available for obligation:</b>			
22.00 New financing authority (gross) .....			28
24.40 Unobligated balance available, end of year .....			27
<b>New financing authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....			28

**Offsets:**

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00	Federal sources .....		-27
88.25	Interest on uninvested funds .....		-1
88.90	Total, offsetting collections (cash) .....		-28

**Net financing authority and financing disbursements:**

89.00	Financing authority .....		
90.00	Financing disbursements .....		-28

**Status of Guaranteed Loans** (in millions of dollars)

Identification code 86-4102-2-3-451	1998 actual	1999 est.	2000 est.
Position with respect to appropriations act limitation on commitments:			
2111	Limitation on guaranteed loans made by private lenders .....		1,000
2150	Total guaranteed loan commitments .....		1,000
Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year .....		
2231	Disbursements of new guaranteed loans .....		730
2251	Repayments and prepayments .....		
2290	Outstanding, end of year .....		730
Memorandum:			
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....		730

**Balance Sheet** (in millions of dollars)

Identification code 86-4102-2-3-451	1997 actual	1998 actual	1999 est.	2000 est.
<b>ASSETS:</b>				
1101	Federal assets: Fund balances with Treasury .....			28
1999	Total assets .....			28
<b>LIABILITIES:</b>				
2204	Non-Federal liabilities: Liabilities for loan guarantees .....			28
2999	Total liabilities .....			28
4999	Total liabilities and net position .....			28

**HOUSING PROGRAMS**

*Federal Funds*

**General and special funds:**

DEVELOPMENT OF ADDITIONAL NEW SUBSIDIZED HOUSING

**Program and Financing** (in millions of dollars)

Identification code 86-0310-0-1-604	1998 actual	1999 est.	2000 est.
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance available, start of year .....	849	
22.21	Unobligated balance transferred to other accounts .....	-849	
23.90	Total budgetary resources available for obligation .....		
<b>Change in unpaid obligations:</b>			
72.40	Unpaid obligations, start of year: Obligated balance, start of year .....	188	
73.31	Obligated balance transferred to other accounts .....	-188	
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....		
90.00	Outlays .....		

Prior to 1997, elderly, disabled and Indian housing development were funded in this program. Pursuant to P.L. 105-65, all balances for elderly and disabled housing were transferred to the Housing for Special Populations program and

all balances for Indian housing development were transferred to the Indian Housing Block Grant Program.

HOUSING FOR SPECIAL POPULATIONS

For assistance for the purchase, construction, acquisition, or development of additional public and subsidized housing units for low income families not otherwise provided for, \$854,000,000, to remain available until expended: *Provided*, That of the total amount provided under this heading, *;* of which \$660,000,000 shall be for capital advances, including amendments to capital advance contracts, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance, and amendments to contracts for project rental assistance, for the elderly under *such* section 202(c)(2), *[*of the Housing Act of 1959, and for supportive services associated with the housing; and] of which amount \$50,000,000 shall be for service coordinators and continuation of existing congregate services grants for residents of assisted housing projects, and for other eligible elderly persons residing in the neighborhood in which such projects are located on an exception basis, and \$100,000,000 shall be for grants for conversion of existing section 202 projects, or portions thereof, to assisted living or related use, subject to the provision that the Secretary shall select existing section 202 projects to receive such assistance on a competitive basis based on a set of conditions that take into account the need for and quality of the proposed alterations, the extent to which the application demonstrates the ability to complete the alterations promptly and successfully, past history of successful deliverance of services to the elderly, and such other factors as the Secretary deems appropriate: *Provided*, That up to \$5,000,000 of these funds may be used to establish intergenerational learning centers; and of which \$194,000,000 shall be for capital advances, including amendments to capital advance contracts, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act, for project rental assistance, for amendments to contracts for project rental assistance, and supportive services associated with the housing for persons with disabilities as authorized by section 811 of such Act: *Provided further*, That the Secretary may designate at least 25 percent and up to [25] 50 percent of the amounts earmarked under this paragraph for section 811 of such Act for tenant-based assistance, as authorized under that section, including such authority as may be waived under the next proviso, which assistance is five years in duration: *Provided further*, That the Secretary may waive any provision of section 202 of the Housing Act *[*of 1959] and section 811 of the Cranston-Gonzalez *[*National Affordable] Housing Act (including the provisions governing the terms and conditions of project rental assistance and tenant-based assistance) that the Secretary determines is not necessary to achieve the objectives of these programs, or that otherwise impedes the ability to develop, operate or administer projects assisted under these programs, and may make provision for alternative conditions or terms where appropriate. *(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.)*

Program and Financing (in millions of dollars)

Identification code 86-0320-0-1-604	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	1,149	1,487	1,542
10.00 Total obligations (object class 41.0) .....	1,149	1,487	1,542
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....		2,864	2,231
22.00 New budget authority (gross) .....	839	854	854
22.10 Resources available from recoveries of prior year obligations .....		3	
22.22 Unobligated balance transferred from other accounts .....	3,171		
23.90 Total budgetary resources available for obligation .....	4,013	3,718	3,085
23.95 Total new obligations .....	-1,149	-1,487	-1,542
24.40 Unobligated balance available, end of year .....	2,864	2,231	1,543
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	839	854	854
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....		3,591	4,270

73.10 Total new obligations .....	1,149	1,487	1,542
73.20 Total outlays (gross) .....	-824	-809	-946
73.32 Obligated balance transferred from other accounts .....	3,269		
73.45 Adjustments in unexpired accounts .....	-3		
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	3,591	4,270	4,866
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....	824	809	946
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	839	854	854
90.00 Outlays .....	824	809	946

This account consolidates activity under the Section 202 Housing for the Elderly Program and the Section 811 Housing for the Disabled Program. Program activity prior to 1997 was reflected in the Annual Contributions for Assisted Housing account. Renewal of prior year contracts is reflected in the Housing Certificate Fund. In fiscal year 2000, a total of \$854 million is requested for the Housing for Special Populations account.

*Housing for the Disabled.*—\$194 million is proposed for housing for persons with disabilities, including language to permit at least 25 percent and up to 50 percent of these funds to be earmarked for tenant-based assistance which increases the number of persons that can be assisted by maximizing the use of the private market.

*Housing for the Elderly.*—A total of \$660 million is proposed for housing for the elderly. Of this amount \$100 million is for a capital grant program to convert existing 202 properties to assisted living under appropriate conditions. These funds for capital grants will be available to existing HUD elderly subsidized (Section 202) projects that convert some or all units to Assisted Living. These competitive grants would be available to current project owners who agree to several specified conditions. These conditions would include: (1) a tight cap on operating expenses and HUD subsidy; (2) Medicaid home and community-based services or personal care services for Medicaid-eligible residents; and accessible services for non-Medicaid eligible residents through local and community service providers; (3) two meals per day; and (4) 24-hour staff. Preference will be given to grant applicants who demonstrate a strong commitment to (1) serve extremely low income frail, disabled elderly residents, (2) promote resident autonomy, independence choice and control.

Up to five percent of these funds may be used to provide space within elderly housing projects for Intergenerational Learning Centers where the skills and experience of seniors will be harnessed to meet the need for affordable child care and allow seniors and children to learn new skills together.

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

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

**General and special funds—Continued**

**HOUSING FOR SPECIAL POPULATIONS—Continued**

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

(1) **Helping Seniors Stay in Their Own Homes:** The first part of the Continuum of Care is to enable elderly people to remain in their own homes for as long as possible. HUD will expand its healthy homes initiative to focus on the needs of older homeowners, in cooperation with appropriate agencies of HHS. This effort will provide seniors with information on how they can convert the equity in their own homes into funds for needed health and safety home improvements, including home rehabilitation loans, through HUD's reverse mortgage program.

(2) **Ensuring the Availability and Quality of Senior Housing by Expanding the Section 202 program:** This program currently works with local non-profits to build or renovate housing tailored to the unique needs of seniors, offering rental assistance to a particularly vulnerable group who cannot easily access tenant-based voucher programs because of their special needs and limited mobility. The need for senior-tailored complexes is increasing at a tremendous pace, as the number of elders and the "oldest old" rapidly increases. To meet this need, the 202 program will be expanded as described above.

(3) **Community-Based Care:** Many elderly people are capable of living semi-independently but have greater needs for services. The Administration proposes an expansion of the existing service coordinator program, as described above, in order to better coordinate federal and local health care and social services for the residents.

(4) **Intergenerational Learning Centers:** To strengthen the connection of elderly people to their community, an eligible use for the competitive capital grants pool will also be the physical establishment of Intergenerational Learning Centers. These Centers will link two vital needs: (A) affordable senior services, and (B) affordable child care. These learning Centers will be owned and operated, at least in part, by residents of existing Section 202 projects.

(5) **Assisted Living:** The Administration proposes that HUD partner with HHS to better integrate housing assistance with Medicaid funding for services.

In addition to the expansion of the 202 program the Administration is drafting language to create a new elderly voucher program funded with mandatory funds. This program will help to target units within Low Income Housing Tax Credit projects to extremely low income elderly people (below 30 percent of area medium income).

*ELDERLY VOUCHERS*

*(Legislative proposal, subject to PAYGO)*

**Program and Financing** (in millions of dollars)

Identification code 86-0330-4-1-604	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Obligations by program activity .....			87
10.00 Total new obligations (object class 41.0) .....			87

<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			87
23.95 Total new obligations .....			-87
<b>New budget authority (gross), detail:</b>			
60.00 Appropriation .....			87
<b>Change in unpaid obligations:</b>			
73.10 Total new obligations .....			87
73.20 Total outlays (gross) .....			-8
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....			79
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....			8
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			87
90.00 Outlays .....			8

This is a mandatory program for 15,000 tenant-based assistance units to help eligible elderly persons find decent affordable housing within Low Income Tax Credit funded projects, \$89,000,000 to be awarded by States who administer the Low Income Housing Tax Credit. Individuals and their families who receive the assistance under this head (a) shall be elderly (as defined by the Secretary of the Department of Housing and Urban Development); (b) shall meet all eligibility requirements for receipt of HUD elderly housing assistance; and (c) shall use the voucher initially in a Low Income Housing Tax Credit project.

**OTHER ASSISTED HOUSING PROGRAMS**

**RENTAL HOUSING ASSISTANCE**

**Program and Financing** (in millions of dollars)

Identification code 86-0206-0-1-999	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Rent supplement .....	13	15	15
00.02 Homeownership and rental housing assistance (Sections 235 and 236) .....	22	32	25
00.04 IRP Rehab Grants .....		200	190
10.00 Total obligations (object class 41.0) .....	35	247	230
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	8	8	8
21.49 Unobligated balance available, start of year: Contract authority .....	970	950	903
21.99 Total unobligated balance, start of year .....	978	958	911
22.00 New budget authority (gross) .....	-125		
22.10 Resources available from recoveries of prior year obligations .....	308	200	190
22.75 Balance of contract authority withdrawn .....	-168		
23.90 Total budgetary resources available for obligation .....	993	1,158	1,101
23.95 Total new obligations .....	-35	-247	-230
24.40 Unobligated balance available, end of year .....	8	8	8
24.49 Unobligated balance, end of year: Contract authority .....	950	903	863
24.99 Total unobligated balance, end of year .....	958	911	871
<b>New budget authority (gross), detail:</b>			
Current:			
40.36 Preservation prepayment rescission .....	-125		
Permanent:			
60.05 Appropriation (indefinite) .....	733	770	764
60.49 Portion applied to liquidate contract authority .....	-733	-770	-764
70.00 Total new budget authority (gross) .....	-125		
<b>Change in unpaid obligations:</b>			
Unpaid obligations, start of year:			
72.40 Obligated balance, start of year .....	127	127	127
72.49 Obligated balance, start of year: Contract authority .....	12,338	11,332	10,609
72.99 Total unpaid obligations, start of year .....	12,465	11,459	10,736

73.10	Total new obligations .....	35	247	230
73.20	Total outlays (gross) .....	- 734	- 771	- 765
73.45	Adjustments in unexpired accounts .....	- 308	- 200	- 190
Unpaid obligations, end of year:				
74.40	Obligated balance, end of year .....	127	127	127
74.49	Obligated balance, end of year: Contract authority .....	11,332	10,609	9,885
74.99	Total unpaid obligations, end of year .....	11,459	10,736	10,012
<b>Outlays (gross), detail:</b>				
86.93	Outlays from current balances .....	734	771	765
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	- 125		
90.00	Outlays .....	734	771	765

**Status of Contract Authority (in millions of dollars)**

Identification code 86-0206-0-1-999		1998 actual	1999 est.	2000 est.
0100	Balance, start of year .....	13,308	12,282	11,512
Contract authority:				
0200	Contract authority .....	- 125		
0400	Appropriation to liquidate contract authority .....	- 733	- 770	- 764
0600	Balance of contract authority withdrawn .....	- 168		
0700	Balance, end of year .....	12,282	11,512	10,748

**OTHER ASSISTED HOUSING**

**Summary of Administrative Commitments**

[In millions of dollars]

Assistance contracts:	1998 actual	1999 est.	2000 est.
Rent supplement .....	13	15	15
Homeownership and rental housing assistance (sections 235 and 236) .....	22	32	25
IRP Rehab Grants .....		200	190
Administrative commitments, start of year .....	-16	16	16
Administrative commitments, end of year .....	-16	-16	-16
Total obligations .....	35	247	230

The Other Assisted Housing Account contains the programs listed below:

**Rent supplement.**—Rent supplement assistance payments will continue to be made on behalf of qualified low-income tenants in approximately 20,000 units which have not converted to section 8.

**Section 235.**—The Housing and Urban-Rural Recovery Act of 1983 (Public Law 98-181) authorized a restructured section 235 (Homeownership Assistance) program based on a 10-year interest reduction subsidy. This replaced earlier versions of the program, the original and the revised versions. All were below interest rate mortgages for single family homes.

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

**IRP Rehab Grants.**—Title V of the 1998 Appropriations Act (P.L. 105-65) establishes a program of rehabilitation grants for owners of eligible projects. An estimated \$190 million of such grants are expected in 2000.

The table below reflects the consolidated outlay total for: the Annual Contributions for Assisted Housing account; the Housing Certificate Fund; the Public Housing Capital Fund; the Section 8 Reserve Preservation account; and the Other Assisted Housing account, for 1998, 1999, and 2000.

**SUMMARY OF OUTLAYS<sup>1</sup>**

[In millions of dollars]

	1998 actual	1999 est.	2000 est.
Subsidized housing programs, total .....	20,747	19,647	20,360
Low-income housing assistance (sec. 8) .....	16,114	15,594	16,444
Public housing capital fund .....	3,899	3,282	3,151
Rent supplement .....	55	54	54
Homeownership assistance (sec. 235) .....	45	84	77

Rental housing assistance (sec. 236) .....	617	617	618
College housing grants .....	17	16	16

<sup>1</sup>Includes outlays for contract renewals.

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

**Program and Financing (in millions of dollars)**

Identification code 86-0196-0-1-604		1998 actual	1999 est.	2000 est.
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance available, start of year .....	11	11	11
22.10	Resources available from recoveries of prior year obligations .....	1		
23.90	Total budgetary resources available for obligation .....	12	11	11
24.40	Unobligated balance available, end of year .....	11	11	11
<b>Change in unpaid obligations:</b>				
72.40	Unpaid obligations, start of year: Obligated balance, start of year .....	132	102	71
73.20	Total outlays (gross) .....	- 29	- 30	- 30
73.45	Adjustments in unexpired accounts .....	- 1		
74.40	Unpaid obligations, end of year: Obligated balance, end of year .....	102	71	41
<b>Outlays (gross), detail:</b>				
86.93	Outlays from current balances .....	29	30	30
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....	29	30	30

The Homeownership and Opportunity for People Everywhere Program provided affordable homeownership opportunities for low-income families. Units were converted to homeownership from public and Indian housing properties in HOPE 1, from FHA-insured and Government-held multifamily properties in HOPE 2, and from Government-owned or -held single family properties in HOPE 3. HOPE Grants were used for property acquisition, rehabilitation, mortgage subsidies, security measures, and technical assistance. In addition, grants have been devoted to counseling and training of residents, and other activities intended to help them become economically self-sufficient homeowners. No funding is being requested for 2000. This schedule reflects the liquidation of prior year balances.

**CONGREGATE SERVICES**

**Program and Financing (in millions of dollars)**

Identification code 86-0178-0-1-604		1998 actual	1999 est.	2000 est.
<b>Change in unpaid obligations:</b>				
72.40	Unpaid obligations, start of year: Obligated balance, start of year .....	22	9	2
73.20	Total outlays (gross) .....	- 7	- 7	- 2
73.40	Adjustments in expired accounts .....	- 6		
74.40	Unpaid obligations, end of year: Obligated balance, end of year .....	9	2	
<b>Outlays (gross), detail:</b>				
86.93	Outlays from current balances .....	7	7	2
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....	8	7	2

Under the Congregate Services program, HUD contracted directly with local public housing agencies and section 202 housing for the elderly or disabled sponsors to supply support services, including meals and other services. Funding for this activity will be requested in the supportive services set-aside within the Community Development Block Grant account for

**General and special funds—Continued****CONGREGATE SERVICES—Continued**

2000. This schedule reflects the liquidation of prior year balances from the separately appropriated Congregate Services Program.

**HOUSING COUNSELING ASSISTANCE****Program and Financing (in millions of dollars)**

Identification code 86-0156-0-1-506	1998 actual	1999 est.	2000 est.
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	2	2	
73.20 Total outlays (gross) .....		-2	
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	2		
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....		2	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....		2	

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

In 1998, housing counseling was appropriated as a \$20 million set-aside in the HOME Investment Partnerships Program. The program was funded at \$17.5 million as a HOME set-aside in 1999. The Budget proposes Housing Counseling as a \$20 million HOME set-aside for 2000. The 2000 Budget proposes to transfer all balances in this account, as of September 30, 1999, to the HOME Investment Partnership account.

