

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

This chapter presents the budget estimates and program justifications for the Department of Housing and Urban Development (HUD). HUD's core mission is to promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination. The 2003 Budget for HUD reflects the continuation of a multi-year comprehensive reform effort that will enhance the effectiveness of programs, reduce high unobligated and obligated balances, and return HUD to its core mission. Congress has provided significant increases in several HUD programs over the past three years.

The Department continues to emphasize expanding homeownership opportunities for all. Homeownership is addressed through FHA program efforts, recent public housing homeownership opportunities, HOPE VI, and expanded housing counseling. In addition, the HOME Investment Partnerships Program is increased by \$238 million. This increase includes a four-fold increase for the down payment initiative. The 2003 budget increases the Self-Help Homeownership Opportunity Program (SHOP) three-fold in an effort to accelerate homeownership by lower-income families.

The 2003 budget proposes to allow housing authorities to use up to \$120 million from the Capital Fund and up to \$130 million from the Operating Fund for a new initiative to facilitate the financing of capital improvements and to encourage development-based financial management. This initiative will improve physical conditions for public housing residents by enabling housing authorities to attract private capital to address the existing \$20 billion backlog in capital housing improvement needs. It will also put these developments on a sound management and financial footing by focusing on property-based planning and management. These objectives would be achieved by authorizing HUD to approve, on a property-by-property basis, housing authority requests to convert public housing developments or portions of developments to project-based voucher assistance. Converting to project-based vouchers also would relieve housing authorities from many of the complex rules governing the public housing programs, and would give residents of converted developments additional housing choices, since they could choose to move with their vouchers after one year. This initiative will make it possible for housing authorities to secure private financing to rehabilitate their aging properties by using each property to secure private loans for capital improvements. The capital needs of a substantial part of the public housing stock may be addressed through private financing, without significant annual subsidy increases. The initial year of any contract for project-based assistance under this proposal may be funded with amounts appropriated for the public housing Capital Fund or Operating Fund or from other amounts appropriated for this purpose. Any renewal of such contracts would be funded in the future with amounts appropriated for Section 8 vouchers.

The 2003 budget includes 34,000 incremental vouchers. In addition, this Administration reaffirms the long-held commitment to renew all expiring Section 8 contracts, to protect residents from displacement by substantially increasing funding for Section 8 renewals, to provide Section 8 tenant-based assistance for displaced families, and for the replacement of affordable housing due to opt-outs from the project-based Section 8 program. The Department will also continue to fully renew contracts to assist rental of low-income elderly units

in the Housing for the Elderly Program (under Section 202 of the Housing Act of 1959).

This year HUD commits itself to addressing the problem of chronic homelessness. The Department is proposing legislative language that would consolidate its homeless assistance programs into a single grant program. This reform will improve service delivery and further support the announced goal of ending chronic homelessness in ten years.

As part of the 2003 budget, the Administration is transferring administration of the Emergency Food and Shelter Program from the Federal Emergency Management Agency (FEMA), to HUD. This transfer will allow for better coordination of homeless assistance.

Funding in the 2003 budget 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. Funds dedicated in past budgets to completing a national survey of housing discrimination will be redirected in 2003 to both FHIP and FHAP, with emphasis on increasing enforcement efforts and addressing accessibility issues.

The Department proposes a \$16 million initiative to improve housing and economic conditions in the Colonias area, which is largely funded by shifting resources from wealthier communities within the Community Development Block Grants program (CDBG).

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

The 2003 budget includes a 20 percent increase in lead hazard reduction grants to continue the ten-year program to eradicate lead hazards in housing.

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

The Department will continue the management reform effort initiated in 2001 and undertake further efforts in 2003 to refocus HUD on its core mission and key programs as part of a continuing series of planned reforms to improve program performance.

PUBLIC AND INDIAN HOUSING

Federal Funds

General and special funds:

HOUSING CERTIFICATE FUND

(INCLUDING TRANSFER AND RESCISSION OF FUNDS)

[For activities and assistance to prevent the involuntary displacement of low-income families, the elderly and the disabled because of the loss of affordable housing stock, expiration of subsidy contracts (other than contracts for which amounts are provided under another heading in this Act) or expiration of use restrictions, or other changes in housing assistance arrangements, and for other purposes, \$16,280,975,000, of which \$640,000,000 shall be from unobligated balances from amounts recaptured from fiscal year 2000 and prior years pursuant to a reduction in the amounts provided for Annual Contributions Contract Reserve Accounts, and amounts that are re-

General and special funds—Continued

HOUSING CERTIFICATE FUND—Continued

(INCLUDING TRANSFER AND RESCISSION OF FUNDS)—Continued

captured in this account to remain available until expended: *Provided*, That not later than October 1, 2001, the Department of Housing and Urban Development shall reduce from 60 days to 30 days the amount of reserve funds made available to public housing authorities: *Provided further*, That of the total amount provided under this heading, \$16,071,975,000, of which \$11,231,975,000 and the aforementioned recaptures shall be available on October 1, 2001 and \$4,200,000,000 shall be available on October 1, 2002, shall be for assistance under the United States Housing Act of 1937, as amended (“the Act” herein) (42 U.S.C. 1437 et seq.): *Provided further*, That the foregoing amounts shall be for use in connection with expiring or terminating section 8 subsidy contracts, for amendments to section 8 subsidy contracts, for enhanced vouchers (including amendments and renewals) under any provision of law authorizing such assistance under section 8(t) of the Act (42 U.S.C. 1437f(t)), contract administrators, and contracts entered into pursuant to section 441 of the McKinney-Vento Homeless Assistance Act: *Provided further*, That amounts available under the second proviso under this heading shall be available for section 8 rental assistance under the Act: (1) for the relocation and replacement of housing units that are demolished or disposed of pursuant to the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104–134; Stat. 1321–269); (2) for the conversion of section 23 projects to assistance under section 8; (3) for funds to carry out the family unification program; (4) for the relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency; (5) for tenant protection assistance, including replacement and relocation assistance; and (6) for the 1-year renewal of section 8 contracts for units in projects that are subject to approved plans of action under the Emergency Low Income Housing Preservation Act of 1987 or the Low-Income Housing Preservation and Resident Homeownership Act of 1990: *Provided further*, That of the total amount provided under this heading, no less than \$13,400,000 shall be transferred to the Working Capital Fund for the development and maintenance of information technology systems: *Provided further*, That of the total amount provided under this heading, \$143,979,000 shall be made available for incremental vouchers under section 8 of the Act, of which \$103,979,000 shall be made available on a fair share basis to those public housing agencies that have no less than a 97 percent occupancy rate; and of which \$40,000,000 shall be made available to nonelderly disabled families affected by the designation of a public housing development under section 7 of the 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 (42 U.S.C. 13618), 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 up to \$195,601,000 from amounts made available under this heading may be made available for contract administrators: *Provided further*, That amounts available under this heading may be made available for administrative fees and other expenses to cover the cost of administering rental assistance programs under section 8 of the Act:]

For assistance under the United States Housing Act of 1937, as amended (42 U.S.C. 1437 et seq.) (“Act”) not otherwise provided for, \$17,526,559,000 and amounts recaptured in this account, to remain available until expended; of which \$204,170,000 shall be for vouchers under section 8 of the Act, including incremental vouchers (1) to be made available on a fair share basis to Public Housing Agencies that have no less than a 97 percent utilization rate, (2) to be used for down-payment assistance pursuant to section 8(y)(7) of the Act, not to exceed \$15,000,000, (3) to facilitate community-based living alternatives for individuals with disabilities, not to exceed \$6,000,000 (4) to be made available to non-elderly disabled families affected by the designation of a public housing development under section 7 of the Act, or the establishment of preferences in accordance with section 651 of the Housing and Community Development Act of 1992 (42 U.S.C. 13611), not to exceed \$40,000,000, and (5) to be made available to homeless veterans in accordance with the Homeless Veterans Comprehensive Assistance Act of 2001; of which up to \$196,000,000 is for contract administrators; of which \$3,000,000 shall be transferred to the Working Capital fund for development of and modifications to information technology systems which serve activities under “Public

*and Indian Housing.”; and of which \$17,123,389,000 is for expiring section 8 subsidy contracts, for amendments to section 8 subsidy contracts, for enhanced vouchers (including amendments and renewals) under any provision of law authorizing such assistance under section 8(t) of the Act (42 U.S.C. 1437f(t)), for contracts entered into pursuant to section 441 of the McKinney-Vento Homeless Assistance Act, and for section 8 rental assistance, including: (1) relocation and replacement of housing units that are demolished or disposed of pursuant to the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104–134); (2) conversion of section 23 projects to assistance under section 8; (3) to carry out the family unification program; (4) relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from law enforcement or prosecution agency; (5) tenant protection assistance, including replacement and relocation assistance; and (6) the 1-year renewal of section 8 contracts for units in projects that are subject to approved plans of action under Emergency Low-Income Housing Preservation Act of 1987 or the Low-Income Housing Preservation and Resident Homeownership Act of 1990; *Provided*, That of the \$17,123,389,350 herein, \$4,200,000,000 shall become available on October 1, 2003: *Provided further*, That the fee otherwise authorized under section 8(q) of the Act shall be determined in accordance with section 8(q), as in effect immediately before the enactment of the Quality Housing and Work Responsibility Act of 1998: *Provided further*, That \$1,200,000,000 is rescinded from unobligated balances remaining from funds appropriated to the Department of Housing and Urban Development under this heading or the heading “Annual contributions for assisted housing” or any other heading for fiscal year [2001] 2002 and prior years, to be effected by the Secretary no later than September 30, 2003: *Provided further*, That any such balances governed by reallocation provisions under the statute authorizing the program for which the funds were originally appropriated shall not be available for this rescission: *Provided further*, That the Secretary shall have until September 30, 2002, to meet the rescission in the proviso preceding the immediately preceding proviso:] *Provided further*, That any obligated balances of contract authority that have been terminated shall be canceled. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002.)*