**SECTION 8 MODERATE REHABILITATION****SINGLE ROOM OCCUPANCY****Program and Financing (in millions of dollars)**

Identification code 86-0195-0-1-604	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Homelessness prevention .....	1	85	
10.00 Total obligations (object class 41.0) .....	1	85	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	86	85	
23.95 Total new obligations .....	-1	-85	
24.40 Unobligated balance available, end of year .....	85		
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	376	348	387
73.10 Total new obligations .....	1	85	
73.20 Total outlays (gross) .....	-29	-46	
73.31 Obligated balance transferred to other accounts .....			-387
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	348	387	
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....	29	46	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	29	46	

Section 8 assistance for single room occupancy dwellings is authorized by Title IV, subtitle E, of the Stewart B. McKinney Homeless Assistance Act, as amended by the Housing and Community Development Act of 1992. Since 1995, these

activities have been funded in the Homeless Assistance Grants account. The 2000 Budget proposes to transfer all balances in this account to the Homeless Assistance Grants account.

**CAPITAL GRANTS/CAPITAL LOANS PRESERVATION ACCOUNT****Program and Financing (in millions of dollars)**

Identification code 86-0318-0-1-604	1998 actual	1999 est.	2000 est.
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	10		
23.98 Unobligated balance expiring .....	-10		
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	10		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	10		
90.00 Outlays .....			

Funds were provided in 1998 to permit the Secretary, at his discretion, to reimburse groups who submitted plans of action under the preservation program that were not funded. As this is a non-recurring cost, no additional funds are requested for this activity.

**MANUFACTURED HOME INSPECTION AND MONITORING****Unavailable Collections (in millions of dollars)**

Identification code 86-5271-0-2-376	1998 actual	1999 est.	2000 est.
<b>Receipts:</b>			
02.01 Manufactured home inspection and monitoring .....	14	15	16
<b>Appropriation:</b>			
05.01 Manufactured home inspection and monitoring .....	-14	-15	-16
07.99 Total balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 86-5271-0-2-376	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Transfer to salaries and expenses .....	1	1	1
00.02 Other program costs .....	16	16	17
10.00 Total obligations (object class 25.2) .....	17	17	18
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	9	8	6
22.00 New budget authority (gross) .....	14	15	16
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	24	23	22
23.95 Total new obligations .....	-17	-17	-18
24.40 Unobligated balance available, end of year .....	8	6	4
<b>New budget authority (gross), detail:</b>			
60.25 Appropriation (special fund, indefinite) .....	14	15	16
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	3	2	2
73.10 Total new obligations .....	17	17	18
73.20 Total outlays (gross) .....	-16	-17	-17
73.45 Adjustments in unexpired accounts .....	-1		
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	2	2	3
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	14	15	16
86.98 Outlays from permanent balances .....	2	2	1
87.00 Total outlays (gross) .....	16	17	17
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	14	15	16



90.00	Outlays .....	16	17	17
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Section 620 of the National Manufactured Housing Construction and Safety Standards Act of 1974, as amended, authorizes enforcement of appropriate construction standards for the construction, design and performance of manufactured homes to assure their quality, durability, and safety. All manufactured homes produced since the standards took effect on June 15, 1976 must comply with Federal construction and safety standards. The States are actively encouraged to participate in the program under compliance plans approved by HUD.

A fee of \$24 per transportable section is charged to the manufacturers for each manufactured home produced. The fee is used to cover the costs of the monitoring and enforcement activities by HUD and its contract agents. Fees are deposited in a special fund administered by the Department, and a portion of the fee receipts are transferred to the salaries and expenses account to defray the direct administrative expenses of the program. In 1998, an estimated 439,000 manufactured homes and 603,383 transportable sections were produced.

INTERSTATE LAND SALES

Unavailable Collections (in millions of dollars)

Identification code 86-5270-0-2-376	1998 actual	1999 est.	2000 est.
<b>Receipts:</b>			
02.01 Interstate land sales .....		1	1
<b>Appropriation:</b>			
05.01 Interstate land sales .....		-1	-1
07.99 Total balance, end of year .....			

Program and Financing (in millions of dollars)

Identification code 86-5270-0-2-376	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
10.00 Total obligations (object class 25.2) .....		1	1
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		1	1
23.95 Total new obligations .....		-1	-1
<b>New budget authority (gross), detail:</b>			
60.25 Appropriation (special fund, indefinite) .....		1	1
<b>Change in unpaid obligations:</b>			
73.10 Total new obligations .....		1	1
73.20 Total outlays (gross) .....		-1	-1
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....		1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		1	1
90.00 Outlays .....		1	1

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

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

The estimated annual program activity level will continue at 1,700 filings, approximately the same estimated level as in recent years.

Public enterprise funds:

RENTAL HOUSING ASSISTANCE FUND

Program and Financing (in millions of dollars)

Identification code 86-4041-0-3-604	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
09.00 Reimbursable program .....	44	39	35
10.00 Total obligations (object class 25.2) .....	44	39	35
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	1	1	1
22.00 New budget authority (gross) .....	44	39	35
23.90 Total budgetary resources available for obligation .....	45	40	36
23.95 Total new obligations .....	-44	-39	-35
24.40 Unobligated balance available, end of year .....	1	1	1
<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....	44	39	35
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....		7	
73.10 Total new obligations .....	44	39	35
73.20 Total outlays (gross) .....	-59	-46	-35
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	7		
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	44	39	35
86.98 Outlays from permanent balances .....	15	7	
87.00 Total outlays (gross) .....	59	46	35
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-44	-39	-35
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	15	7	

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

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

FLEXIBLE SUBSIDY FUND

(TRANSFER OF FUNDS)

From the Rental Housing Assistance Fund, all uncommitted balances of excess rental charges as of September 30, [1998] 1999, and any collections made during fiscal year [1999] 2000, 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, 1999.)

**Public enterprise funds—Continued****FLEXIBLE SUBSIDY FUND—Continued  
(TRANSFER OF FUNDS)—Continued****Program and Financing (in millions of dollars)**

Identification code 86-4044-0-3-604	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
09.00 Reimbursable program .....	15	13	35
10.00 Total obligations (object class 41.0) .....	15	13	35
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	179	235	276
22.00 New budget authority (gross) .....	71	54	50
23.90 Total budgetary resources available for obligation .....	250	289	326
23.95 Total new obligations .....	-15	-13	-35
24.40 Unobligated balance available, end of year .....	235	276	292
<b>New budget authority (gross), detail:</b>			
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	74	54	50
68.10 From Federal sources: Change in receivables and unpaid, unfilled orders .....	-3		
68.90 Spending authority from offsetting collections (total) .....	71	54	50
<b>Change in unpaid obligations:</b>			
Unpaid obligations, start of year:			
72.40 Obligated balance, start of year .....	44	27	20
72.95 From Federal sources: Receivables and unpaid, unfilled orders .....	3		
72.99 Total unpaid obligations, start of year .....	47	27	20
73.10 Total new obligations .....	15	13	35
73.20 Total outlays (gross) .....	-35	-21	-7
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	27	20	48
<b>Outlays (gross), detail:</b>			
86.98 Outlays from permanent balances .....	35	21	7
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-61	-39	-35
88.20 Interest on U.S. securities .....	-8	-9	-9
88.40 Non-Federal sources .....	-5	-6	-6
88.90 Total, offsetting collections (cash) .....	-74	-54	-50
88.95 From Federal sources: Change in receivables and unpaid, unfilled orders .....	3		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-39	-33	-43
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: U.S. securities: Par value .....	150	150	150
92.02 Total investments, end of year: U.S. securities: Par value .....	150	150	150

**Status of Direct Loans (in millions of dollars)**

Identification code 86-4044-0-3-604	1998 actual	1999 est.	2000 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	743	769	786
1231 Disbursements: Direct loan disbursements .....	35	21	7
1251 Repayments: Repayments and prepayments .....	-4	-4	-4
1264 Write-offs for default: Other adjustments, net .....	-5		
1290 Outstanding, end of year .....	769	786	789

The Flexible Subsidy Fund assisted financially troubled subsidized projects under certain FHA authorities. The subsidies were intended to prevent potential losses to the FHA fund resulting from project insolvency and to preserve these projects as a viable source of housing for low and moderate-

income tenants. Priority was given to projects with Federal insurance-in-force and then to those with mortgages that had been assigned to the Department of Housing and Urban Development.

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

**Statement of Operations (in millions of dollars)**

Identification code 86-4044-0-3-604	1997 actual	1998 actual	1999 est.	2000 est.
0101 Revenue .....	65	66	55	50
0102 Expense .....	-81	-90	-6	
0109 Net income or loss (-) .....	-16	-24	49	50

**Balance Sheet (in millions of dollars)**

Identification code 86-4044-0-3-604	1997 actual	1998 actual	1999 est.	2000 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	92	131	162	206
Investments in US securities:				
1102 Treasury securities, par .....	150	150	150	150
1106 Receivables, net .....	9	4		
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	743	769	786	789
1603 Allowance for estimated uncollectible loans and interest (-) .....	-607	-692	-708	-710
1699 Value of assets related to direct loans .....	136	77	78	79
1999 Total assets .....	387	362	390	435
<b>NET POSITION:</b>				
3100 Appropriated capital .....	217	217	217	217
3300 Cumulative results of operations .....	169	145	174	218
3999 Total net position .....	386	362	391	435
4999 Total liabilities and net position .....	386	362	391	435

**HOMEOWNERSHIP ASSISTANCE FUND****Program and Financing (in millions of dollars)**

Identification code 86-4043-0-3-604	1998 actual	1999 est.	2000 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	21	23	25
21.49 Unobligated balance available, start of year: Contract authority .....	61	61	61
21.99 Total unobligated balance, start of year .....	82	84	86
22.00 New budget authority (gross) .....	2	2	2
23.90 Total budgetary resources available for obligation .....	84	86	88
24.40 Unobligated balance available, end of year .....	23	25	27
24.49 Unobligated balance, end of year: Contract authority .....	61	61	61
24.99 Total unobligated balance, end of year .....	84	86	88
<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....	2	2	2
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	-1	-1	-1
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	-1	-1	-1

**Offsets:**  
Against gross budget authority and outlays:

88.40	Offsetting collections (cash) from: Non-Federal sources .....	-2	-2	-2
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**Net budget authority and outlays:**

89.00	Budget authority .....			
90.00	Outlays .....	-2	-2	-2

**Memorandum (non-add) entries:**

92.01	Total investments, start of year: U.S. securities: Par value .....	18	18	18
92.02	Total investments, end of year: U.S. securities: Par value .....	18	18	18

**Status of Contract Authority** (in millions of dollars)

Identification code 86-4043-0-3-604	1998 actual	1999 est.	2000 est.
0100 Balance, start of year .....	61	61	61
0700 Balance, end of year .....	61	61	61

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

**NEHEMIAH HOUSING OPPORTUNITY FUND**

**Program and Financing** (in millions of dollars)

Identification code 86-4071-0-3-604	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
09.00	Reimbursable program .....	20	1
10.00	Total obligations (object class 33.0) .....	20	1
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance available, start of year .....	21	1
23.95	Total new obligations .....	-20	-1
24.40	Unobligated balance available, end of year .....	1	
<b>Change in unpaid obligations:</b>			
72.40	Unpaid obligations, start of year: Obligated balance, start of year .....	7	26
73.10	Total new obligations .....	20	1
73.20	Total outlays (gross) .....	-1	-5
74.40	Unpaid obligations, end of year: Obligated balance, end of year .....	26	22
<b>Outlays (gross), detail:</b>			
86.93	Outlays from current balances .....	1	5
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....		
90.00	Outlays .....	1	5

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

**Credit accounts:**

**FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT**  
(INCLUDING TRANSFERS OF FUNDS)

During fiscal year [1999] 2000, commitments to guarantee loans to carry out the purposes of section 203(b) of the National Housing

Act, as amended, shall not exceed a loan principal of **[\$110,000,000,000] \$120,000,000,000.**

During fiscal year [1999] 2000, obligations to make direct loans to carry out the purposes of section 204(g) of the National Housing Act, as amended, shall not exceed **[\$100,000,000] \$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, **[\$328,888,000, to be derived from the FHA-mutual mortgage insurance guaranteed loans receipt account] \$330,888,000**, of which not to exceed \$324,866,000 shall be transferred to the appropriation for departmental salaries and expenses; **[and of which] not to exceed \$4,022,000** shall be transferred to the appropriation for the Office of Inspector General; *and not to exceed \$2,000,000 shall be to support a data warehouse operated by the Federal Housing Credit Consortium.* In addition, for administrative contract expenses, **\$160,000,000: Provided**, That to the extent guaranteed loan commitments exceed \$49,664,000,000 on or before April 1, 2000, an additional \$1,400 for administrative contract expenses shall be available for each \$1,000,000 in additional guaranteed loan commitments (including a pro-rata amount for any amount below \$1,000,000), but in no case shall funds made available by this proviso exceed \$16,000,000.

**Unavailable Collections** (in millions of dollars)

Identification code 86-0183-0-1-371	1998 actual	1999 est.	2000 est.
Balance, start of year:			
01.99	Balance, start of year .....		1,264
Receipts:			
02.01	FHA Mutual Mortgage Insurance Guaranteed Loan, negative subsidies .....	1,602	329
04.00	Total: Balances and collections .....	1,602	1,593
Appropriation:			
05.01	FHA mutual mortgage insurance program account .....	-338	-1,593
05.99	Subtotal appropriation .....	-338	-1,593
07.99	Total balance, end of year .....	1,264	

**Program and Financing** (in millions of dollars)

Identification code 86-0183-0-1-371	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.09	Transfer to Federal Housing Credit Consortium .....		2
00.10	Administrative expenses, salaries & expenses transfer .....	338	329
00.11	Subsidy rate reestimate .....		1,264
00.12	Non-overhead administrative expenses for FHA contracts .....		160
10.00	Total new obligations .....	338	1,593
<b>Budgetary resources available for obligation:</b>			
22.00	New budget authority (gross) .....	338	1,593
23.95	Total new obligations .....	-338	-1,593
<b>New budget authority (gross), detail:</b>			
Current:			
40.00	Appropriation .....		491
40.25	Appropriation (special fund, definite) .....	338	329
43.00	Appropriation (total) .....	338	329
Permanent:			
60.25	Appropriation (special fund, indefinite) .....		1,264
70.00	Total new budget authority (gross) .....	338	1,593
<b>Change in unpaid obligations:</b>			
73.10	Total new obligations .....	338	1,593
73.20	Total outlays (gross) .....	-338	-1,593
74.40	Unpaid obligations, end of year: Obligated balance, end of year .....		40

Identification code 86-0183-0-1-371	1998 actual	1999 est.	2000 est.
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new current authority .....	338	329
Outlays from permanent authority:			
86.97	Outlays from new permanent authority .....		1,264
87.00	Total outlays (gross) .....	338	1,593

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

(INCLUDING TRANSFERS OF FUNDS)—Continued

**Program and Financing** (in millions of dollars)—Continued

Identification code 86-0183-0-1-371	1998 actual	1999 est.	2000 est.
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	338	1,593	491
90.00 Outlays .....	338	1,593	451

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

Identification code 86-0183-0-1-371	1998 actual	1999 est.	2000 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
1150 Direct loan levels .....	200	100	50
1159 Total direct loan levels .....	200	100	50
<b>Guaranteed loan levels supportable by subsidy budget authority:</b>			
2150 MMI Fund, Section 203(b) .....	100,245	96,218	112,873
2150 Standby commitment authority .....	9,755	13,782	7,127
2159 Total loan guarantee levels .....	110,000	110,000	120,000
<b>Guaranteed loan subsidy (in percent):</b>			
2320 Subsidy rate .....	-2.99	-2.62	-1.99
2329 Weighted average subsidy rate .....	-2.99	-2.62	-1.99
<b>Guaranteed loan subsidy budget authority:</b>			
2330 MMI Section 203(b) negative subsidy .....	-2,549	-2,346	-2,048
2330 Indirect modification repayment from Liquidating Account of borrowing .....	-205		
2330 Subsidy budget authority—reestimate .....		1,264	
2330 Subsidy—Note Sales .....		-120	
2339 Total subsidy budget authority .....	-2,754	-1,202	-2,048
<b>Guaranteed loan subsidy outlays:</b>			
2340 Subsidy outlays .....	-2,344	-1,082	-2,048
2349 Total subsidy outlays .....	-2,344	-1,082	-2,048
<b>Administrative expense data:</b>			
3510 Budget authority .....	338	329	491
3590 Outlays from new authority .....	338	329	451

The Federal Housing Administration provides mortgage insurance to encourage lenders to make credit available to expand homeownership, and to predominantly serve borrowers that the conventional market does not adequately provide for including: first-time homebuyers; minorities; lower-income families; and, residents of underserved areas (central cities and rural areas). Currently, the maximum mortgage amount for FHA-insured one-family loans is set at 95 percent of area median house price, provided that the amount is never less than 48 percent of the conforming loan limit—the maximum mortgage amount for loans purchased by the housing secondary market Government-Sponsored Enterprises, Fannie Mae and Freddie Mac—and never more than 87 percent of the conforming loan limit.

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

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

**Object Classification** (in millions of dollars)

Identification code 86-0183-0-1-371	1998 actual	1999 est.	2000 est.
25.2 Other services .....			160
25.3 Purchases of goods and services from Government accounts .....	338	1,593	331
99.9 Total new obligations .....	338	1,593	491

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

Identification code 86-4242-0-3-371	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Direct loans .....	5	50	50
00.02 Interest paid to Treasury .....	1	3	3
00.03 Claims & other .....		2	2
10.00 Total new obligations .....	6	55	55
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	1	3	68
22.00 New financing authority (gross) .....	8	120	77
23.90 Total budgetary resources available for obligation .....	9	123	145
23.95 Total new obligations .....	-6	-55	-55
24.40 Unobligated balance available, end of year .....	3	68	90
<b>New financing authority (gross), detail:</b>			
67.15 Authority to borrow (indefinite) .....	3	100	50
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	5	20	27
70.00 Total new financing authority (gross) .....	8	120	77
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	2	3	5
73.10 Total new obligations .....	6	55	55
73.20 Total financing disbursements (gross) .....	-4	-55	-55
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	3	5	5
87.00 Total financing disbursements (gross) .....	4	55	55
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25 Interest on uninvested funds .....		-1	-1
88.40 Other collections from non-Federal sources .....	-5	-19	-26
88.90 Total, offsetting collections (cash) .....	-5	-20	-27
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	3	100	50
90.00 Financing disbursements .....	-1	35	28

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 2000 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	1998 actual	1999 est.	2000 est.
<b>Position with respect to appropriations act limitation on obligations:</b>			
1111 Limitation on direct loans	200	100	50
1112 Unobligated direct loan limitation	-195	-50	
1150 Total direct loan obligations	5	50	50
<b>Cumulative balance of direct loans outstanding:</b>			
1210 Outstanding, start of year	2	1	23
1231 Disbursements: Direct loan disbursements	4	40	40
1251 Repayments: Repayments and prepayments	-5	-17	-23
1263 Write-offs for default: Direct loans		-1	-2
1290 Outstanding, end of year	1	23	38

**Balance Sheet** (in millions of dollars)

Identification code 86-4242-0-3-371	1997 actual	1998 actual	1999 est.	2000 est.
<b>ASSETS:</b>				
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	2	1	23	38
1499 Net present value of assets related to direct loans	2	1	23	38
1999 Total assets	2	1	23	38
<b>LIABILITIES:</b>				
2103 Federal liabilities: Treasury borrowing	2	3	30	38
2999 Total liabilities	2	3	30	38
4999 Total liabilities and net position	2	3	30	38

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

**Program and Financing** (in millions of dollars)

Identification code 86-4587-0-3-371	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Default claims and other	4,004	2,616	3,112
00.05 Payment of negative subsidy to receipt account	338	329	
00.06 Payment of negative subsidy to liquidating account	2,344	2,017	2,048
00.07 Non-overhead administrative costs (contracts)	85		
00.08 Interest payments to Treasury	384	398	412
00.09 Payment to liquidating account of value of assets sold		244	
00.14 Negative subsidy to liquidating account, new legislation		400	
10.00 Total new obligations	7,155	6,004	5,572
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year	330	541	701
22.00 New financing authority (gross)	7,570	6,363	5,864
22.60 Redemption of debt	-205	-200	-200
23.90 Total budgetary resources available for obligation	7,695	6,704	6,365
23.95 Total new obligations	-7,155	-6,004	-5,572
24.40 Unobligated balance available, end of year	541	701	793
<b>New financing authority (gross), detail:</b>			
67.15 Authority to borrow (indefinite)	2,625	200	200
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	4,945	6,163	5,664
70.00 Total new financing authority (gross)	7,570	6,363	5,864
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	-171	-127	-127
73.10 Total new obligations	7,155	6,004	5,572
73.20 Total financing disbursements (gross)	-7,111	-6,004	-5,572
74.40 Unpaid obligations, end of year: Obligated balance, end of year	-127	-127	-127
87.00 Total financing disbursements (gross)	7,111	6,004	5,572

**Offsets:**

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25 Interest on uninvested funds	-127	-38	-35
Non-Federal sources:			
88.40 Fees and premiums	-2,605	-3,352	-3,558
88.40 Recoveries on defaults	-1,995	-2,242	-2,071
88.40 Gross proceeds from asset sales		-531	
88.45 Offsetting governmental collections	-218		
88.90 Total, offsetting collections (cash)	-4,945	-6,163	-5,664
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority	2,625	200	200
90.00 Financing disbursements	2,166	-159	-92

**Status of Guaranteed Loans** (in millions of dollars)

Identification code 86-4587-0-3-371	1998 actual	1999 est.	2000 est.
<b>Position with respect to appropriations act limitation on commitments:</b>			
2111 Limitation on guaranteed loans made by private lenders	110,000	110,000	120,000
2112 Uncommitted loan guarantee limitation	-9,755	-13,782	-7,127
2150 Total guaranteed loan commitments	100,245	96,218	112,873
<b>Cumulative balance of guaranteed loans outstanding:</b>			
2210 Outstanding, start of year	272,750	309,309	372,217
2231 Disbursements of new guaranteed loans	90,518	86,398	96,162
2251 Repayments and prepayments	-50,074	-20,672	-29,602
<b>Adjustments:</b>			
2261 Terminations for default that result in loans receivable	-30	-3	-6
2262 Terminations for default that result in acquisition of property	-3,766	-2,731	-2,731
2263 Terminations for default that result in claim payments	-89	-84	-84
2290 Outstanding, end of year	309,309	372,217	435,956

**Memorandum:**

2299 Guaranteed amount of guaranteed loans outstanding, end of year	309,309	372,217	435,956
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**Addendum:**

Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	285	347	9
2331 Disbursements for guaranteed loan claims	30	6	11
2351 Repayments of loans receivable	-5		
2364 Other adjustments, net	37	-344	-1
2390 Outstanding, end of year	347	9	19

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	1997 actual <sup>1</sup>	1998 actual	1999 est.	2000 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury	159	413	701	693
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501 Defaulted guaranteed loans receivable, gross	285	347	8	19
1504 Foreclosed property	1,104	2,045	1,245	1,154
1505 Allowance for subsidy cost	-443	-833	-829	-829
1599 Net value of assets related to defaulted guaranteed loan	946	1,559	424	344
1901 Other Federal assets: Other assets	3			
1999 Total assets	1,108	1,972	1,125	1,037
<b>LIABILITIES:</b>				
2103 Federal liabilities: Federal liabilities, Debt	3,062	5,482	5,482	5,382

**Credit accounts—Continued****FHA—MUTUAL MORTGAGE INSURANCE GUARANTEED LOAN  
FINANCING ACCOUNT—Continued****Balance Sheet (in millions of dollars)—Continued**

Identification code 86-4587-0-3-371	1997 actual <sup>1</sup>	1998 actual	1999 est.	2000 est.
<b>Non-Federal liabilities:</b>				
2204 Liabilities for loan guarantees .....	-1,978	-3,510	-4,539	-4,760
2207 Other .....	24	.....	182	415
2999 Total liabilities .....	1,108	1,972	1,125	1,037
4999 Total liabilities and net position .....	1,108	1,972	1,125	1,037

<sup>1</sup> As reflected in the 1999 Budget.**FHA—MUTUAL MORTGAGE AND COOPERATIVE HOUSING INSURANCE  
FUNDS LIQUIDATING ACCOUNT****Unavailable Collections (in millions of dollars)**

Identification code 86-4070-0-3-371	1998 actual	1999 est.	2000 est.
03.00 Offsetting Collections .....	.....	.....	168
07.99 Total balance, end of year .....	.....	.....	168

**Program and Financing (in millions of dollars)**

Identification code 86-4070-0-3-371	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.02 Transfer of Reestimates amount .....	1,264	.....	.....
<b>Operating expenses:</b>			
00.03 Other operating costs .....	9	9	9
00.04 Administrative contract expenses .....	18	160	.....
00.91 Total operating expenses .....	1,291	169	9
<b>Capital investment:</b>			
01.02 Assignment of defaulted mortgages .....	-22	.....	.....
01.03 Acquisition of real properties .....	1,416	3,657	2,717
01.05 Acquisition of other assets .....	4	4	4
01.07 Capitalized property expenses .....	186	116	117
01.08 Loss mitigation activities .....	2	4	3
01.09 Preforeclosure sale claims .....	9	47	39
01.10 Indirect modification (repayment of borrowing to Financing Account) and interest .....	219	.....	.....
01.91 Total capital investment .....	1,814	3,828	2,880
10.00 Total new obligations .....	3,105	3,997	2,889
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	13,072	14,392	16,530
22.00 New budget authority (gross) .....	4,425	6,135	5,039
23.90 Total budgetary resources available for obligation .....	17,497	20,527	21,569
23.95 Total new obligations .....	-3,105	-3,997	-2,889
24.40 Unobligated balance available, end of year .....	14,392	16,530	18,680

**New budget authority (gross), detail:**

<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	4,425	6,135	5,207
68.45 Portion not available for obligation (limitation on obligations) .....	.....	.....	-168
68.90 Spending authority from offsetting collections (total) .....	4,425	6,135	5,039

**Change in unpaid obligations:**

72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	474	706	706
73.10 Total new obligations .....	3,105	3,997	2,889
73.20 Total outlays (gross) .....	-2,872	-3,997	-2,729
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	706	706	866

**Outlays (gross), detail:**

86.97 Outlays from new permanent authority .....	2,398	3,292	2,023
86.98 Outlays from permanent balances .....	474	706	706
87.00 Total outlays (gross) .....	2,872	3,997	2,729

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.20 Interest on U.S. securities .....	-921	-1,031	-1,125
<b>Non-Federal sources:</b>			
88.40 Fees and premiums .....	-77	-71	-66
88.40 Rebate of unearned prepaid premiums collected .....	14	20	6
88.40 Proceeds from sale of real property .....	-1,063	-2,367	-1,971
88.40 Proceeds from sale of mortgage notes .....	.....	-244	.....
88.40 Repayment of mortgage notes and sales contracts .....	-1	-5	.....
88.40 Interest and operating income .....	5	-2	.....
88.40 Recoveries on defaulted mortgages .....	-16	-15	.....
88.40 Payment from financing account .....	-2,344	-2,417	-2,048
88.40 Miscellaneous collections .....	-21	.....	.....
88.40 Other income .....	-1	-3	-3
88.90 Total, offsetting collections (cash) .....	-4,425	-6,135	-5,207

**Net budget authority and outlays:**

89.00 Budget authority .....	.....	.....	-168
90.00 Outlays .....	-1,552	-2,138	-2,478

**Memorandum (non-add) entries:**

92.01 Total investments, start of year: U.S. securities: Par value .....	13,467	14,344	16,144
92.02 Total investments, end of year: U.S. securities: Par value .....	14,344	16,144	18,644

**Status of Direct Loans (in millions of dollars)**

Identification code 86-4070-0-3-371	1998 actual	1999 est.	2000 est.
<b>Cumulative balance of direct loans outstanding:</b>			
1210 Outstanding, start of year .....	5	5	.....
1251 Repayments: Repayments and prepayments .....	-1	-5	.....
1264 Write-offs for default: Other adjustments, net .....	1	.....	.....
1290 Outstanding, end of year .....	5	.....	.....

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 86-4070-0-3-371	1998 actual	1999 est.	2000 est.
<b>Cumulative balance of guaranteed loans outstanding:</b>			
2210 Outstanding, start of year .....	87,755	71,030	65,880
2251 Repayments and prepayments .....	-15,320	-1,441	-1,819
<b>Adjustments:</b>			
2261 Terminations for default that result in loans receivable .....	.....	-3	-2
2262 Terminations for default that result in acquisition of property .....	-1,415	-3,657	-2,717
2263 Terminations for default that result in claim payments .....	-10	-49	-41
2264 Other adjustments, net .....	20	.....	.....
2290 Outstanding, end of year .....	71,030	65,880	61,301
<b>Memorandum:</b>			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	71,030	65,880	61,301

**Addendum:**

<b>Cumulative balance of defaulted guaranteed loans that result in loans receivable:</b>			
2310 Outstanding, start of year .....	288	294	4
2331 Disbursements for guaranteed loan claims .....	.....	3	2
2351 Repayments of loans receivable .....	-16	-259	.....
2361 Write-offs of loans receivable .....	-53	-34	-1
2364 Other adjustments, net .....	75	.....	.....
2390 Outstanding, end of year .....	294	4	5

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 Insur-

ance and Special Risk Insurance funds (GI/SRI) form the other segment.

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

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

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

**PROGRAM HIGHLIGHTS**

(In millions of dollars)

	1998 actual <sup>1</sup>	1999 est.	2000 est.
Insurance initiation:			
Mortgage insurance commitments (units) .....	1,025,569	940,005	1,075,893
Mortgage insurance written (in fiscal year):			
Units .....	1,025,124	854,225	925,539
Amount .....	90,518	86,398	96,162
Insurance maintenance: Outstanding balance of in-			
surance in force, end of year:			
Mortgage insurance .....	380,338	438,097	497,257

<sup>1</sup> Unaudited preliminary results.

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

**Statement of Operations** (in millions of dollars)

Identification code 86-4070-0-3-371	1997 actual <sup>1</sup>	1998 actual <sup>2</sup>	1999 est.	2000 est.
0101 Revenue .....	1,854	3,424	3,502	3,233
0102 Expense .....	-577	-685	-1,406	-978
0109 Net income or loss (-) .....	1,277	2,739	2,096	2,255

<sup>1</sup> As reflected in the 1999 Budget.

<sup>2</sup> Estimated result on GAAP basis pending final audit.

**Balance Sheet** (in millions of dollars)

Identification code 86-4070-0-3-371	1997 actual <sup>1</sup>	1998 actual	1999 est.	2000 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	318	1,015	646	503
Investments in US securities:				
Treasury securities, par:				
1102 Treasury securities, par .....	13,467	14,344	16,144	18,644
1102 Unamortized net premium/dis-				
count .....	-246	-234	-263	-304
1106 Receivables, net .....	1		1	1
Non-Federal assets:				
1206 Receivables, net .....	61	1	1	1
1207 Advances and prepayments .....	32	29	29	29
Net value of assets related to pre-1992				
direct loans receivable and ac-				
quired defaulted guaranteed loans				
receivable:				
1601 Direct loans, gross .....	5	5		
1603 Allowance for estimated uncollectible				
loans and interest (-) .....	-2	-1		
1699 Value of assets related to direct				
loans .....	3	4		

1701 Defaulted guaranteed loans, gross ....	287	296	4	5
1703 Allowance for estimated uncollectible				
loans and interest (-) .....	-39	-59	-1	-1
1704 Defaulted guaranteed loans and in-				
terest receivable, net .....	248	237	3	4
1705 Allowance for uncollectibles from				
foreclosed property .....	-370	-292	-370	-308
1706 Foreclosed property .....	946	756	958	798
1799 Value of assets related to loan				
guarantees .....	824	701	591	494
1901 Other Federal assets: Other assets .....	20	-294	-292	-291
1999 Total assets .....	14,480	15,566	16,857	19,077
<b>LIABILITIES:</b>				
Non-Federal liabilities:				
2201 Accounts payable .....	1,600	1,424	1,424	1,424
2206 Pension and other actuarial liabilities	549	1,030	996	964
2207 Unearned revenue and advances .....	7	1,246	1,226	1,220
2999 Total liabilities .....	2,156	3,700	3,646	3,608
<b>NET POSITION:</b>				
3100 Appropriated capital .....	18	18	18	18
3300 Cumulative results of operations .....	12,306	11,848	13,193	15,451
3999 Total net position .....	12,324	11,866	13,211	15,469
4999 Total liabilities and net position .....	14,480	15,566	16,857	19,077

<sup>1</sup> As reflected in the 1999 Budget.

**Object Classification** (in millions of dollars)

Identification code 86-4070-0-3-371	1998 actual	1999 est.	2000 est.
25.2 Other services .....	1,493	169	8
32.0 Land and structures .....	1,602	3,773	2,834
33.0 Investments and loans .....		7	6
42.0 Insurance claims and indemnities .....	10	48	41
99.9 Total new obligations .....	3,105	3,997	2,889

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

For the cost of guaranteed loans, as authorized by sections 238 and 519 of the National Housing Act (12 U.S.C. 1715z-3 and 1735c), including the cost of loan guarantee modifications (as that term is defined in section 502 of the Congressional Budget Act of 1974, as amended), **[\$81,000,000] \$153,000,000, including not to exceed \$153,000,000 from unobligated balances previously appropriated under this heading, to remain available until expended: Provided,** That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, of up to \$18,100,000,000: **Provided further,** That any amounts made available in any prior appropriations Act for the cost (as such term is defined in section 502 of the Congressional Budget Act of 1974) of guaranteed loans that are obligations of the funds established under section 238 or 519 of the National Housing Act that have not been obligated or that are deobligated shall be available to the Secretary of Housing and Urban Development in connection with the making of such guarantees and shall remain available until expended, notwithstanding the expiration of any period of availability otherwise applicable to such amounts.]