Program and Financing (in millions of dollars)

Identification code 86–0319–0–1–604	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Contract renewals	14,419	15,971	16,864
00.02 Contract Administrator	146	241	196
00.03 Rental Assistance	255	274	260
00.04 Preservation Amendment		2	
00.05 Section 514 Technical Assistance	8	10	
00.06 Non-Elderly Disabled	56	40	
00.07 Welfare to Work	1		
00.08 Regional Opportunity Counseling		10	
00.09 Section 8 Amendment	279	77	
00.10 Lead-Based paint	2		
00.11 Incremental vouchers	452	104	204
00.12 Other	28	2	
00.13 Job Plus	1	6	
00.14 Working Capital Fund	11	13	3
00.15 Section 8 Counseling	9	3	
00.16 Relocation/Replacement/Demolition	2		
00.17 Home (City of New Rochelle)		5	
10.00 Total new obligations (object class 41.0)	15,669	16,758	17,527
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2,951	1,676	
22.00 New budget authority (gross)	11,970	14,441	16,427
22.10 Resources available from recoveries of prior year obligations	2,578	641	1,100
22.75 Balance of contract authority withdrawn	–154		
23.90 Total budgetary resources available for obligation	17,345	16,758	17,527
23.95 Total new obligations	–15,669	–16,758	–17,527
24.40 Unobligated balance carried forward, end of year	1,676		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	9,741	11,441	13,327
40.35 Appropriation rescinded	–31		
40.36 Unobligated balance rescinded	–1,940	–1,200	–1,100
43.00 Appropriation (total discretionary)	7,770	10,241	12,227

55.00	Advance appropriation	4,200	4,200	4,200
	Mandatory:			
60.00	Appropriation	5,000	5,000	5,000
60.49	Portion applied to liquidate contract authority	-5,000	-5,000	-5,000
62.50	Appropriation (total mandatory)			
70.00	Total new budget authority (gross)	11,970	14,441	16,427
Change in obligated balances:				
72.40	Obligated balance, start of year	46,154	42,520	40,866
73.10	Total new obligations	15,669	16,758	17,527
73.20	Total outlays (gross)	-16,720	-17,771	-18,339
73.40	Adjustments in expired accounts (net)	-5		
73.45	Recoveries of prior year obligations	-2,578	-641	-1,100
74.40	Obligated balance, end of year	42,520	40,866	38,954
75.01	Obligated balance, start of year: Contract authority	31,583	26,429	21,429
75.02	Obligated balance, end of year: Contract authority	26,429	21,429	16,429
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	5,425	6,350	6,840
86.93	Outlays from discretionary balances	11,295	11,421	11,499
87.00	Total outlays (gross)	16,720	17,771	18,339
Net budget authority and outlays:				
89.00	Budget authority	11,970	14,441	16,427
90.00	Outlays	16,720	17,771	18,339

The funds requested could support the following activities for 2003, as shown in the table below.

HOUSING CERTIFICATE FUND

(Budget Authority Request for FY 2003, \$ in Millions)

	Units	Per Unit Cost	BA
FY 2003:			
Incremental Rental Assistance	34,000	6,005	204
Tenant Protections—Housing	30,300	NA	182
Tenant Protections-PIH	13,000	NA	78
Contract Administrators	NA	NA	196
Information Technology/Working Capital Fund	NA		3
Contract Renewals:			
PIH	2,077,336	6,005	12,527
CPD-Mod. Rehab. SRO	3,045	4,011	17
Housing	817,274	NA	4,320
Subtotal, contract renewals	2,897,655	NA	16,864
Administrative Fees-PIH (non-add)		Approx.	[1,100]
Total, FY 2003 Housing Certificate Fund			17,527

Status of Contract Authority (in millions of dollars)

Identification code 86-0319-0-1-604	2001 actual	2002 est.	2003 est.
0100 Balance, start of year	31,583	26,429	21,429
0400 Appropriation to liquidate contract authority	-5,000	-5,000	-5,000
0600 Balance of contract authority withdrawn	-154		
0700 Balance, end of year	26,429	21,429	16,429

Contract Renewals. Contract renewals provide funding to renew expiring Section 8 rental assistance contracts covering certificates, vouchers, and moderate rehabilitation (renewed as vouchers), Loan Management, New Construction/Substantial Rehabilitation, Property Disposition, and Preservation, and contracts authorized under section 441 of the McKinney-Vento Homeless Assistance Act. It also includes \$52 million to renew funding for Family self-sufficiency coordinators.