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

In addition, for administrative expenses necessary to carry out the guaranteed and direct loan programs, \$211,455,000 (including not to exceed \$147,000,000 from unobligated balances previously appropriated under this heading), of which \$193,134,000, shall be transferred to the appropriation for departmental salaries and expenses; and of which \$18,321,000 shall be transferred to the appropriation for the Office of Inspector General. *In addition, for administrative contract expenses necessary to carry out the guaranteed and direct loan programs, \$144,000,000: Provided, That to the extent guaranteed loan commitments exceed \$7,263,000,000 on or before April 1, 2000,*

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

*an additional \$19,800 for administrative contract expenses shall be available for each \$1,000,000 in additional guaranteed loan commitments over \$7,263,000,000 (including a pro rata amount for any increment below \$1,000,000), but in no case shall funds made available by this proviso exceed \$14,400,000. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.)*

**General Fund Credit Receipt Accounts (in millions of dollars)**

Identification code 86-0200-0-1-371	1998 actual	1999 est.	2000 est.
0101 FHA-General and special risk, negative subsidies .....	730	171	160
0102 FHA-General and special risk, downward reestimates of subsidies .....	333		

**Program and Financing (in millions of dollars)**

Identification code 86-0200-0-1-371	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Guaranteed loan subsidy .....	179	152	153
00.02 Prior year adjustment .....	-34	34	
00.04 FHA multi-family demonstration .....	5		
00.09 Administrative expenses, salaries & expenses transfer .....	222	211	211
00.10 Administrative contract expenses .....			144
00.11 Reestimate of credit subsidy .....	1,076		
10.00 Total new obligations .....	1,448	397	508

**Budgetary resources available for obligation:**

Identification code 86-0200-0-1-371	1998 actual	1999 est.	2000 est.
<b>Unobligated balance available, start of year:</b>			
21.40 Unobligated balance available, start of year .....	449	404	300
21.40 Administrative Commitments .....	49	39	38
21.99 Total unobligated balance, start of year .....	498	443	338
22.00 New budget authority (gross) .....	1,395	292	208
22.10 Resources available from recoveries of prior year obligations .....	3		
23.90 Total budgetary resources available for obligation .....	1,896	735	546
23.95 Total new obligations .....	-1,448	-397	-508
23.98 Unobligated balance expiring .....	-5		
<b>Unobligated balance available, end of year:</b>			
24.40 Unobligated balance available, end of year .....	404	300	
24.40 Administrative Commitments .....	39	38	38
24.99 Total unobligated balance, end of year .....	443	338	38

**New budget authority (gross), detail:**

<b>Current:</b>			
40.00 Appropriation .....	303	292	208
50.05 Reappropriation (indefinite) .....	16		
<b>Permanent:</b>			
60.05 Appropriation (indefinite) .....	1,076		
70.00 Total new budget authority (gross) .....	1,395	292	208

**Change in unpaid obligations:**

72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	55	-15	58
73.10 Total new obligations .....	1,448	397	508
73.20 Total outlays (gross) .....	-1,500	-364	-472
73.40 Adjustments in expired accounts .....	-16	40	
73.45 Adjustments in unexpired accounts .....	-3		
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	-15	58	94

**Outlays (gross), detail:**

86.90 Outlays from new current authority .....	283	272	172
86.93 Outlays from current balances .....	141	92	300
86.97 Outlays from new permanent authority .....	1,076		
87.00 Total outlays (gross) .....	1,500	364	472

**Net budget authority and outlays:**

89.00 Budget authority .....	1,395	292	208
90.00 Outlays .....	1,500	364	472

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

Identification code 86-0200-0-1-371	1998 actual	1999 est.	2000 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
1150 Single-family PMMs .....	20	20	20
1150 Multifamily bridge loans .....	100	30	30
1159 Total direct loan levels .....	120	50	50
<b>Guaranteed loan levels supportable by subsidy budget authority:</b>			
2150 Multifamily development .....	1,981	1,682	1,878
2150 Health care refinance .....			309
2150 Multifamily refinance .....	1,040	860	886
2150 HFA risk sharing .....	428	486	660
2150 GSE risk sharing .....	34	416	883
2150 Section 221(d)(3): cooperatives .....	42	60	82
2150 Multifamily operating loss loans .....	1	7	1
2150 Mixed income .....	7	10	10
2150 Hospitals .....	107	1,000	1,030
2150 Health care and nursing homes .....	900	600	409
2150 Tax credit new construction .....		99	102
2150 Section 232 operating loss loans .....			5
2150 Section 241 supplemental loans .....	24	20	21
2150 Single Family Programs .....	9,915		
2150 Section 234: condominiums .....		10,474	7,900
2150 Section 203(k): rehabilitation mortgages .....		1,300	1,300
2150 Section 221(d)(2): low income housing .....		50	
2150 Title 1: property improvements .....	1,011	1,015	1,015
2150 Manufactured housing .....	23	21	15
2150 Standby authority .....	1,887		1,594
2159 Total loan guarantee levels .....	17,400	18,100	18,100
<b>Guaranteed loan subsidy (in percent):</b>			
2320 Multifamily development .....	8.51	7.09	7.12
2320 Health care refinance .....	0.00	0.00	-1.90
2320 Multifamily refinance .....	-0.21	-0.78	-1.34
2320 HFA risk sharing .....	-0.32	-0.32	-0.56
2320 GSE risk sharing .....	-1.01	-0.97	-1.88
2320 Section 221(d)(3): cooperatives .....	29.21	17.99	15.44
2320 Multifamily operating loss loans .....	29.21	25.15	25.10
2320 Mixed income .....	12.13	12.13	11.81
2320 Hospitals .....	1.49	1.53	-1.60
2320 Health care and nursing homes .....	-0.70	-0.70	-2.79
2320 Tax credit new construction .....	0.00	-0.88	-0.57
2320 Section 232 operating Loss Loans .....	0.00	0.00	-25.10
2320 Section 241 supplemental loans .....	0.00	17.06	13.88
2320 Single family programs .....	-1.32	-1.32	0.00
2320 Section 234: condominiums .....	0.00	-1.32	-0.07
2320 Section 203(k): rehabilitation mortgages .....	0.00	-1.32	-0.08
2320 Section 221(d)(2): low income housing .....	0.00	-1.32	0.00
2320 Title 1: property improvements .....	-1.39	-1.22	-0.06
2320 Manufactured housing .....	-3.12	-3.13	0.75
2329 Weighted average subsidy rate .....	0.14	-0.19	0.48
<b>Guaranteed loan subsidy budget authority:</b>			
2330 Subsidy budget authority .....	97	81	
2330 Subsidy rate reestimate .....	1,076		
2339 Total subsidy budget authority .....	1,173	81	
<b>Guaranteed loan subsidy outlays:</b>			
2340 Subsidy outlays .....	166	152	153
2340 Subsidy reestimate outlays .....	1,076		
2349 Total subsidy outlays .....	1,242	152	153
<b>Administrative expense data:</b>			
3510 Budget authority, S&E Transfer .....	222	211	64
3510 Budget authority, FHA .....			144
3590 Outlays from new authority .....	222	211	172

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

As required by the Federal Credit Reform Act of 1990, this account records, for the single family, multifamily, hospital, and Title I insurance programs of FHA's General Insurance and Special Risk Insurance Funds, the subsidy costs associated with the loan guarantees committed or direct loans obligated in 1992 and thereafter (including modifications of loan guarantees or direct loans that resulted from obligations



or commitments in any year), as well as administrative expenses of these programs. The subsidy amounts are estimated on a present value basis; the administrative expenses are accounted for on a cash basis.

A gross program total of \$508 million in budget authority is requested for fiscal year: \$153 million for credit subsidy; \$211 million for administrative expenses; and \$144 administrative contract expenses. This amount is offset by \$444 million in budget authority for a net budget authority of only \$64 million. These offsets are comprised of \$300 million from the use of unobligated balances and \$144 million from prohibiting spending for program administration in the liquidating or financing accounts (this is reflected in the liquidating account but is treated as discretionary due to its inclusion in appropriations language).

The latter offset covers the cost of the new appropriations requested for administrative contract expenses. The proposal consolidates all administrative spending in the program account and does not increase overall discretionary spending as it merely replaces spending in the liquidating account with the request in the program account. These amounts are summarized below:

	(In millions of dollars)	Budget Authority	Outlays
Credit Subsidy .....		\$153	\$153
Administrative Expenses .....		\$211	\$211
Administrative Contract Expenses .....		\$144	\$108
<b>Total .....</b>		<b>\$508</b>	<b>\$472</b>
<b>Offsets:</b>			
Unobligated Balances .....		-\$300	\$0
Prohibition on Administrative Spending in Liquidating and Financing Accounts (reflected in Liquidating Account) .....		-\$144	-\$108
<b>Net Amounts .....</b>		<b>\$64</b>	<b>\$364</b>

**Object Classification** (in millions of dollars)

Identification code 86-0200-0-1-371	1998 actual	1999 est.	2000 est.
25.1 Advisory and assistance services .....			144
25.3 Purchases of goods and services from Government accounts .....	222	211	211
41.0 Grants, subsidies, and contributions .....	1,226	186	153
99.9 Total new obligations .....	1,448	397	508

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

**Program and Financing** (in millions of dollars)

Identification code 86-4077-0-3-371	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
Capital investment, claims and other:			
00.01 Default claims and other .....	785	751	898
00.05 Interest paid to Treasury .....	81	76	67
00.08 Asset sale negative subsidy payment to receipt account .....		11	83
00.09 Asset sale payment to liquidating account .....		33	112
00.10 Value paid to liquidating account for guarantees refinanced under 223(a)(7) .....	3	3	3
00.11 Mark-to-market portfolio reengineering legislative savings .....	562		
00.12 Payment of negative subsidy to receipt account .....	157	160	77
00.14 Contract costs .....	30		
00.15 Downward subsidy rate reestimate .....	333		
10.00 Total new obligations .....	1,951	1,034	1,240
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	414	1,095	1,353
22.00 New financing authority (gross) .....	2,851	1,525	1,702
22.60 Redemption of debt .....	-220	-233	-246
23.90 Total budgetary resources available for obligation .....	3,045	2,387	2,809
23.95 Total new obligations .....	-1,951	-1,034	-1,240

24.40 Unobligated balance available, end of year .....	1,095	1,353	1,569
<b>New financing authority (gross), detail:</b>			
67.15 Authority to borrow (indefinite) .....	737	200	200
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	2,114	1,325	1,502
70.00 Total new financing authority (gross) .....	2,851	1,525	1,702
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	-82	-15	-15
73.10 Total new obligations .....	1,951	1,034	1,240
73.20 Total financing disbursements (gross) .....	-1,884	-1,034	-1,240
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	-15	-15	-15
87.00 Total financing disbursements (gross) .....	1,884	1,034	1,240
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Payments from program account .....	-204	-152	-153
88.00 Repayment of principal and interest from liquidating account .....	-193	-273	-273
88.00 Subsidy reestimate from program account .....	-1,076		
88.25 Interest on uninvested funds .....	-58	-73	-81
Non-Federal sources:			
88.40 Fees and premiums .....	-274	-409	-458
88.40 Recoveries on defaulted mortgages .....	-17	-7	-10
88.40 Title I recoveries .....	-9	-12	-12
88.40 Single family property recoveries .....	-265	-286	-220
88.40 Other recoveries .....	-13	-64	
88.40 Proceeds from sale of mortgage notes .....		-45	-287
88.40 Multifamily property recoveries .....	-5	-4	-8
88.90 Total, offsetting collections (cash) .....	-2,114	-1,325	-1,502
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	737	200	200
90.00 Financing disbursements .....	-231	-291	-262

**Status of Guaranteed Loans** (in millions of dollars)

Identification code 86-4077-0-3-371	1998 actual	1999 est.	2000 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	17,400	18,100	18,100
2112 Uncommitted loan guarantee limitation .....	-1,887		-1,593
2150 Total guaranteed loan commitments .....	15,513	18,100	16,507
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	45,663	52,697	64,848
2231 Disbursements of new guaranteed loans .....	15,074	17,153	16,118
2251 Repayments and prepayments .....	-7,281	-4,251	-4,652
Adjustments:			
2261 Terminations for default that result in loans receivable .....	-197	-381	-472
2262 Terminations for default that result in acquisition of property .....	-541	-370	-426
2263 Terminations for default that result in claim payments .....	-21		
2290 Outstanding, end of year .....	52,697	64,848	75,416
<b>Memorandum:</b>			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	52,697	64,848	75,416
<b>Addendum:</b>			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year .....	210	381	691
2331 Disbursements for guaranteed loan claims .....	197	381	472
2351 Repayments of loans receivable .....	-26	-71	-103
2390 Outstanding, end of year .....	381	691	1,060

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

**Credit accounts—Continued**

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

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<sup>1</sup> (in millions of dollars)**

Identification code 86-4077-0-3-371	1997 actual	1998 actual	1999 est.	2000 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	333	1,080	1,371	1,633
Investments in US securities:				
1107 Borrowings receivable from liquidating account .....			449	202
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501 Defaulted guaranteed loans receivable, gross .....	210	381	691	1,060
1504 Foreclosed property .....	195	308	393	598
1505 Allowance for subsidy cost .....	-235	-443	-694	-1,061
1599 Net value of assets related to defaulted guaranteed loan .....	170	246	390	597
1901 Other Federal assets: Other assets .....	1			
1999 Total assets .....	504	1,326	2,210	2,432
<b>LIABILITIES:</b>				
Federal liabilities: Debt .....				
2103 Federal liabilities: Debt .....	572	1,089	1,057	1,010
Non-Federal liabilities:				
2204 Liabilities for loan guarantees .....	-72	237	1,153	1,422
2207 Other .....	4			
2999 Total liabilities .....	504	1,326	2,210	2,432
4999 Total liabilities and net position .....	504	1,326	2,210	2,432

<sup>1</sup> Preliminary results pending final audit. Subsidy reestimates for fiscal year 1998 disbursements will be performed for the Mid-Session review of the Budget.

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

**Program and Financing (in millions of dollars)**

Identification code 86-4105-0-3-371	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Direct loans .....	1	20	50
00.02 Interest paid to Treasury .....		3	5
10.00 Total new obligations .....	1	23	55
<b>Budgetary resources available for obligation:</b>			
22.00 New financing authority (gross) .....	1	23	55
23.95 Total new obligations .....	-1	-23	-55
<b>New financing authority (gross), detail:</b>			
67.15 Authority to borrow (indefinite) .....	1	20	50
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....		5	10
68.47 Portion applied to debt reduction .....		-2	-5
68.90 Spending authority from offsetting collections (total) .....		3	5
70.00 Total new financing authority (gross) .....	1	23	55
<b>Change in unpaid obligations:</b>			
73.10 Total new obligations .....	1	23	55
73.20 Total financing disbursements (gross) .....	-1	-23	-55
87.00 Total financing disbursements (gross) .....	1	23	55

**Offsets:**

Against gross financing authority and financing disbursements:			
88.40	Offsetting collections (cash) from: Interest received on loans .....	-5	-10
<b>Net financing authority and financing disbursements:</b>			
89.00	Financing authority .....	1	18
90.00	Financing disbursements .....	18	45

**Status of Direct Loans (in millions of dollars)**

Identification code 86-4105-0-3-371	1998 actual	1999 est.	2000 est.
Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans .....	120	120
1112	Unobligated direct loan limitation .....	-119	-100
1150	Total direct loan obligations .....	1	20
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year .....		1
1231	Disbursements: Direct loan disbursements .....	1	20
1251	Repayments: Repayments and prepayments .....		-2
1290	Outstanding, end of year .....	1	19

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	1997 actual	1998 actual	1999 est.	2000 est.
<b>ASSETS:</b>				
Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross .....	1	1	19
1499	Net present value of assets related to direct loans .....	1		19
1999	Total assets .....	1	1	19
<b>LIABILITIES:</b>				
Federal liabilities:				
2103	Treasury borrowing .....	1	1	17
2104	Resources payable to Treasury .....			2
2999	Total liabilities .....	1	1	19
4999	Total liabilities and net position .....	1	1	19

**FHA—LOAN GUARANTEE RECOVERY FUND—FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 86-4106-0-3-371	1998 actual	1999 est.	2000 est.
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance available, start of year .....		1
22.00	New financing authority (gross) .....	1	4
23.90	Total budgetary resources available for obligation .....	1	5
24.40	Unobligated balance available, end of year .....	1	5

**New financing authority (gross), detail:**

68.00	Spending authority from offsetting collections (gross):			
	Offsetting collections (cash) .....	1	4	
<b>Offsets:</b>				
	Against gross financing authority and financing disbursements:			
88.00	Offsetting collections (cash) from: Federal sources .....	-1	-4	
<b>Net financing authority and financing disbursements:</b>				
89.00	Financing authority .....			
90.00	Financing disbursements .....	-1	-4	

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 86-4106-0-3-371	1998 actual	1999 est.	2000 est.	
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders .....	10	8	
2113	Uncommitted limitation carried forward .....	-8		
2150	Total guaranteed loan commitments .....	2	8	
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year .....		1	6
2231	Disbursements of new guaranteed loans .....	1	5	4
2290	Outstanding, end of year .....	1	6	10
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	1	6	10

**Balance Sheet (in millions of dollars)**

Identification code 86-4106-0-3-371	1997 actual	1998 actual	1999 est.	2000 est.
<b>ASSETS:</b>				
Investments in US securities:				
1102	Federal assets: Treasury securities, par .....	1	5	5
1999	Total assets .....	1	5	5
<b>NET POSITION:</b>				
3100	Appropriated capital .....	1	5	5
3999	Total net position .....	1	5	5
4999	Total liabilities and net position .....	1	5	5

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

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

**Unavailable Collections (in millions of dollars)**

Identification code 86-4072-0-3-371	1998 actual	1999 est.	2000 est.
03.00	Offsetting Collections .....		151
07.99	Total balance, end of year .....		151

**Program and Financing (in millions of dollars)**

Identification code 86-4072-0-3-371	1998 actual	1999 est.	2000 est.	
<b>Obligations by program activity:</b>				
Operating expenses:				
00.02	Interest on debentures .....	23	12	12
00.03	Other operating costs .....	20	8	8
00.04	Administrative Contract Expenses .....	181	144	
00.05	Legislative savings repayments .....	273	273	273
00.06	PAE & 3rd party restructuring fees .....	1	13	25
00.91	Total operating expenses .....	498	450	318

**Capital investment: Claims and other:**

01.01	Acquisition of defaulted Title I notes .....	18	16	14
01.02	Assignment of mortgages .....	229	297	310
01.03	Acquisition of real properties .....	181	154	125
01.04	Rehabilitation of real properties .....	53	48	66
01.05	Rehabilitation Grants .....	56	49	65
01.07	Capitalized property expenses .....	90	70	55
01.08	Loss on defaulted guaranteed loans .....	21	7	7
01.10	Tax advances on held mortgages .....	72	73	73
01.11	Mark-To-Market Restructures .....	21	336	667
01.12	Mark-to-market rehabilitation .....		12	18
01.91	Total capital investment .....	741	1,062	1,400
10.00	Total new obligations .....	1,239	1,512	1,718

**Budgetary resources available for obligation:**

21.40	Unobligated balance available, start of year .....	2,428	2,029	
22.00	New budget authority (gross) .....	868	623	1,764
22.40	Capital transfer to general fund .....		-1,094	
22.60	Redemption of debt .....	-28	-46	-46
23.90	Total budgetary resources available for obligation .....	3,268	1,512	1,718
23.95	Total new obligations .....	-1,239	-1,512	-1,718
24.40	Unobligated balance available, end of year .....	2,029		

**New budget authority (gross), detail:**

60.05	Appropriation (indefinite) .....			1,269
67.15	Authority to borrow (indefinite) .....	134	46	46
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash) .....	734	577	600
68.45	Portion not available for obligation (limitation on obligations) .....			-151
68.90	Spending authority from offsetting collections (total) .....	734	577	449
70.00	Total new budget authority (gross) .....	868	623	1,764

**Change in unpaid obligations:**

72.40	Unpaid obligations, start of year: Obligated balance, start of year .....	423	523	523
73.10	Total new obligations .....	1,239	1,512	1,718
73.20	Total outlays (gross) .....	-1,139	-1,512	-1,754
74.40	Unpaid obligations, end of year: Obligated balance, end of year .....	523	523	487

**Outlays (gross), detail:**

86.97	Outlays from new permanent authority .....	868	587	1,718
86.98	Outlays from permanent balances .....	271	925	36
87.00	Total outlays (gross) .....	1,139	1,512	1,754

**Offsets:**

Against gross budget authority and outlays:

Offsetting collections (cash) from:

Non-Federal sources:

88.40	Fees and premiums .....	-218	-176	-160
88.40	Rebates of insurance premiums .....	10	10	10
88.40	Multifamily foreclosure sales .....		-53	-85
88.40	Proceeds from sale of real property .....	-138	-154	-120
88.40	Proceeds from sale of mortgage notes .....	-43	-33	-112
88.40	MTM second mortgage repayments .....		-5	-9
88.40	Prior year adjustment .....	-50		
88.40	Recoveries on defaulted mortgages .....	-185	-99	-58
88.40	Interest and operating income .....	-75	-55	-54
88.40	Other interest, dividends and revenue .....	-32	-9	-9
88.40	Modification subsidy & transfers from financing acct. .....	-3	-3	-3
88.90	Total, offsetting collections (cash) .....	-734	-577	-600

**Net budget authority and outlays:**

89.00	Budget authority .....	134	46	1,164
90.00	Outlays .....	405	935	1,154

**Memorandum (non-add) entries:**

92.01	Total investments, start of year: U.S. securities: Par value .....	8	6	6
92.02	Total investments, end of year: U.S. securities: Par value .....	6	6	6

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

Identification code 86-4072-0-3-371	1998 actual	1999 est.	2000 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	78	72	65
1251 Repayments: Repayments and prepayments .....	-4	-5	-5
1264 Write-offs for default: Other adjustments, net .....	-2	-2	-2
1290 Outstanding, end of year .....	72	65	58

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 86-4072-0-3-371	1998 actual	1999 est.	2000 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	42,405	36,590	34,803
2251 Repayments and prepayments .....	-5,345	-962	-1,400
Adjustments:			
2261 Terminations for default that result in loans receivable .....	-268	-313	-324
2262 Terminations for default that result in acquisition of property .....	-181	-154	-125
2263 Terminations for default that result in claim payments .....	-21	-343	-673
2264 Other adjustments, net .....	-15	-14	-14
2290 Outstanding, end of year .....	36,590	34,803	32,267
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	36,590	34,803	32,267
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year .....	2,210	2,044	1,999
2331 Disbursements for guaranteed loan claims .....	268	313	324
2351 Repayments of loans receivable .....	-210	-225	-303
2361 Write-offs of loans receivable .....	-224	-133	-319
2390 Outstanding, end of year .....	2,044	1,999	1,701

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

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

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

Section 571 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998 established the Office of Multifamily Housing Assistance Restructuring within HUD to administer the program of mortgage and rental assistance restructuring. Included in the budget estimates for this account are projections for the financial operations of the office. More detailed information will be provided to Congress at a later date.