Incremental Rental Assistance—For 2003, the Department is requesting approximately 34,000 vouchers and \$204 million in budget authority.

These rental vouchers will address many local needs, including assistance to needy families some of which could be transitioning out of public assistance, homeless, affected by an “elderly-only” designation in public housing, or by the recent Olmstead decision requiring community living services for disabled families. The rental vouchers may also be used for downpayment assistance in those areas that choose to offer this assistance.

Public and Indian Housing

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

Housing

Tenant Protection Set-Asides. The Housing Certificate Fund also serves a role in supporting families in FHA-insured, privately owned assisted housing projects affected by changes in project status. It is intended that income-eligible families who, through no fault of their own, are affected by HUD’s management of the multifamily inventory or owners’ decision to prepay their mortgage or opt-out of project-based section 8 contracts, be aided through the Housing Certificate Fund.

Verifying the right person gets the right benefit.—HUD research has determined that there is a significant error rate in calculating subsidies. HUD has established a goal of a 50 percent reduction in the frequency of subsidy calculation and processing errors by 2005.

Since the sources and cause of subsidy payment errors are many and often interrelated, a comprehensive corrective action plan is needed. HUD’s prior corrective action focus has been on developing and implementing a large scale computer matching program with IRS and SSA data bases to better address the unreported tenant income issue. While this and other improvement initiatives are ongoing, a multi-organizational HUD Working Group has been tasked with developing viable options for a more comprehensive corrective action plan to be considered by the new administration. The Working Group is considering options for: (1) Program simplification; (2) Structured forms, training, and automated tools needed to determine rent correctly; (3) Tenant education; (4) Increased use of automated tenant income data sources at the local and national level; (5) Improves targeting of on-site management and occupancy reviews based on risk indicators; (6) Intermediary performance incentives and sanctions; (7) Improved automated billing verifications; and (8) An on-going quality control program.

MOVING TO WORK

Program and Financing (in millions of dollars)

Identification code 86-0331-0-1-451	2001 actual	2002 est.	2003 est.
Change in obligated balances:			
72.40 Obligated balance, start of year	5	3	
73.20 Total outlays (gross)	-2	-3	
74.40 Obligated balance, end of year	3		
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	2	3	
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	2	3	

The Moving-to-Work demonstration provides unprecedented autonomy and flexibility to a select group of high-performing public housing authorities (PHAs) in order to assess the potential impacts of Federal deregulation on resident households, housing developments, and local housing programs. Through waivers of requirements of the 1937 Housing Act, as amended, and related Federal regulations, participating PHAs can combine Federal funding allocated for public housing operating subsidy, capital subsidy, and Section 8 certificates and vouchers into a flexible housing assistance fund.

General and special funds—Continued

MOVING TO WORK—Continued

PHAs may provide incentives to families that work, are seeking work, or are preparing for work, PHAs are also allowed to change administrative procedures and management policies so they can reallocate resources to better address local housing needs and priorities. No additional funding is being requested for this demonstration.

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

For the Public Housing Capital Fund Program to carry out capital and management activities for public housing agencies, as authorized under section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g) [\$2,843,400,000] (the "Act"), \$2,425,900,000, to remain available until September 30, [2005: *Provided*, That, hereafter, notwithstanding any other provision of law or any failure of the Secretary of Housing and Urban Development to issue regulations to carry out section 9(j) of the United States Housing Act of 1937 (42 U.S.C. 1437g(j)), such section is deemed to have taken effect on October 1, 1998, and, except as otherwise provided in this heading, shall apply to all assistance made available under this same heading on or after such date: *Provided further*, That of the total amount provided under this heading, in addition to amounts otherwise allocated under this heading, \$550,000,000 shall be allocated for such capital and management activities only among public housing agencies that have obligated all assistance for the agency for fiscal years 1998 and 1999 made available under this same heading in accordance with the requirements under paragraphs (1) and (2) of section 9(j) of such Act: *Provided further*, That notwithstanding any other provision of law or regulation, during fiscal year 2002, the Secretary may not delegate to any Department official other than the Deputy Secretary any authority under paragraph (2) of such section 9(j) regarding the extension of the time periods under such section for obligation of amounts made available for fiscal year 1998, 1999, 2000, 2001, or 2002: *Provided further*, That notwithstanding the first proviso and paragraphs (3) and (5)(B) of such section 9(j), if at any time before the effectiveness of final regulations issued by the Secretary under section 6(j) of the United States Housing Act of 1937 (42 U.S.C. 1437d(j)) providing for assessment of public housing agencies and designation of high-performing agencies, any amounts made available under the public housing Capital Fund for fiscal year 1999, 2000, 2001, or 2002 remain unobligated in violation of paragraph (1) of such section 9(j) or unexpended in violation of paragraph (5)(A) of such section 9(j), the Secretary shall recapture any such amounts and reallocate such amounts among public housing agencies that, at the time of such reallocation, are not in violation of any requirement under paragraph (1) or (5)(A) of such section: *Provided further*, That for purposes of this heading, the term "obligate" means, with respect to amounts, that the amounts are subject to a binding agreement that will result in outlays immediately or in the future: *Provided further*, That of the total amount provided under this heading, up to \$51,000,000 shall be for carrying out activities under section 9(h) of such Act, of which up to \$10,000,000 shall be for the provision of remediation services to public housing agencies identified as "troubled" under the Section 8 Management Assessment Program: *Provided further*, That of the total amount provided under this heading, up to \$500,000 shall be for lease adjustments to section 23 projects, and no less than \$52,700,000 shall be transferred to the Working Capital Fund for the development and maintenance of information technology systems: *Provided further*, That no funds may be used under this heading for the purposes specified in section 9(k) of the United States Housing Act of 1937, as amended: *Provided further*, That of the total amount provided under this heading, up to \$75,000,000 shall be available for the Secretary of Housing and Urban Development to make grants to public housing agencies for emergency capital needs resulting from emergencies and natural disasters in fiscal year 2002: *Provided further*, That of the total amount provided under this heading, \$15,000,000 shall be for a Neighborhood Networks initiative for activities authorized in section 9(d)(1)(E) of the United States Housing Act of 1937, as amended: *Provided further*, That notwithstanding any other provision of law, amounts made available in the previous proviso shall be awarded to public housing agencies on a competitive basis as provided in section 102 of the

Department of Housing and Urban Development Reform Act of 1989.] 2006; of which up to the specified following amounts shall be available as provided herein: for section 9(h) of such Act, \$54,000,000, of which \$13,000,000 shall be for the provision of remediation services to public housing agencies identified as "troubled" under the Section 8 Management Assessment Program and for surveys used to calculate local Fair Market Rents and assess housing conditions in connection with rental assistance under section 8 of the Act; for the conversion of public housing subsidies to project-based voucher assistance where such conversion is done in conjunction with financing of any necessary capital improvements of properties that will be covered by such assistance, \$120,000,000; for lease adjustments to section 23 projects, \$500,000; for the development of and modifications to information technology systems which serve programs or activities under Public and Indian Housing, \$18,600,000 for transfer to the Working Capital Fund; to make grants to public housing agencies for emergency capital needs and natural disasters in fiscal year 2003, \$75,000,000; for Neighborhood Networks grants for activities authorized in section 9(d)(1)(E) of the Act, awarded to public housing agencies on a competitive basis as provided in section 102 of the Department of Housing and Urban Development Reform Act of 1989, \$15,000,000; for supportive services, service coordinators and congregate services as authorized by section 34 of the Act and the Native American Housing Assistance and Self-Determination Act of 1996, \$55,000,000: *Provided*, That no funds may be used under this heading for the purposes specified in section 9(k) of the Act. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002.)

Program and Financing (in millions of dollars)