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

**Statement of Operations (in millions of dollars)**

Identification code 86-4072-0-3-371	1997 actual <sup>1</sup>	1998 actual <sup>2</sup>	1999 est.	2000 est.
0101 Revenue .....	520	1,393	640	556
0102 Expense .....	-55	-1,649	-1,143	-1,321
0109 Net income or loss (-) .....	465	-256	-503	-765

<sup>1</sup> As reflected in the 1998 Budget.<sup>2</sup> Preliminary results pending final audit.**Balance Sheet (in millions of dollars)**

Identification code 86-4072-0-3-371	1997 actual <sup>1</sup>	1998 actual	1999 est.	2000 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury .....	2,842	2,545		
Investments in US securities:				
1102 Treasury securities, par .....	7			
1106 Receivables, net .....	3	3	3	3
1206 Non-Federal assets: Receivables, net .....	86	51	86	86
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	78	72	65	58
1603 Allowance for estimated uncollectible loans and interest (-) .....	-59	-56	-51	-45
1699 Value of assets related to direct loans .....	19	16	14	13
1701 Defaulted guaranteed loans, gross .....	2,210	2,044	1,999	1,701
1703 Allowance for estimated uncollectible loans and interest (-) .....	-1,801	-1,464	-1,432	-1,208
1704 Defaulted guaranteed loans and interest receivable, net .....	409	580	567	493
1705 Allowance for uncollectables from foreclosed property .....	-182	-384	-150	-150
1706 Foreclosed property .....	295	255	244	244
1799 Value of assets related to loan guarantees .....	522	451	661	587
1901 Other Federal assets: Other assets .....	330	270	330	330
1999 Total assets .....	3,809	3,336	1,094	1,019
LIABILITIES:				
2101 Federal liabilities: Accounts payable .....	363	136	363	363
Non-Federal liabilities:				
2201 Accounts payable .....	443	561	443	443
2206 Pension and other actuarial liabilities .....	6,685	6,810	6,000	6,000
2207 Unearned revenue and advances .....	124	123	124	124
2999 Total liabilities .....	7,615	7,630	6,930	6,930
NET POSITION:				
3100 Appropriated capital .....	5,290	7,264	7,290	8,532
3300 Cumulative results of operations .....	-16,567	-19,029	-19,503	-21,914
Other:				
3600 Debt Forgiveness .....	7,471	7,471	7,471	7,471
3600 Balances transferred .....			-1,094	
3999 Total net position .....	-3,806	-4,294	-5,836	-5,911
4999 Total liabilities and net position .....	3,809	3,336	1,094	1,019

<sup>1</sup> As reflected in 1998 Budget.<sup>2</sup> Preliminary pending final audit.**Object Classification (in millions of dollars)**

Identification code 86-4072-0-3-371	1998 actual	1999 est.	2000 est.
25.1 Advisory and assistance services .....	182	144	
25.2 Other services .....	20	22	34
32.0 Land and structures .....	380	321	311
33.0 Investments and loans .....	268	660	1,008
42.0 Insurance claims and indemnities .....	93	80	80
43.0 Interest and dividends .....	23	12	12
44.0 Repayments to financing account .....	273	273	273
99.9 Total new obligations .....	1,239	1,512	1,718

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4115-0-3-371	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
Capital investment:			
00.01 Housing for the elderly or handicapped loans .....	8	5	.....
00.02 Maintenance security and collateral .....	.....	3	4
00.91 Subtotal, capital investment .....	8	8	4
01.01 Operating expenses: Interest on borrowings .....	502	309	274
10.00 Total new obligations .....	510	317	278
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	920	1,189	.....
22.00 New budget authority (gross) .....	779	751	751
22.60 Redemption of debt .....	.....	-1,623	-473
23.90 Total budgetary resources available for obligation .....	1,699	317	278
23.95 Total new obligations .....	-510	-317	-278
24.40 Unobligated balance available, end of year .....	1,189	.....	.....
<b>New budget authority (gross), detail:</b>			
60.05 Appropriation (indefinite) .....	881	.....	.....
60.47 Portion applied to debt reduction .....	-881	.....	.....
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	779	751	751
70.00 Total new budget authority (gross) .....	779	751	751
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	107	200	131
73.10 Total new obligations .....	510	317	278
73.20 Total outlays (gross) .....	-417	-387	-305
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	200	131	103
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	779	751	751
86.98 Outlays from permanent balances .....	-362	-364	-446
87.00 Total outlays (gross) .....	417	387	305
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-779	-751	-751
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	.....	.....	.....
90.00 Outlays .....	-362	-364	-446

Status of Direct Loans (in millions of dollars)

Identification code 86-4115-0-3-371	1998 actual	1999 est.	2000 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	8,228	8,144	8,056
1231 Disbursements: Direct loan disbursements .....	5	.....	.....
1251 Repayments: Repayments and prepayments .....	-89	-88	-87
1290 Outstanding, end of year .....	8,144	8,056	7,969

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 Handi-

capped Loan Fund. Further, activities in support of the needs of the elderly and disabled have been carried out under a grant program funded in the 1991 Appropriations Act (P.L. 101-507) and authorized in the National Affordable Housing Act (P.L. 101-625).

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

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

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

Statement of Operations (in millions of dollars)

Identification code 86-4115-0-3-371	1997 actual	1998 actual	1999 est.	2000 est.
0101 Revenue .....	699	691	663	664
0102 Expense .....	-440	-489	-312	-278
0109 Net income or loss (-) .....	259	202	351	386

Balance Sheet (in millions of dollars)

Identification code 86-4115-0-3-371	1997 actual	1998 actual	1999 est.	2000 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	1,027	1,389	1,315	1,288
1206 Non-Federal assets: Receivables, net .....	81	82	82	82
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	8,228	8,143	8,055	7,969
1603 Allowance for estimated uncollectible loans and interest (-) .....	-21	-20	-20	-20
1604 Direct loans and interest receivable, net .....	8,207	8,123	8,035	7,949
1606 Acquired Real Property .....	1	1	1	1
1699 Value of assets related to direct loans .....	8,208	8,124	8,036	7,950
1999 Total assets .....	9,316	9,595	9,433	9,320
<b>LIABILITIES:</b>				
Federal liabilities:				
2102 Interest payable .....	90	166	102	91
2103 Debt .....	6,174	5,293	4,628	4,203
2104 Resources payable to Treasury .....	.....	4,126	4,694	5,017
2207 Non-Federal liabilities: Other .....	9	9	9	9
2999 Total liabilities .....	6,273	9,594	9,433	9,320
<b>NET POSITION:</b>				
3100 Appropriated capital .....	2,784	.....	.....	.....
3300 Cumulative results of operations .....	259	.....	.....	.....
3999 Total net position .....	3,043	.....	.....	.....
4999 Total liabilities and net position .....	9,316	9,594	9,433	9,320

Object Classification (in millions of dollars)

Identification code 86-4115-0-3-371	1998 actual	1999 est.	2000 est.
32.0 Land and structures .....	.....	3	4
33.0 Investments and loans .....	8	5	.....
43.0 Interest and dividends .....	502	309	274
99.9 Total new obligations .....	510	317	278

NONPROFIT SPONSOR ASSISTANCE LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4042-0-3-604	1998 actual	1999 est.	2000 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	6	6	.....
22.40 Capital transfer to general fund .....	.....	-6	.....
23.90 Total budgetary resources available for obligation .....	6	.....	.....

**Credit accounts—Continued**

## NONPROFIT SPONSOR ASSISTANCE LIQUIDATING ACCOUNT—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 86-4042-0-3-604	1998 actual	1999 est.	2000 est.
24.40 Unobligated balance available, end of year .....	6		

**Net budget authority and outlays:**

89.00 Budget authority .....			
90.00 Outlays .....			

**Status of Direct Loans (in millions of dollars)**

Identification code 86-4042-0-3-604	1998 actual	1999 est.	2000 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	1	1	1
1290 Outstanding, end of year .....	1	1	1

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

The Nonprofit Sponsor Assistance fund provided interest-free loans to nonprofit organizations to plan housing projects to be financed under the section 202 housing for the elderly or disabled program.

**Balance Sheet (in millions of dollars)**

Identification code 86-4042-0-3-604	1997 actual	1998 actual	1999 est.	2000 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	6			
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	1	1	1	1
1603 Allowance for estimated uncollectible loans and interest (-) .....	-1	-1	-1	-1
1999 Total assets .....	6			
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....	6			
3999 Total net position .....	6			
4999 Total liabilities and net position .....	6			

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION****Federal Funds**

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

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

**Operating results.**—Fee collections, interest, and other income are expected to exceed expenses by \$706 million in 1999 and \$701 million in 2000.

**Credit accounts:**

## GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

During fiscal year [1999] 2000, 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 [150,000,000,000] \$200,000,000,000.

For administrative expenses necessary to carry out the guaranteed mortgage-backed securities program, [9,383,000], to be derived from the GNMA-guarantees of mortgage-backed securities guaranteed loan receipt account] \$15,383,000, of which not to exceed \$9,383,000 shall be transferred to the appropriation for departmental salaries and expenses, and of which not to exceed \$6,000,000 is for development of a data warehouse under the direction of the Federal Housing Credit Consortium. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.)

**Unavailable Collections (in millions of dollars)**

Identification code 86-0186-0-1-371	1998 actual	1999 est.	2000 est.
Balance, start of year:			
01.99 Balance, start of year .....		355	6,478
Receipts:			
02.01 Guarantees of mortgage backed securities guarantee loans, negative subsidies .....	364	6,132	727
04.00 Total: Balances and collections .....	364	6,487	7,205
Appropriation:			
05.01 Guarantees of mortgage-backed securities loan guarantee program account .....	-9	-9	
07.99 Total balance, end of year .....	355	6,478	7,205

**Program and Financing (in millions of dollars)**

Identification code 86-0186-0-1-371	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Administrative expenses, salaries and expenses .....	9	9	15
10.00 Total obligations (object class 25.2) .....	9	9	15
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	9	9	15
23.95 Total new obligations .....	-9	-9	-15
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....			15
40.25 Appropriation (special fund, indefinite) .....	9	9	
43.00 Appropriation (total) .....	9	9	15
<b>Change in unpaid obligations:</b>			
73.10 Total new obligations .....	9	9	15
73.20 Total outlays (gross) .....	-9	-9	-15
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	9	9	15
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	9	9	15
90.00 Outlays .....	9	9	15

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

Identification code 86-0186-0-1-371	1998 actual	1999 est.	2000 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Loan guarantee levels .....	130,000	150,000	200,000
2159 Total loan guarantee levels .....	130,000	150,000	200,000
Guaranteed loan subsidy (in percent):			
2320 Subsidy rate .....	-0.32	-0.42	-0.33
2329 Weighted average subsidy rate .....	-0.32	-0.42	-0.33
Administrative expense data:			
3510 Budget authority .....	9	9	15

3590	Outlays from new authority .....	9	9	15
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The schedule above reflects new methodology under credit reform for Ginnie Mae. During transition to the new methodology, negative subsidy will not match disbursement from the Ginnie Mae financing account to the Ginnie Mae receipt account.

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

### GUARANTEES OF MORTGAGE-BACKED SECURITIES FINANCING ACCOUNT

#### Program and Financing (in millions of dollars)

Identification code 86-4240-0-3-371	1998 actual	1999 est.	2000 est.	
<b>Obligations by program activity:</b>				
00.01	Operating expenses .....	31	50	56
00.02	Capital investment .....		12	46
00.91	Direct Program by Activities—Subtotal (1 level)	31	62	102
08.01	Payment to receipt account for negative subsidy .....	54	355	422
10.00	Total new obligations .....	85	417	524
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance available, start of year .....	155	415	436
22.00	New financing authority (gross) .....	345	438	482
23.90	Total budgetary resources available for obligation	500	853	918
23.95	Total new obligations .....	-85	-417	-524
24.40	Unobligated balance available, end of year .....	415	436	394
<b>New financing authority (gross), detail:</b>				
68.00	Spending authority from offsetting collections (gross):			
	Offsetting collections (cash) .....	345	438	482
<b>Change in unpaid obligations:</b>				
72.40	Unpaid obligations, start of year: Obligated balance, start of year .....		8	
73.10	Total new obligations .....	85	417	524
73.20	Total financing disbursements (gross) .....	-77	-425	-482
74.40	Unpaid obligations, end of year: Obligated balance, end of year .....	8		11
87.00	Total financing disbursements (gross) .....	77	425	482
<b>Offsets:</b>				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.25	Interest on uninvested funds .....	-11	-25	-22
Non-Federal sources:				
88.40	Guarantee Fees .....	-273	-337	-347
88.40	Commitment and other fees .....	-47	-46	-49
88.40	Multiclass fees .....	-14	-21	-23
88.40	Repayment of advances .....		-9	-41
88.90	Total, offsetting collections (cash) .....	-345	-438	-482
<b>Net financing authority and financing disbursements:</b>				
89.00	Financing authority .....			
90.00	Financing disbursements .....	-268	-13	

#### Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4240-0-3-371	1998 actual	1999 est.	2000 est.	
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders .....	130,000	150,000	200,000
2150	Total guaranteed loan commitments .....	130,000	150,000	200,000
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year .....		445,615	538,406
2231	Disbursements of new guaranteed loans .....	138,450	119,390	127,884
2251	Repayments and prepayments .....	-116,868	-26,599	-109,475

2264	Adjustments: Other adjustments, net .....	424,033		
2290	Outstanding, end of year .....	445,615	538,406	556,815
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	445,615	538,406	547,416

**Operating Results.**—Fee collections, interest, and other income are expected to exceed expenses by \$260 million in 1998, \$370 million in 1999, and \$396 million in 2000. These amounts will be retained against losses that may be incurred on guarantees.

#### Balance Sheet (in millions of dollars)

Identification code 86-4240-0-3-371	1997 actual	1998 actual	1999 est.	2000 est.	
<b>ASSETS:</b>					
1101	Federal assets: Fund balances with Treasury .....	155	423	420	419
1206	Non-Federal assets: Receivables, net .....		2	39	42
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1601	Direct loans, gross .....			3	9
1603	Allowance for estimated uncollectible loans and interest (-) .....			-1	-4
1699	Value of assets related to direct loans .....			2	5
1801	Other Federal assets: Cash and other monetary assets .....				1
1999	Total assets .....	155	425	461	467
<b>LIABILITIES:</b>					
Non-Federal liabilities:					
2201	Accounts payable .....		10	40	46
2207	Other .....			417	417
2999	Total liabilities .....		10	457	463
<b>NET POSITION:</b>					
3300	Cumulative results of operations .....	155	415	4	4
3999	Total net position .....	155	415	4	4
4999	Total liabilities and net position .....	155	425	461	467

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	1998 actual	1999 est.	2000 est.	
<b>Obligations by program activity:</b>				
00.01	Functional services .....	3		
Operating expenses:				
00.02	Default expenses .....	7	7	7
00.03	Servicing expenses .....	5	4	4
00.04	Other expenses .....	3		
00.91	Total operating expenses .....	18	11	11
Capital investment:				
01.01	Advances of guaranty payments .....	129	126	107
Other:				
02.01	Transfer to Receipt Account .....	310	5,777	
10.00	Total new obligations .....	457	5,914	118
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance available, start of year .....	5,452	5,508	
22.00	New budget authority (gross) .....	513	406	118
23.90	Total budgetary resources available for obligation	5,965	5,914	118
23.95	Total new obligations .....	-457	-5,914	-118
24.40	Unobligated balance available, end of year .....	5,508		

**Credit accounts—Continued****GUARANTEES OF MORTGAGE-BACKED SECURITIES LIQUIDATING ACCOUNT—Continued****Program and Financing (in millions of dollars)—Continued**

Identification code 86-4238-0-3-371	1998 actual	1999 est.	2000 est.
<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....	513	406	118
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year <sup>1</sup> .....	-85	-74	-33
73.10 Total new obligations .....	457	5,914	118
73.20 Total outlays (gross) .....	-447	-5,873	-114
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	-74	-33	-29
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....		365	114
86.98 Outlays from permanent balances .....	447	5,508	
87.00 Total outlays (gross) .....	447	5,873	114
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20 Interest on U.S. securities .....	-337	-335	
88.25 Interest on uninvested funds .....			-48
Non-Federal sources:			
88.40 Guarantee fees .....	-68	-5	
88.40 Repayments of guaranteed payments .....	-98	-57	-61
88.40 Servicing income .....	-9	-8	-8
88.40 Repayments on mortgages .....	-1	-1	-1
88.90 Total, offsetting collections (cash) .....	-513	-406	-118
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-66	5,467	-4
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: U.S. securities: Par value .....	5,382	5,449	
92.02 Total investments, end of year: U.S. securities: Par value .....	5,449		

<sup>1</sup> 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	1998 actual	1999 est.	2000 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	332	358	423
1232 Disbursements: Purchase of loans assets from the public .....	129	127	106
1252 Repayments: Proceeds from loan asset sales to the public or discounted .....	-99	-58	-61
1264 Write-offs for default: Other adjustments, net .....	-4	-4	-3
1290 Outstanding, end of year .....	358	423	465

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 86-4238-0-3-371	1998 actual	1999 est.	2000 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	530,042	96,009	7,565
2251 Repayments and prepayments .....	-10,000	-88,444	-6,954
2264 Adjustments: Other adjustments, net .....	-424,033		
2290 Outstanding, end of year .....	96,009	7,565	611
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	96,008	7,564	610

**Operating results.**—Fee collections, interest, and other income are expected to exceed expenses by \$60 million in 1998, \$336 million in 1999, and \$1 million in 2000. These amounts

will be retained to cover future year expenses and as a reserve against losses that may be incurred on guarantees.