Identification code 86-0304-0-1-604	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Capital Grants	3,581	2,649	2,208
00.02 Emergency/Disaster	28	75	75
00.03 Technical Assistance	150	51	54
00.04 Working Capital Fund		53	19
00.05 Neighborhood Network Initiative		15	15
00.06 Resident Opportunities and Supportive Services			55
10.00 Total new obligations (object class 41.0)	3,759	2,843	2,426
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,536	696	696
22.00 New budget authority (gross)	2,993	2,843	2,426
22.10 Resources available from recoveries of prior year obligations	50		
22.75 Balance of contract authority withdrawn	-124		
23.90 Total budgetary resources available for obligation	4,455	3,539	3,122
23.95 Total new obligations	-3,759	-2,843	-2,426
24.40 Unobligated balance carried forward, end of year	696	696	696
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	3,000	2,843	2,426
40.77 Reduction pursuant to P.L. 106-554 (0.22 percent)	-7		
43.00 Appropriation (total discretionary)	2,993	2,843	2,426
Mandatory:			
60.00 Appropriation	500	589	589
60.49 Portion applied to liquidate contract authority	-500	-589	-589
62.50 Appropriation (total mandatory)			
70.00 Total new budget authority (gross)	2,993	2,843	2,426
Change in obligated balances:			
72.40 Obligated balance, start of year	11,836	11,995	11,182
73.10 Total new obligations	3,759	2,843	2,426
73.20 Total outlays (gross)	-3,550	-3,656	-3,553
73.45 Recoveries of prior year obligations	-50		
74.40 Obligated balance, end of year	11,995	11,182	10,055
75.01 Obligated balance, start of year: Contract authority	4,952	4,328	4,352
75.02 Obligated balance, end of year: Contract authority	4,328	3,739	3,763
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	136	117	161
86.93 Outlays from discretionary balances	3,414	3,539	3,392
87.00 Total outlays (gross)	3,550	3,656	3,553

Net budget authority and outlays:				
89.00	Budget authority	2,993	2,843	2,426
90.00	Outlays	3,550	3,656	3,553

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

Of the \$2.426 billion requested for the Public Housing Capital Fund, approximately \$2.2 billion is provided to cover annual accrual needs. Up to \$120 million may be used for a new initiative that has the promise to address the public housing capital backlog by enabling housing authorities to privately finance their properties. Other uses include up to \$55 million to provide supportive services to public housing residents under the Resident Opportunities and Supportive Services (ROSS) program, up to \$75 million for emergencies or disasters, up to \$54 million for technical assistance, up to \$19 million for the Working Capital Fund, and up to \$15 million for Neighborhood Networks.

The budget provides a means by which Public Housing Authorities (PHAs) can privately finance the capital needs of properties that can be underwritten to market standards. A loan loss reserve would be established as a credit enhancement to protect lenders in the case of default. Properties recapitalized under this new financing model would be converted to project-based vouchers. Conversion would allow capital needs to be financed on a property basis as is done in the private sector, and the project-based voucher program gives additional choice and mobility to residents in the selection of their housing. In addition, such conversion will facilitate PHA management and finance on a property-by-property basis and thus increase accountability for efficient management, and will relate ongoing Federal subsidies more closely to the rental market. Many housing authorities should be able to take advantage of this voluntary initiative to improve the living conditions of their residents and their own management.

Legislation is being proposed to accompany this proposal. It provides changes in the applicability of the project-based voucher so that the program is workable for current public housing sites; allows for the creation of a loan loss reserve; authorizes the use of up-front capital contributions where necessary (for which up to \$50 million in HOPE VI grants would be made available in FY 2003); and provides other necessary details.

Status of Contract Authority (in millions of dollars)

Identification code 86-0304-0-1-604	2001 actual	2002 est.	2003 est.
0100 Balance, start of year	4,952	4,328	4,352
0400 Appropriation to liquidate contract authority	-500	-589	-589
0600 Balance of contract authority withdrawn	-124		
0700 Balance, end of year	4,328	3,739	3,763

PUBLIC HOUSING OPERATING FUND

(INCLUDING TRANSFER [AND RESCISSION] OF FUNDS)

For payments to public housing agencies for the operation and management of public housing, as authorized by section 9(e) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g(e)), **[\$3,494,868,000] \$3,530,000,000**, to remain available until September 30, **[2003: Provided**, That of the total amount provided under this heading, \$5,000,000 shall be provided to the Office of Inspector General: *Provided further*, That of the total amount provided under this heading,] **2004**; of which up to \$130,000,000 may be used for the conversion of public housing subsidies to project-based voucher assistance where such conversion is done in conjunction with the financing

of any necessary capital improvements of the properties that will be covered by such assistance; and of which \$10,000,000 shall be for programs, as determined appropriate by the Attorney General, which assist in the investigation, prosecution, and prevention of violent crimes and drug offenses in public and federally-assisted low-income housing, including Indian housing~~]: Provided further~~, That funds made available in the previous proviso], which shall be administered by the Department of Justice through a reimbursable agreement with the Department of Housing and Urban Development: *Provided [further]*, That no funds may be used under this heading for the purposes specified in section 9(k) of the United States Housing Act of 1937, as amended~~]: Provided further~~, That of the unobligated balances remaining from funds appropriated in fiscal year 2001 and prior years under the heading "Drug elimination grants for low-income housing" for activities related to the Operation Safe Home Program, \$11,000,000 is hereby rescinded]. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002.*)

Program and Financing (in millions of dollars)

Identification code 86-0163-0-1-604	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Operating Subsidy	3,152	3,621	3,520
00.02 Office of Inspector General		5	
00.03 Department of Justice Anti-Drug		10	10
10.00 Total new obligations (object class 41.0)	3,152	3,636	3,530
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	55	141	
22.00 New budget authority (gross)	3,235	3,495	3,530
22.10 Resources available from recoveries of prior year obligations	3		
23.90 Total budgetary resources available for obligation	3,293	3,636	3,530
23.95 Total new obligations	-3,152	-3,636	-3,530
24.40 Unobligated balance carried forward, end of year	141		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	3,242	3,495	3,530
40.35 Appropriation rescinded	-7		
43.00 Appropriation (total discretionary)	3,235	3,495	3,530
Change in obligated balances:			
72.40 Obligated balance, start of year	1,671	1,683	1,934
73.10 Total new obligations	3,152	3,636	3,530
73.20 Total outlays (gross)	-3,137	-3,385	-3,458
73.45 Recoveries of prior year obligations	-3		
74.40 Obligated balance, end of year	1,683	1,934	2,006
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1,463	1,616	1,629
86.93 Outlays from discretionary balances	1,674	1,769	1,830
87.00 Total outlays (gross)	3,137	3,385	3,458
Net budget authority and outlays:			
89.00 Budget authority	3,235	3,495	3,530
90.00 Outlays	3,137	3,385	3,458

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. It is anticipated that \$2.4 billion provides 100 percent of subsidy requirements in 2003.

The following tables display the sources of housing authorities' expected revenue and expenditures by category for 2003. The distribution is based on historical data reported by housing authorities to HUD on the Statement of Operating Receipts and Expenditures.

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

Category	Annual income	Percent of total
Operating Subsidies	3,530	53%
Dwelling Rental	2,598	39%

General and special funds—Continued

PUBLIC HOUSING OPERATING FUND—Continued

(INCLUDING TRANSFER [AND RESCISSION] OF FUNDS)—Continued

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

Category	Annual income	Percent of total
Investment	266	4%
Other Income	266	4%
Total, Operating Revenue	6,660	100%

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

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	1,465	22%
Administration	1,798	27%
General Operating Expenses	533	8%
Maintenance	2,397	36%
Tenant Services	133	2%
Protective Services	200	3%
Capital Expenditures	67	1%
Operating Reserve	67	1%
Total, Operating Expenses	6,660	100%

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

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

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

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

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

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

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

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

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING
(INCLUDING TRANSFERS OF FUNDS)

Program and Financing (in millions of dollars)

Identification code 86-0197-0-1-604	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Direct program	292	112	.....
00.02 Federally Assisted Housing	17	19	.....
00.03 Operation Safe Home	14	6	.....
00.04 New Approach Anti-Drug Program	29	22	.....
10.00 Total new obligations (object class 41.0)	352	159	.....
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	209	171	.....
22.00 New budget authority (gross)	309	-11	.....
22.10 Resources available from recoveries of prior year obligations	4	.....	.....
23.90 Total budgetary resources available for obligation	522	160	.....
23.95 Total new obligations	-352	-159	.....
24.40 Unobligated balance carried forward, end of year	171	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	310	.....	.....
40.35 Appropriation rescinded	-1	.....	.....
40.36 Unobligated balance rescinded .....	.....	-11	.....
43.00 Appropriation (total discretionary)	309	-11	.....
Change in obligated balances:			
72.40 Obligated balance, start of year	451	490	336
73.10 Total new obligations	352	159	.....
73.20 Total outlays (gross)	-309	-312	-247
73.45 Recoveries of prior year obligations	-4	.....	.....
74.40 Obligated balance, end of year	490	336	89
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	309	312	247
Net budget authority and outlays:			
89.00 Budget authority	309	-11	.....
90.00 Outlays	309	312	247

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

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING
(HOPE VI)

For grants to public housing agencies for demolition, site revitalization, replacement housing, and tenant-based assistance grants to projects as authorized by section 24 of the United States Housing Act of 1937, as amended, **[\$573,735,000] \$574,000,000**, to remain available until September 30, **[2003] 2004**, of which the Secretary may use up to **\$50,000,000** for grants for capital costs at properties for which public housing subsidies are being converted to project-based voucher assistance and for which such grants are necessary to permit the financing of the remaining capital costs in conjunction with such assistance; and up to **\$6,250,000** for technical assistance and contract expertise, to be provided directly or indirectly by grants, contracts or cooperative agreements, including training and cost of necessary travel for participants in such training, by or to officials and employees of the department and of public housing agencies and to residents: *Provided*, That none of such funds shall be used

directly or indirectly by granting competitive advantage in awards to settle litigation or pay judgments, unless expressly permitted herein: *Provided further*, That of the total amount provided under this heading, \$5,000,000 shall be for a Neighborhood Networks initiative for activities authorized in section 24(d)(1)(G) of the United States Housing Act of 1937, as amended: *Provided further*, That notwithstanding any other provision of law, amounts made available in the previous proviso shall be awarded to public housing agencies on a competitive basis as provided 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, 2002.*)