**Statement of Operations (in millions of dollars)**

Identification code 86-4238-0-3-371	1997 actual	1998 actual	1999 est.	2000 est.
Revenue:				
0101 Revenue .....	641	112	348	12
0101 Revenue (REMICs) .....	12			
Expense:				
0102 Expense .....	-76	-52	-12	-11
0102 Expense (REMICs) .....	-4			
0109 Net income or loss (-) .....	573	60	336	1
0199 Net income or loss .....	573	60	336	1

**Balance Sheet (in millions of dollars)**

Identification code 86-4238-0-3-371	1997 actual	1998 actual	1999 est.	2000 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	1	1		
Investments in US securities:				
1102 Treasury securities, par .....	5,382	5,449		
1106 Receivables, net .....	73	73		
1206 Non-Federal assets: Receivables, net .....	33	31	4	4
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	332	358	423	466
1603 Allowance for estimated uncollectible loans and interest (-) .....	-303	-325	-235	-254
1699 Value of assets related to direct loans .....	29	33	188	212
1801 Other Federal assets: Cash and other monetary assets .....	10			
1999 Total assets .....	5,528	5,587	192	216
<b>LIABILITIES:</b>				
Non-Federal liabilities:				
2201 Accounts payable .....	39	35	4	4
2207 Other .....	509	512	89	90
2999 Total liabilities .....	548	547	93	94
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....	4,979	5,039	100	121
3999 Total net position .....	4,979	5,039	100	121
4999 Total liabilities and net position .....	5,527	5,586	193	215

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	1998 actual	1999 est.	2000 est.
25.2 Other services .....	18	11	11
33.0 Investments and loans .....	129	126	107
92.0 Undistributed .....	310	5,777	
99.9 Total new obligations .....	457	5,914	118

**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, [\$47,500,000] \$50,000,000, to remain available until September 30, [2000] 2001. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.)



**Program and Financing** (in millions of dollars)

Identification code 86-0108-0-1-451	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Housing Research .....	28	49	40
00.02 PATH .....		10	10
10.00 Total new obligations .....	28	59	50
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	3	11	
22.00 New budget authority (gross) .....	37	48	50
23.90 Total budgetary resources available for obligation .....	40	59	50
23.95 Total new obligations .....	-28	-59	-50
24.40 Unobligated balance available, end of year .....	11		
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	37	48	50
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	26	22	39
73.10 Total new obligations .....	28	59	50
73.20 Total outlays (gross) .....	-31	-42	-52
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	22	39	37
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	15	19	20
86.93 Outlays from current balances .....	16	23	32
87.00 Total outlays (gross) .....	31	42	52
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	37	48	50
90.00 Outlays .....	31	42	52

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 2000, the research program will focus on activities to support research examining the implications of significant changes in public and assisted housing policy, the impacts of welfare reform on HUD-assisted households and HUD-subsidized developments. National Housing Surveys will continue in 2000.

The 2000 request includes \$10 million to continue the Partnership for Advancing Technologies in Housing (PATH). Launched by President Clinton on May 4, 1998, PATH is a key component of the President's program to improve the technology infrastructure of the United States and to reduce carbon emissions. A public/private partnership, PATH joins together key agencies in the Federal sector, with leaders from the home building, product manufacturing, insurance and financial industries to develop and deploy the technologies for the next generation of American housing.

**Object Classification** (in millions of dollars)

Identification code 86-0108-0-1-451	1998 actual	1999 est.	2000 est.
25.2 Other services .....	23	54	45
41.0 Grants, subsidies, and contributions .....	5	5	5
99.9 Total new obligations .....	28	59	50

**FAIR HOUSING AND EQUAL OPPORTUNITY**

**Federal Funds**

**General and special funds:**

FAIR HOUSING ACTIVITIES

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and section 561 of the Housing and Community Development Act of 1987, as amended, [\$40,000,000] \$47,000,000, to remain available until September 30, [2000] 2001, of which [\$23,500,000] \$27,000,000 shall be to carry out activities pursuant to such section 561: *Provided*, That no funds made available under this heading shall be used to lobby the executive or legislative branches of the Federal Government in connection with a specific contract, grant or loan. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

**Program and Financing** (in millions of dollars)

Identification code 86-0144-0-1-751	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Fair housing assistance .....	15	24	20
00.02 Fair housing initiatives .....		39	27
10.00 Total obligations (object class 41.0) .....	15	63	47
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	8	22	
22.00 New budget authority (gross) .....	30	40	47
23.90 Total budgetary resources available for obligation .....	38	62	47
23.95 Total new obligations .....	-15	-63	-47
24.40 Unobligated balance available, end of year .....	22		
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	30	40	47
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	39	30	66
73.10 Total new obligations .....	15	63	47
73.20 Total outlays (gross) .....	-24	-27	-34
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	30	66	79
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....	24	27	34
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	30	40	47
90.00 Outlays .....	24	27	34

The Budget proposes an appropriation of \$47 million in 2000 for fair housing activities to fund programs, consistent with the President's "One America" policy, which will support new efforts to end housing discrimination, including a commitment to double the number of housing discrimination enforcement actions over the next 2 years. Of the amount requested, \$20 million is for the Fair Housing Assistance Program and \$27 million is for the Fair Housing Initiatives Program.

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

The funding requested for FHAP will support the President's fair housing enforcement initiative by increasing funding to support additional State and local fair housing organizations to meet the needs of currently underserved populations. These funds will be used for joint investigations and enforcement activities with State and local fair housing agencies that will contribute to the Department's goal of doubling enforcement actions and will result in other enforcement outcomes that are a critical component of the Administration's

**General and special funds—Continued**

**FAIR HOUSING ACTIVITIES—Continued**

attack on discrimination. It is estimated that the number of new State and local agencies with laws equivalent to the Fair Housing Act will increase to 90 in 2000 from 85 in 1999. Of the \$20 million requested for FHAP, \$3.5 million will be used to fund an innovative Fair Housing Partnership between State and local fair housing enforcement agencies and private fair housing groups. The partnership will require its participants to focus their fair housing activities to foster substantial and new fair housing results that individual organizations could not achieve alone.

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

Of the \$27 million requested, \$7.5 million will be used to fund the second year of an audit-based enforcement initiative which will address the continued existence of a high level of both blatant and subtle forms of housing discrimination confirmed through testing experience. Additional FHIP funding will support extended testing and other anti-discrimination activities by private fair housing groups. Funding for FHIP will also include \$3.5 million for the Fair Housing Partnership, as discussed above.

**OFFICE OF LEAD HAZARD CONTROL**

*Federal Funds*

**General and Special Funds:**

**LEAD HAZARD REDUCTION**

For the Lead Hazard Reduction Program, as authorized by sections 1011 and 1053 of the Residential Lead-Based Hazard Reduction Act of 1992, \$80,000,000 to remain available until expended, of which [\$2,500,000 shall be for CLEARCorps and] \$10,000,000 shall be for a Healthy Homes Initiative, which shall be a program pursuant to sections 501 and 502 of the Housing and Urban Development Act of 1970 that shall include research, studies, testing, and demonstration efforts, including education and outreach concerning lead-based paint poisoning and other housing-related environmental diseases and hazards: *Provided, That all balances for the Lead Hazard Reduction Programs previously funded in the Annual Contributions for Assisted Housing and Community Development Block Grant accounts shall be transferred to this account, to be available for the purposes for which they were originally appropriated. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.)*

**Program and Financing (in millions of dollars)**

Identification code 86-0174-0-1-451	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Lead abatement .....		80	80
10.00 Total obligations (object class 41.0) .....		80	80
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		80	80
23.95 Total new obligations .....		-80	-80
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....		80	80
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....			79
73.10 Total new obligations .....		80	80
73.20 Total outlays (gross) .....		-1	-27
73.32 Obligated balance transferred from other accounts .....			99
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....		79	231

<b>Outlays (gross), detail:</b>			
86.90	Outlays from new current authority .....	1	1
86.93	Outlays from current balances .....		26
87.00	Total outlays (gross) .....	1	27
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	80	80
90.00	Outlays .....	1	27

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

To accomplish this, two major activities are being conducted within the Department's Office of Lead Hazard Control. The first is the Healthy Homes Initiative. The Healthy Homes Initiative will also enable the Department to control additional childhood diseases and injuries that are caused by housing related factors. The initiative will allow for a demonstration that evaluates methods of controlling two or more housing related diseases through a single intervention. A public education/outreach effort, to enable the public to act effectively to protect their children, will also be conducted.

The second activity is the continuation of the Lead Hazard Control Grant Program, which provides grants of \$1 to \$4 million to State and local governments for control of lead-based paint hazards in privately owned, low-income owner-occupied and rental housing. The grants are also designed to stimulate the development of a trained and certified hazard evaluation and control industry by requiring all contractors to be certified and all workers to be trained through a State-accredited program. In awarding grants, HUD promotes the use of cost-effective approaches to hazard control that can be replicated across the nation.

In addition to these two major activities the Office of Lead Hazard Control will continue its Technical Assistance Program which will include a program to conduct lead-based paint compliance checks, provide technical assistance for State and local agencies, private property owners, HUD programs and field offices, and professional organizations; provide quality control to ensure that the evaluation and control of lead-based paint hazards is done properly in HUD associated housing; provide for the development of standards, technical guidance material and regulations; and provide for the development of streamlined measures of testing, hazard control, cleanup, clearance, and public education.

Prior to 1997, funding for the lead hazard control grant program was provided under the Annual Contributions for Assisted Housing Account. In 1997 and 1998, the program was funded as a set-aside under the Community Development Block Grant (CDBG) account. In 1999 the program is funded as a separate, stand-alone program and is proposed as a separate program for 2000.

**MANAGEMENT AND ADMINISTRATION**

*Federal Funds*

**General and special funds:**

**SALARIES AND EXPENSES  
(INCLUDING TRANSFER OF FUNDS)**

For necessary administrative and non-administrative expenses of the Department of Housing and Urban Development, not otherwise provided for, including not to exceed \$7,000 for official reception and representation expenses, [\$985,826,000] \$1,031,000,000, of which \$518,000,000 shall be provided from the various funds of the Federal Housing Administration, \$9,383,000 shall be provided from funds of

the Government National Mortgage Association, \$1,000,000 shall be provided from the "Community Development Grants Program" account, [\$200,000] \$150,000 shall be provided by transfer from the "Title VI Indian Federal Guarantees Program" account, and [\$400,000] \$200,000 shall be provided by transfer from the "Indian Housing Loan Guarantee Fund Program" account[: *Provided*, That the Department is prohibited from employing more than 77 schedule C and 20 noncareer Senior Executive Service employees]. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

**Program and Financing** (in millions of dollars)

Identification code 86-0143-0-1-999	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Housing, mortgage credit, regulatory and energy conservation .....	134	138	138
00.02 Community planning and development programs .....	56	59	59
00.03 Equal opportunity and research programs .....	63	65	66
00.04 Departmental management, legal and audit services .....	52	52	52
00.05 Field direction and administration .....	140	155	187
09.01 Reimbursable program .....	559	529	529
09.99 Total reimbursable program .....	559	529	529
10.00 Total new obligations .....	1,004	998	1,031
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	1,005	998	1,031
23.95 Total new obligations .....	-1,004	-998	-1,031
23.98 Unobligated balance expiring .....	-1		

**New budget authority (gross), detail:**

Current:			
40.00 Appropriation .....	446	457	502
42.00 Transferred from other accounts .....		12	
43.00 Appropriation (total) .....	446	469	502
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	559	529	529
70.00 Total new budget authority (gross) .....	1,005	998	1,031

**Change in unpaid obligations:**

72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	126	185	140
73.10 Total new obligations .....	1,004	998	1,031
73.20 Total outlays (gross) .....	-943	-1,044	-1,022
73.40 Adjustments in expired accounts .....	-1		
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	185	140	149

**Outlays (gross), detail:**

86.90 Outlays from new current authority .....	281	362	386
86.93 Outlays from current balances .....	103	153	107
86.97 Outlays from new permanent authority .....	559	529	529
87.00 Total outlays (gross) .....	943	1,044	1,022

**Offsets:**

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-559	-529	-529

**Net budget authority and outlays:**

89.00 Budget authority .....	446	469	502
90.00 Outlays .....	384	515	493

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	1998 actual	1999 est.	2000 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	215	241	264
11.3 Other than full-time permanent .....	6	6	7
11.5 Other personnel compensation .....	4	5	5
11.9 Total personnel compensation .....	225	252	276
12.1 Civilian personnel benefits .....	57	64	70
21.0 Travel and transportation of persons .....	8	9	9
22.0 Transportation of things .....	1	1	1
23.1 Rental payments to GSA .....	34	40	42
23.3 Communications, utilities, and miscellaneous charges .....	12	11	12
24.0 Printing and reproduction .....	2	2	2
25.1 Advisory and assistance services .....	19	21	21
25.2 Other services .....	2	3	2
25.3 Purchases of goods and services from Government accounts .....	66	58	57
25.4 Operation and maintenance of facilities .....	7	5	7
26.0 Supplies and materials .....	2	2	2
31.0 Equipment .....	10	1	1
99.0 Subtotal, direct obligations .....	445	469	502
99.0 Reimbursable obligations .....	559	529	529
99.9 Total new obligations .....	1,004	998	1,031

**Personnel Summary**

Identification code 86-0143-0-1-999	1998 actual	1999 est.	2000 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment .....	3,994	4,350	4,569
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment .....	5,006	5,036	4,814

**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, [\$81,910,000] \$70,343,000, of which \$22,343,000 shall be provided from the various funds of the Federal Housing Administration and \$10,000,000 shall be provided from the amount earmarked for Operation Safe Home in the "Drug Elimination Grants for Low-Income Housing" account[: *Provided*, That the Inspector General shall have independent authority over all personnel issues within the Office of Inspector General]. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

**Program and Financing** (in millions of dollars)

Identification code 86-0189-0-1-451	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	40	50	38
09.01 Reimbursable program .....	27	32	32
10.00 Total new obligations .....	67	82	70
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	67	82	70
23.95 Total new obligations .....	-67	-82	-70
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation .....	40	50	38
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	27	32	32
70.00 Total new budget authority (gross) .....	67	82	70
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	11	24	12
73.10 Total new obligations .....	67	82	70

**General and special funds—Continued**

**OFFICE OF INSPECTOR GENERAL—Continued**

**(INCLUDING TRANSFER OF FUNDS)—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 86-0189-0-1-451	1998 actual	1999 est.	2000 est.
73.20 Total outlays (gross) .....	- 54	- 95	- 73
73.40 Adjustments in expired accounts .....	- 1		
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	24	12	9
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	18	39	29
86.93 Outlays from current balances .....	9	24	12
86.97 Outlays from new permanent authority .....	27	32	32
87.00 Total outlays (gross) .....	54	95	73
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	- 27	- 32	- 32
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	40	50	38
90.00 Outlays .....	27	63	41

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	1998 actual	1999 est.	2000 est.
Enacted/requested:			
Budget Authority .....	40	50	38
Outlays .....	27	63	41
Supplemental proposal:			
Budget Authority .....			
Outlays .....		-5	3
Total:			
Budget Authority .....	40	50	38
Outlays .....	27	58	44

This appropriation provides agencywide audit and investigative functions to identify and correct management and administrative deficiencies that create conditions for existing or potential instances of fraud, waste and mismanagement. The audit function provides internal audit and contract audit. 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	1998 actual	1999 est.	2000 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	18	30	20
11.5 Other personnel compensation .....	2	2	2
11.9 Total personnel compensation .....	20	32	22
12.1 Civilian personnel benefits .....	4	7	5
21.0 Travel and transportation of persons .....	2	4	3
23.1 Rental payments to GSA .....	2	3	2
23.3 Communications, utilities, and miscellaneous charges .....	1	1	
25.1 Advisory and assistance services .....	3	1	4
25.3 Purchases of goods and services from Government accounts .....	7	1	1
31.0 Equipment .....	1	1	1
99.0 Subtotal, direct obligations .....	40	50	38
99.0 Reimbursable obligations .....	27	32	32
99.9 Total new obligations .....	67	82	70

**Personnel Summary**

Identification code 86-0189-0-1-451	1998 actual	1999 est.	2000 est.
<b>Direct:</b>			
1001 Total compensable workyears: Full-time equivalent employment .....	313	421	249
<b>Reimbursable:</b>			
2001 Total compensable workyears: Full-time equivalent employment .....	206	284	322

**OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT**

**SALARIES AND EXPENSES**

**(INCLUDING TRANSFER OF FUNDS)**

For carrying out the Federal Housing Enterprise Financial Safety and Soundness Act of 1992, [\$16,000,000] \$19,493,000, to remain available until expended, to be derived from the Federal Housing Enterprise Oversight Fund: *Provided*, That not to exceed such amount shall be available from the General Fund of the Treasury to the extent necessary to incur obligations and make expenditures pending the receipt of collections to the Fund: *Provided further*, That the General Fund amount shall be reduced as collections are received during the fiscal year so as to result in a final appropriation from the General Fund estimated at not more than \$0. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

**Unavailable Collections (in millions of dollars)**

Identification code 86-5272-0-2-371	1998 actual	1999 est.	2000 est.
<b>Receipts:</b>			
02.01 Office of federal housing enterprise oversight .....	16	16	19
<b>Appropriation:</b>			
05.01 Office of federal housing enterprise oversight .....	- 16	- 16	- 19
07.99 Total balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 86-5272-0-2-371	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	17	16	19
10.00 Total new obligations .....	17	16	19
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	16	16	19
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	17	16	19
23.95 Total new obligations .....	- 17	- 16	- 19
<b>New budget authority (gross), detail:</b>			
40.20 Appropriation (special fund, definite) .....	16	16	19
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	5	5	5
73.10 Total new obligations .....	17	16	19
73.20 Total outlays (gross) .....	- 16	- 16	- 19
73.45 Adjustments in unexpired accounts .....	- 1		
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	5	5	5
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	13	12	14
86.93 Outlays from current balances .....	3	4	5
87.00 Total outlays (gross) .....	16	16	19
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	16	16	19
90.00 Outlays .....	16	16	19

This appropriation funds the Office of Federal Housing Enterprise Oversight (the Office), which was established in 1992 to regulate the financial safety and soundness of the two

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

Object Classification (in millions of dollars)				
Identification code 86-5272-0-2-371		1998 actual	1999 est.	2000 est.
11.1	Personnel compensation: Personnel Compensation .....	7	8	9
12.1	Civilian personnel benefits .....	1	1	2
23.2	Rental payments to others .....	2	2	2
25.2	Other services .....	6	4	5
99.0	Subtotal, direct obligations .....	16	15	18
99.5	Below reporting threshold .....	1	1	1
99.9	Total new obligations .....	17	16	19

**Personnel Summary**

Identification code 86-5272-0-2-371				
		1998 actual	1999 est.	2000 est.
1001	Total compensable workyears: Full-time equivalent employment .....	72	82	95

**Intragovernmental funds:**

**WORKING CAPITAL FUND**

**Program and Financing (in millions of dollars)**

Identification code 86-4586-0-4-451				
		1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>				
09.01	Reimbursable program .....	232	323	266
10.00	Total new obligations .....	232	323	266
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance available, start of year .....	6	57	.....
22.00	New budget authority (gross) .....	276	266	266
22.10	Resources available from recoveries of prior year obligations .....	6	.....	.....
23.90	Total budgetary resources available for obligation .....	288	323	266
23.95	Total new obligations .....	-232	-323	-266
24.40	Unobligated balance available, end of year .....	57	.....	.....
<b>New budget authority (gross), detail:</b>				
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash) .....	244	266	266
68.10	From Federal sources: Change in receivables and unpaid, unfilled orders .....	32	.....	.....
68.90	Spending authority from offsetting collections (total) .....	276	266	266
<b>Change in unpaid obligations:</b>				
Unpaid obligations, start of year:				
72.40	Obligated balance, start of year .....	25	-13	44
72.95	From Federal sources: Receivables and unpaid, unfilled orders .....	-23	9	9
72.99	Total unpaid obligations, start of year .....	2	-4	53
73.10	Total new obligations .....	232	323	266
73.20	Total outlays (gross) .....	-232	-266	-266
73.45	Adjustments in unexpired accounts .....	-6	.....	.....
Unpaid obligations, end of year:				
74.40	Obligated balance, end of year .....	-13	44	44
74.95	From Federal sources: Receivables and unpaid, unfilled orders .....	9	9	9
74.99	Total unpaid obligations, end of year .....	-4	53	53
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new permanent authority .....	232	266	266

**Offsets:**

Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-244	-266	-266
88.95	From Federal sources: Change in receivables and unpaid, unfilled orders .....	-32	.....	.....

**Net budget authority and outlays:**

89.00	Budget authority .....	.....	.....	.....
90.00	Outlays .....	-13	.....	.....

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

**Object Classification (in millions of dollars)**

Identification code 86-4586-0-4-451				
		1998 actual	1999 est.	2000 est.
11.1	Personnel compensation: Full-time permanent .....	17	33	35
12.1	Civilian personnel benefits .....	3	6	7
21.0	Travel and transportation of persons .....	1	1	1
23.3	Communications, utilities, and miscellaneous charges .....	46	52	53
25.1	Advisory and assistance services .....	144	205	153
26.0	Supplies and materials .....	1	1	1
31.0	Equipment .....	20	25	16
99.9	Total new obligations .....	232	323	266

**Personnel Summary**

Identification code 86-4586-0-4-451				
		1998 actual	1999 est.	2000 est.
2001	Total compensable workyears: Full-time equivalent employment .....	255	462	462

**ADMINISTRATIVE PROVISIONS**

**[PUBLIC AND ASSISTED HOUSING RENTS, PREFERENCES, AND FLEXIBILITY]**

**[SEC. 201.** Section 201(a)(2) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (42 U.S.C. 14371 note), is amended to read as follows:

“(2) **APPLICABILITY.**—Section 14(q) of the United States Housing Act of 1937 shall be effective only with respect to assistance provided from funds made available for fiscal year 1999 or any preceding fiscal year, except that the authority in the first sentence of section 14(q)(1) to use up to 10 percent of the allocation of certain funds for any operating subsidy purpose shall not apply to amounts made available for fiscal years 1998 and 1999.”.]

**[GSE DEFAULT LOSS PROTECTION]**

**[SEC. 202.** (a) Section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act is amended in the first sentence by—

(1) striking “or” at the end of clause (B);

(2) striking the period at the end of the first sentence and inserting: “; or (D) the mortgage is subject to default loss protection that the Corporation determines is financially equal or superior, on an individual or pooled basis, to the protection provided by clause (C) of this sentence: *Provided*, That if the Director of the Office of Federal Housing Enterprise Oversight subsequently finds that such default loss protection determined by the Corporation does not provide such equal or superior protection, the Corporation shall provide such additional default loss protection for such mortgage, as approved by the Director of the Office of Federal Housing Enterprise Oversight, necessary to provide such equal or superior protection.”.]

**[(b)** Section 1313(b) of the Federal Housing Enterprises Financial Housing Safety and Soundness Act of 1992 is amended by redesignating paragraphs (9), (10), and (11) as paragraphs (10), (11), and (12), respectively, and inserting the following new paragraph (9):

“(9) default loss protection levels under section 305(a)(2)(D) of the Federal Home Loan Mortgage Corporation Act;”.]

## FINANCING ADJUSTMENT FACTORS

SEC. [203] 201. Fifty percent of the amounts of budget authority, or in lieu thereof 50 percent of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Public Law 100-628, 102 Stat. 3224, 3268) shall be rescinded, or in the case of cash, shall be remitted to the Treasury, and such amounts of budget authority or cash recaptured and not rescinded or remitted to the Treasury shall be used by State housing finance agencies or local governments or local housing agencies with projects approved by the Secretary of Housing and Urban Development for which settlement occurred after January 1, 1992, in accordance with such section. Notwithstanding the previous sentence, the Secretary may award up to 15 percent of the budget authority or cash recaptured and not rescinded or remitted to the Treasury to provide project owners with incentives to refinance their project at a lower interest rate.

## FAIR HOUSING AND FREE SPEECH

SEC. [204] 202. None of the amounts made available under this Act may be used during fiscal year [1999] 2000 to investigate or prosecute under the Fair Housing Act any otherwise lawful activity engaged in by one or more persons, including the filing or maintaining of a nonfrivolous legal action, that is engaged in solely for the purpose of achieving or preventing action by a government official or entity, or a court of competent jurisdiction.

## [BROWNFIELDS AS ELIGIBLE CDBG ACTIVITY]

[SEC. 205. For fiscal years 1998, 1999, and all fiscal years thereafter, States and entitlement communities may use funds allocated under the community development block grants program under title I of the Housing and Community Development Act of 1974 for environmental cleanup and economic development activities related to Brownfields projects in conjunction with the appropriate environmental regulatory agencies, as if such activities were eligible under section 105(a) of such Act.]

## ENHANCED DISPOSITION AUTHORITY

SEC. [206] 203. Section 204 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, is amended by striking "fiscal years 1997, [and] 1998, and 1999" and inserting "fiscal years 1997, 1998, [and] 1999, and 2000".

## HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS GRANTS

SEC. [207] 204. (a) ELIGIBILITY.—[Notwithstanding section] Section 854(c)(1)(A) (ii) 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 1999 that are allocated under such section, the Secretary of Housing and Urban Development shall allocate and make a grant, in the amount determined under subsection (b), for any State that—

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

(2) is not otherwise eligible for an allocation for fiscal year 1999 under such clause (ii) because the areas in the State outside of the metropolitan statistical areas that qualify under clause (i) in fiscal year 1999 do not have the number of cases of acquired immunodeficiency syndrome required under such clause. (ii), is amended by inserting after "clause (i)" a comma and "or States that received an allocation under this clause in a prior fiscal year".

(b) MINIMUM GRANT REPEALER.—Section 854(c)(2) of such Act is repealed. [AMOUNT.—The amount of the allocation and grant for any State described in subsection (a) shall be an amount based on the cumulative number of AIDS cases in the areas of that State that are outside of metropolitan statistical areas that qualify under clause (i) of such section 854(c)(1)(A) in fiscal year 1999 in proportion to AIDS cases among cities and States that qualify under clauses (i) and (ii) of such section and States deemed eligible under subsection (a).]

(c) ENVIRONMENTAL REVIEW.—Section 856 of such Act is amended by adding the following new subsection at the end: "(h) ENVIRONMENTAL REVIEW.—For purposes of environmental review, decision-making, and action pursuant to the National Environmental Policy Act of 1969 and other provisions of law that further the purposes of such Act, a grant under [the AIDS Housing Opportunity Act (42 U.S.C. 12901 et seq.) from amounts provided under this or prior

Acts] this subtitle shall be treated as assistance for a special project that is subject to section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994 (42 U.S.C. 3547), and shall be subject to the regulations issued by the Secretary to implement such section." [Where the grantee under the AIDS Housing Opportunity Act is a nonprofit organization and the activity is proposed to be carried out within the jurisdiction of an Indian tribe or the community of an Alaska native village, the role of the State or unit of general local government under sections 305(c)(1)–(3) of such Act may be carried out by the Indian tribe or Alaska native village instead.]

## [DRAWDOWN OF FUNDS]

[SEC. 208. Section 14(q)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437f(q)(1)) is amended by inserting after the first sentence the following sentence: "Such assistance may involve the drawdown of funds on a schedule commensurate with construction draws for deposit into an interest earning escrow account to serve as collateral or credit enhancement for bonds issued by a public agency for the construction or rehabilitation of the development.".]

[ELIMINATION OF SHOPPING INCENTIVE FOR VOUCHER FAMILIES WHO REMAIN IN SAME UNIT UPON INITIAL RECEIPT OF ASSISTANCE]

[SEC. 209. (a) Section 8(o)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(2)) is amended by inserting the following new sentence at the end: "Notwithstanding the preceding sentence, for families being admitted to the voucher program who remain in the same unit or complex, where the rent (including the amount allowed for utilities) does not exceed the payment standard, the monthly assistance payment for any family shall be the amount by which such rent exceeds the greater of 30 percent of the family's monthly adjusted income or 10 percent of the family's monthly income.".]

(b) This section shall take effect 60 days after the later of October 1, 1998 or the date of the enactment of this Act.]

## [RENEGOTIATION OF PERFORMANCE FUNDING SYSTEM]

[SEC. 210. Section 9(a)(3)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437g(a)(3)(A)) is amended—

(1) by inserting after the third sentence the following new sentence to read as follows:

"Notwithstanding the preceding sentences, the Secretary may revise the performance funding system in a manner that takes into account equity among public housing agencies and that includes appropriate incentives for sound management."; and

(2) in the last sentence, by inserting after "vacant public housing units" the following: ", or any substantial change under the preceding sentence.".]

## FHA MULTIFAMILY MORTGAGE CREDIT DEMONSTRATIONS

SEC. [211] 205. Section 542 of the Housing and Community Development Act of 1992 is amended—

(1) in subsection (b)(5) by [adding before the period at the end of the first sentence "], and not more than an additional 25,000 units] striking "during fiscal year 1999", and inserting "in each of fiscal years 1999 and 2000"; and

(2) in the first sentence of subsection (c)(4) by striking ["1996 and" and inserting "1996," and by inserting after "fiscal year 1997" the following: "and not more than an additional 25,000 units] "during fiscal year 1999" and inserting "in each of fiscal years 1999 and 2000".

## [CALCULATION OF DOWNPAYMENT]

[SEC. 212. Section 203(b)(10) of the National Housing Act is amended by—

(1) striking out "ALASKA AND HAWAII" and inserting in lieu thereof "CALCULATION OF DOWNPAYMENT"; and

(2) striking out in subparagraph (A) "originated in the State of Alaska or the State of Hawaii and endorsed for insurance in fiscal years 1997 and 1998," and inserting in lieu thereof "executed for insurance in fiscal years 1998, 1999, and 2000".]

## STATE CDBG IDIS FUNDING

SEC. [213] 206. During fiscal year [1999] 2000, from amounts received by a State under section 106(d)(1) of the Housing and Community Development Act of 1974 for distribution in nonentitlement areas, the State may deduct an amount, not to exceed the greater of 0.25 percent of the amount so received or \$50,000, for implementa-

tion of the integrated disbursement and information system established by the Secretary, in addition to any amounts used for this purpose from amounts retained by the State for administrative expenses under section 106(d)(3)(A).

**[NURSING HOME LEASE TERMS]**

**[SEC. 214. (a) TECHNICAL CORRECTION.**—Section 216 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998, is amended by striking out “fifty years from the date” and inserting in lieu thereof “fifty years to run from the date”.

**(b) EFFECTIVE DATE.**—The amendment made by subsection (a) shall be construed to have taken effect on October 27, 1997.]

**[TECHNICAL FOR EMERGENCY CDBG PROGRAM]**

**[SEC. 215.** For purposes of eligibility for funding under the heading “Community Development Block Grants” in the 1998 Supplemental Appropriations and Rescissions Act (Public Law 105–174; May 1, 1998) the term “States” shall be deemed to include “Indian tribes” as defined under section 102(a)(17) of the Housing and Community Development Act of 1974 and Guam, the Northern Mariana Islands, the Virgin Islands, and American Samoa: *Provided*, That amounts made available by this section are designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.]

**[USE OF HOME FUNDS FOR PUBLIC HOUSING MODERNIZATION]**

**[SEC. 216.** Notwithstanding section 212(d)(5) of the Cranston-Gonzalez National Affordable Housing Act, amounts made available to the City of Bismarck, North Dakota, under subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act for fiscal years 1998, 1999, 2000, 2001 or 2002, may be used to carry out activities authorized under section 14 of the United States Housing Act of 1937 (42 U.S.C. 14371) for the purpose of modernizing the Crescent Manor public housing project located at 107 East Bowen Avenue, in Bismarck, North Dakota, if—

(1) the Burleigh County Housing Authority (or any successor public housing agency that owns or operates the Crescent Manor public housing project) has obligated all other Federal assistance made available to that public housing agency for that fiscal year; or

(2) the Secretary of Housing and Urban Development authorizes the use of those amounts for the purpose of modernizing that public housing project, which authorization may be made with respect to one or more of those fiscal years.]

**[CDBG AND HOME EXEMPTION]**

**[SEC. 217.** The City of Oxnard, California may use amounts available to the City under title I of the Housing and Community Development Act of 1974 and under subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act to reimburse the city for its cost in purchasing 19.89 acres of land, more or less, located at the northwest corner of Lombard Street and Camino del Sol in the city, on the north side of the 2100 block of Camino del Sol, for the purpose of providing affordable housing. The procedures set forth in sections 104(g)(2) and (3) of the Housing and Community Development Act of 1974 and sections 288(b) and (c) of the Cranston-Gonzalez National Affordable Housing Act shall not apply to any release of funds for such reimbursement.]

**[CDBG PUBLIC SERVICES CAP]**

**[SEC. 218.** Section 105(a)(8) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(8)) is amended by striking “1998” and inserting “1999”].

**[CLARIFICATION OF OWNER'S RIGHT TO PREPAY]**

**[SEC. 219. (a) PREPAYMENT RIGHT.**—Notwithstanding section 211 of the Housing and Community Development Act of 1987 or section 221 of the Housing and Community Development Act of 1987 (as in effect pursuant to section 604(c) of the Cranston-Gonzalez National Affordable Housing Act), subject to subsection (b), with respect to any project that is eligible low-income housing (as that term is defined in section 229 of the Housing and Community Development Act of 1987)—

(1) the owner of the project may prepay, and the mortgagee may accept prepayment of, the mortgage on the project, and

(2) the owner may request voluntary termination of a mortgage insurance contract with respect to such project and the contract

may be terminated notwithstanding any requirements under sections 229 and 250 of the National Housing Act.

**(b) CONDITIONS.**—Any prepayment of a mortgage or termination of an insurance contract authorized under subsection (a) may be made—

(1) only to the extent that such prepayment or termination is consistent with the terms and conditions of the mortgage on or mortgage insurance contract for the project;

(2) only if the owner of the project involved agrees not to increase the rent charges for any dwelling unit in the project during the 60-day period beginning upon such prepayment or termination; and

(3) only if the owner of the project provides notice of intent to prepay or terminate, in such form as the Secretary of Housing and Urban Development may prescribe, to each tenant of the housing, the Secretary, and the chief executive officer of the appropriate State or local government for the jurisdiction within which the housing is located, not less than 150 days, but not more than 270 days, before such prepayment or termination, except that such requirement shall not apply to a prepayment or termination that—

(A) occurs during the 150-day period immediately following the date of the enactment of this Act;

(B) is necessary to effect conversion to ownership by a priority purchaser (as defined in section 231(a) of the Low-Income Housing Preservation and Resident Ownership Act of 1990 (12 U.S.C. 4120(a)), or

(C) will otherwise ensure that the project will continue to operate, at least until the maturity date of the loan or mortgage, in a manner that will provide rental housing on terms at least as advantageous to existing and future tenants as the terms required by the program under which the loan or mortgage was made or insured prior to the proposed prepayment or termination.]

**[PUBLIC AND ASSISTED HOUSING DRUG ELIMINATION ACT]**

**[SEC. 220.** The Public and Assisted Housing Drug Elimination Act of 1990 is amended—

(1) in section 5123, by inserting “Indian tribes” before “and private”;

(2) in section 5124(a)(7), by inserting “, an Indian tribe,” before “or tribally designated”;

(3) in section 5125, by inserting “an Indian tribe” before “a tribally designated”; and

(4) in section 5126, by adding at the end the following new paragraph:

“(6) INDIAN TRIBE.—The term “Indian tribe” has the meaning given the term in section 4(12) of the Native American Housing Assistance and Self Determination Act of 1996, 25 U.S.C. 4103(12).”.]

**[MULTIFAMILY HOUSING INSTITUTE]**

**[SEC. 221.** Notwithstanding any other provision of law, the Secretary may, from time to time, as determined necessary to assist the Department in managing its multifamily assets including analyzing, tracking and evaluating its portfolio of FHA-insured and other mortgages and properties and assisting the Department in understanding and reducing the risk involved in its mortgage restructuring, insuring and guaranteeing activities, provide data to, and purchase data from, any nonprofit, industry supported, on-line provider of nationwide, multifamily housing loan and property data services.]

**[MULTIFAMILY MORTGAGE AUCTIONS]**

**[SEC. 222.** Section 221(g)(4)(C) of the National Housing Act is amended—

(1) in the first sentence of clause (viii), by striking “September 30, 1996” and inserting “December 31, 2002”; and

(2) by adding at the end the following:

“(ix) The authority of the Secretary to conduct multifamily auctions under this paragraph shall be effective for any fiscal year only to the extent and in such amounts as are approved in appropriations Acts for the costs of loan guarantees (as defined in section 502 of the Congressional Budget Act of 1974), including the cost of modifying loans.”.]

**[FUNDING CORRECTION]**

**[SEC. 223.** Notwithstanding any other provision of law, of the \$1,250,000 made available pursuant to Public Law 102–389 for economic revitalization and infrastructure repair in Montpelier, Vermont, \$250,000 is available for the Central Vermont Revolving Loan

## 【FUNDING CORRECTION】—Continued

Fund administered by the Central Vermont Community Action Council.]

## 【ANNUAL REPORT ON MANAGEMENT DEFICIENCIES】

【SEC. 224.(a) IN GENERAL.—Section 203 of the National Housing Act (12 U.S.C. 1709) is amended by adding at the end the following:“(x) MANAGEMENT DEFICIENCIES REPORT.—

“(1) IN GENERAL.—Not later than 60 days after the date of the enactment of this subsection, and annually thereafter, the Secretary shall submit to Congress a report on the plan of the Secretary to address each material weakness, reportable condition, and noncompliance with an applicable law or regulation (as defined by the Director of the Office of Management and Budget) identified in the most recent audited financial statement of the Federal Housing Administration submitted under section 3515 of title 31, United States Code.

“(2) CONTENTS OF ANNUAL REPORT.—Each report submitted under paragraph (1) shall include—

“(A) an estimate of the resources, including staff, information systems, and contract assistance, required to address each material weakness, reportable condition, and noncompliance with an applicable law or regulation described in paragraph (1), and the costs associated with those resources;

“(B) an estimated timetable for addressing each material weakness, reportable condition, and noncompliance with an applicable law or regulation described in paragraph (1); and

“(C) the progress of the Secretary in implementing the plan of the Secretary included in the report submitted under paragraph (1) for the preceding year, except that this subparagraph does not apply to the initial report submitted under paragraph (1).”.]

【SEC. 225. (a) INFORMED CONSUMER CHOICE.—Section 203(b)(2) of the National Housing Act (12 U.S.C. 1709(b)(2)) is amended by adding at the end the following:

“In conjunction with any loan insured under this section, an original lender shall provide to each prospective borrower a disclosure notice that provides a one page analysis of mortgage products offered by that lender and for which the borrower would qualify. This notice shall include: (i) a generic analysis comparing the note rate (and associated interest payments), insurance premiums, and other costs and fees that would be due over the life of the loan for a loan insured by the Secretary under this subsection with the note rates, insurance premiums (if applicable), and other costs and fees that would be expected to be due if the mortgagor obtained instead other mortgage products offered by the lender and for which the borrower would qualify with a similar loan-to-value ratio in connection with a conventional mortgage (as that term is used in section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)) or section 302(b)(2) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)(2)), as applicable), assuming prevailing interest rates; and (ii) a statement regarding when the mortgagor’s requirement to pay the mortgage insurance premiums for a mortgage insured under this section would terminate or a statement that the requirement will terminate only if the mortgage is refinanced, paid off, or otherwise terminated.”.]

【(b) REGULATION.—The Secretary of Housing and Urban Development shall develop the disclosure notice under subsection (a) within 150 days of the enactment through notice and comment rulemaking.】

SEC. 【226】 207. FUNDING OF CERTAIN PUBLIC HOUSING.—【Notwithstanding any other provision of law, no】 No funds in this Act or any other Act may hereafter be used by the Secretary of Housing and Urban Development to determine allocations or provide assistance for operating subsidies or modernization for certain State and city funded and locally developed public housing units, as 【defined for purposes of a statutory paragraph, notwithstanding the deeming by statute of such units to be public housing units developed under】 described in section 9(n)(1)(B) of the United States Housing Act of 1937, unless such unit was so assisted before October 1, 1998.

## 【SECTION 236 PROGRAM REFORM】

【SEC. 227. Section 236(g) of the National Housing Act, as amended by section 221(c) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, is amended to read as follows:

“(g) The project owner shall, as required by the Secretary, accumulate, safeguard, and periodically pay the Secretary or such other entity as determined by the Secretary and upon such terms and conditions as the Secretary deems appropriate, all rental charges collected on a unit-by-unit basis in excess of the basic rental charges. Unless otherwise directed by the Secretary, such excess charges shall be credited to a reserve used by the Secretary to make additional assistance payments as provided in paragraph (3) of subsection (f). Notwithstanding any other requirements of this subsection, an owner of a project with a mortgage insured under this section, or a project previously assisted under subsection (b) but without a mortgage insured under this section if the project mortgage was insured under section 207 of this Act before July 30, 1998 pursuant to section 223(f) of this Act and assisted under subsection (b), may retain some or all of such excess charges for project use if authorized by the Secretary and upon such terms and conditions as established by the Secretary.”.]

## 【FHA MORTGAGE INSURANCE INCREASE】

【SEC. 228. (a) Subparagraph (A) of section 203(b)(2) of the National Housing Act (12 U.S.C. 1709(b)(2)(A)) is amended by striking clause (ii) and all that follows through the end of the subparagraph and inserting the following:

“(ii) 87 percent of the dollar amount limitation determined under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act for a residence of the applicable size; except that the dollar amount limitation in effect for any area under this subparagraph may not be less than 48 percent of the dollar limitation determined under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act for a residence of the applicable size; and”.]

【(b) The first sentence in the matter following section 203(b)(2)(B)(iii) of the National Housing Act (12 U.S.C. 1709(b)(2)(B)(iii)) is amended to read as follows: “For purposes of the preceding sentence, the term ‘area’ means a metropolitan statistical area as established by the Office of Management and Budget; and the median 1-family house price for an area shall be equal to the median 1-family house price of the county within the area that has the highest such median price.”.]

## 【HOPE VI GRANT FOR HOLLANDER RIDGE】

【SEC. 229. If the Secretary rescinds the grant award of \$20,000,000 made to the Housing Authority of Baltimore City for development efforts at Hollander Ridge in Baltimore, Maryland, involving funds appropriated for fiscal year 1996 under the heading “Public Housing Demolition, Site Revitalization, and Replacement Housing Grants”, all of the rescinded grant amount shall be recaptured by the Secretary and added to the amounts otherwise available under this heading. If, after the date of any such recapture, the Housing Authority of Baltimore City applies in response to a Notice of Funding Availability issued by the Secretary for a grant from funds available under this heading (not to exceed the amount recaptured) for development efforts at Hollander Ridge, then the Secretary shall grant priority status to such application and approve the grant award if the application meets the terms and criteria stated in the Notice of Funding Availability.】

## 【DEBT FORGIVENESS】

【SEC. 230. The Secretary of Housing and Urban Development shall cancel the indebtedness of the Town of Hobson City, Alabama, relating to a public facilities loan under title II of the Housing Amendments of 1955, issued July 1, 1969 (Project No. ALA-01-PFL0139). The Town of Hobson City hereby is relieved of all liability to the Federal Government for the outstanding principal balance on such loan, for the amount of accrued interest on such loan, and for any other fees and charges payable in connection with such loan.】

## 【CONSIDERATION OF HOMELESS GRANT APPLICATION】

【SEC. 231. The Secretary shall consider without prejudice the application submitted August 5, 1998 by the City of Wichita and Sedgwick County, Kansas for assistance under the Continuum of Care Homeless Assistance program pursuant to the Notice at 63 Federal Register 23988, 23999 (April 30, 1998) notwithstanding the August 4, 1998 due date for such application, notwithstanding any provision that may be to the contrary in section 102 of the Department of Housing and Urban Development Reform Act of 1989.】

## 【CDBG SERVICE CAP FOR MIAMI】

【SEC. 232. Section 105(a)(8) of the Housing and Community Development Act of 1974 is amended by striking “fiscal year 1994” and



all that follows through the end of the paragraph and inserting the following: "each of fiscal years 1999, 2000, and 2001, to the City of Miami, such city may use not more than 25 percent in each fiscal year for activities under this paragraph." ] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

**[JOINT COMMITTEE ON PRINTING]**

**[SEC. 122.** Upon enactment of H.R. 4194, the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999, section 202 of that Act is hereby repealed.] (*Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, Public Law 105-277, Division A, Section 122.*)

**FHA ADMINISTRATIVE CONTRACT EXPENSE AUTHORITY**

**SEC. 208.** Section 1 of the National Housing Act (12 U.S.C. 1702) is amended by inserting the following new sentence after the first proviso: "For the purposes of this section, the term "nonadministrative" shall not include contract expenses that are not capitalized or routinely deducted from the proceeds of sales, and such expenses shall not be payable from funds made available by this Act."

**SEC. 209. DISCRETIONARY AUTHORITY TO REGULATE RENTS.**—(a) Section 207(b)(2) of the National Housing Act is amended by striking "The" the first place it appears and inserting, "For all projects with mortgages insured under this section, including those insured before the date of enactment of the Housing and Urban-Rural Recovery Act of 1983, the".

(b) Section 223(f)(2) of such Act is amended by striking the second sentence and inserting the following:

"The Secretary shall prescribe such terms and conditions as the Secretary determines to assure that the refinancing is used to reduce the amount of monthly debt service only to the extent necessary to assure the continued economic viability of the project, taking into account any rent reductions to be implemented by the mortgagor. For all projects with mortgages insured, or to be insured, pursuant to this section, the Secretary may, in the Secretary's discretion, require any such mortgagor to be regulated or restricted as to rents or sales, charges, capital structure, rate of return, and methods of operation so as to provide reasonable rentals to tenants and a reasonable return on investment. Any such regulations or restrictions shall continue for such period or periods as the Secretary, in the Secretary's discretion, may require, including until the termination of all obligations of the Secretary under the insurance and during such further period of time as the Secretary shall be the owner, holder, or reinsurer of the mortgage."

**SEC. 210. CLARIFICATION OF RULEMAKING AUTHORITY FOR RENEWALS OF PROJECT-BASED ASSISTANCE WITHOUT RESTRUCTURING.**—Section 522(a) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 is amended by inserting the following new paragraph at the end:

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

**SEC. 211. FULL PAYMENT OF CLAIMS.**—(a) Section 541 of the National Housing Act is amended (1) by amending the heading to read as follows: "PARTIAL PAYMENT OF CLAIMS ON DEFAULTED MORTGAGES AND IN CONNECTION WITH MORTGAGE RESTRUCTURING"; and

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

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

**SEC. 212. SECTION 236 REFINANCING.**—Section 236(c) of the National Housing Act is amended—

(1) by striking "(c) The" and inserting "(c)(1) The"; and

(2) by adding the following new paragraph at the end:

"(2) The Secretary shall notify any project owner who has a mortgage, the interest rate of which the Secretary determines to be 2 or more percent above the market interest rate. Not later than one year after receiving notice under the preceding sentence, a project owner shall refinance the project with a mortgage on such terms

and conditions as the Secretary may require: Provided, That the Secretary may approve an extension of the foregoing time period for any owner that shows good cause. The Secretary may pay costs for closing such refinancing, and other costs, determined by the Secretary, for the refinancing, from amounts that would otherwise be available to make payments under contracts under this section, pursuant to section 1305(10) of title 31, United States Code. If a project owner does not comply with the requirement to refinance within the one year time period or any extension of time that the Secretary approves, the Secretary, notwithstanding paragraph (1) and any existing interest reduction payment contracts entered into thereunder, shall make interest reduction payments to the mortgagee in an amount not exceeding the difference between (A) the monthly payments for principal, interest, and mortgage insurance premium that an owner would be obligated to pay if the mortgage were to have a market interest rate, as determined by the Secretary, and (B) the monthly payment for principal and interest such owner would be obligated to pay if the mortgage were to have an interest rate of 1 percent. The Secretary's determination of an interest rate under the immediately preceding sentence shall be made once and shall run for the remaining period during which interest reduction payments are made at the project. Neither a Secretary's notification nor a refinancing is required more than once for a project refinanced in accordance with the requirements of this paragraph."

**SEC. 213. HOUSING GSE OVERSIGHT ASSESSMENT.**—Subtitle A of the Federal Housing Enterprise Financial Safety and Soundness Act of 1992 is amended by inserting at the end of part 2, subpart A, the following new section:

"**SEC. 1329. FUNDING FOR THE OVERSIGHT OF THE ENTERPRISES BY THE SECRETARY.**

"(a) **ANNUAL ASSESSMENTS.**—(1) The Secretary shall annually determine and collect the amounts for annual assessments of the enterprises in addition to the amounts assessed under section 1316. The amounts shall be equal to all the costs related to carrying out all of the Secretary's regulatory and oversight responsibilities under this Part, as determined by the Secretary. In no case shall these assessments exceed \$10 million in aggregate in any fiscal year.

"(b) **ALLOCATION OF ANNUAL ASSESSMENT TO ENTERPRISES.**—

"(1) **AMOUNT OF PAYMENT.**—Each enterprise shall pay a proportion of the annual assessment made pursuant to subsection (a) that is the same as the proportion that that enterprise's total assets bear to the total assets of the enterprises.

"(2) **TIMING OF PAYMENT.**—The annual assessment shall be payable semiannually for each fiscal year, on October 1 and April 1.

"(3) **DEFINITION.**—For the purpose of this section, the term "total assets" means, with respect to an enterprise, the sum of—

"(A) on-balance sheet assets of the enterprise, as determined in accordance with generally accepted account principles;

"(B) the unpaid principal balance of outstanding mortgage-backed securities issued or guaranteed by the enterprise that are not included in subparagraph (A);

"(C) other off-balance sheet obligations as determined by the Secretary.

"(c) **SURPLUS.**—If actual obligations for the Secretary's regulatory and oversight responsibilities under this Part are less than the annual assessment for any fiscal year, such amount shall be credited, in accordance with the same proportion as determined under subsection (b)(1) for that fiscal year, to the assessment collected from the enterprises the following fiscal year."

**SEC. 214. TRANSFER FOR EVALUATION OF HUD PROGRAMS.**—(a) During fiscal year 2000, the Secretary may transfer no more than 0.50 percent (in any proportions the Secretary shall determine) of any amount appropriated in title II of this Act to (1) the "Research and Technology" account of Policy Development and Research for program evaluation and other research contributing to improvement in measures of performance, or (2) the departmental "Salaries and Expenses" account for information systems to support improved collection of performance data and for collecting and maintaining data under section 7(r) of the Department of Housing and Urban Development Act, in support of activities required under the Government Performance and Results Act of 1993 and 31 U.S.C. 1115, 1116, and 9703.

(b) Any appropriations for the Office of Inspector General or the Office of Federal Housing Enterprise Oversight shall be excluded from the transfer authority in (a).

(c) Transfers under (a) shall not occur until 30 days after notification of each transfer to the Committees on Appropriations.

FHA ADMINISTRATIVE CONTRACT EXPENSE AUTHORITY—Continued

(d) The total of all transfers under (a) in fiscal year 2000 may not exceed \$40,000,000.

(e) Any amounts transferred under this section shall be merged with, and subject to the terms and conditions of the accounts to which transferred.

(f) Any amounts transferred under this section shall be in addition to the amounts appropriated for and otherwise transferred to the "Research and Technology" or departmental "Salaries and Expenses" account, respectively.

SEC. 215. AVAILABILITY OF INCOME MATCHING INFORMATION.

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

(1) in paragraph (1)—

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

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

(2) in paragraph (2)—

(A) in subparagraph (A), by striking "or";

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

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

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

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

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

(2) by striking "the public housing agency verifying income" and inserting "verifying income".

SEC. 216. RENTAL ASSISTANCE FRAUD RECOVERIES.

Section 326(d) of the Housing and Community Development Amendments of 1981 is repealed.

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

	1998 actual	1999 est.	2000 est.
Offsetting receipts from the public:			
86-089800 GSE oversight assessment .....			10
86-271910 FHA-General and Special Risk, Negative Subsidies .....	730	171	160
86-271930 FHA-General and Special Risk, Downward re-estimates of subsidies .....	333		
General Fund Offsetting receipts from the public .....	1,063	171	170