Program and Financing (in millions of dollars)

Identification code 86-0218-0-1-604	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Direct Program Activity	639	1,137	513
00.02 Technical Assistance	13	11	6
00.03 Urban Institute Study	1		
00.04 Elderly Demolitions		1	
00.05 Neighborhood Networks		5	5
00.06 Capital Costs Grants			50
10.00 Total new obligations (object class 41.0)	653	1,154	574
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	660	581	1
22.00 New budget authority (gross)	574	574	574
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	1,235	1,155	575
23.95 Total new obligations	-653	-1,154	-574
24.40 Unobligated balance carried forward, end of year	581	1	1
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	575	574	574
40.77 Reduction pursuant to P.L. 106-554 (0.22 percent)	-1		
43.00 Appropriation (total discretionary)	574	574	574
Change in obligated balances:			
72.40 Obligated balance, start of year	2,413	2,579	3,181
73.10 Total new obligations	653	1,154	574
73.20 Total outlays (gross)	-487	-552	-608
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	2,579	3,181	3,147
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1	6	6
86.93 Outlays from discretionary balances	486	546	602
87.00 Total outlays (gross)	487	552	608
Net budget authority and outlays:			
89.00 Budget authority	574	574	574
90.00 Outlays	487	552	608

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 will be used for project demolition, hard replacement units, as well as tenant-based rental assistance.

NATIVE AMERICAN HOUSING BLOCK GRANTS
(INCLUDING TRANSFER OF FUNDS)

For the Native American Housing Block Grants program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) (25 U.S.C. 4111 et seq.), [\$648,570,000] \$646,600,000, to remain available until expended, of which \$2,200,000 shall be contracted through the Secretary as technical assistance and capacity building to be used by the National American Indian Housing Council in support of the implementation of NAHASDA; of which [\$5,000,000] \$3,000,000 shall be to support the inspection of Indian housing units, contract expertise,

training, and technical assistance in the training, oversight, and management of Indian housing and tenant-based assistance, including up to \$300,000 for related travel; and of which not less than [\$3,000,000] \$600,000 shall be transferred to the Working Capital Fund for [the development and maintenance of information technology systems] development of and modifications to information technology systems which serve programs or activities under "Public and Indian Housing": *Provided*, That of the amount provided under this heading, [\$5,987,000] \$2,000,000 shall be made available for the cost of guaranteed notes and other obligations, as authorized by title VI of NAHASDA: *Provided further*, That such costs, including the costs of modifying such notes and other obligations, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize the total principal amount of any notes and other obligations, any part of which is to be guaranteed, not to exceed [\$52,726,000] \$16,657,633: *Provided further*, That the Secretary of Housing and Urban Development may provide technical and financial assistance to Indian tribes and their tribally-designated housing entities in accordance with the provisions of NAHASDA for emergency housing, housing assistance, and other assistance to address the problem of mold: *Provided further*, That for administrative expenses to carry out the guaranteed loan program, up to [\$150,000] \$156,000 from amounts in the first proviso, which shall be transferred to and merged with the appropriation for "Salaries and expenses", to be used only for the administrative costs of these guarantees. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002.*)

Program and Financing (in millions of dollars)

Identification code 86-0313-0-1-604	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Indian Housing Block Grants	634	635	641
00.02 Title VI Loan Guarantee Subsidy	1	6	2
00.03 Technical Assistance	4	5	3
00.04 Working Capital Fund	2	3	1
10.00 Total new obligations (object class 41.0)	641	649	647
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	175	187	187
22.00 New budget authority (gross)	649	649	647
22.10 Resources available from recoveries of prior year obligations	5		
23.90 Total budgetary resources available for obligation	829	836	834
23.95 Total new obligations	-641	-649	-647
24.40 Unobligated balance carried forward, end of year	187	187	187
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	650	649	647
40.77 Reduction pursuant to P.L. 106-554 (0.22 percent)	-1		
43.00 Appropriation (total discretionary)	649	649	647
Change in obligated balances:			
72.40 Obligated balance, start of year	1,082	1,034	972
73.10 Total new obligations	641	649	647
73.20 Total outlays (gross)	-684	-711	-740
73.45 Recoveries of prior year obligations	-5		
74.40 Obligated balance, end of year	1,034	972	878
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	106	113	113
86.93 Outlays from discretionary balances	578	598	627
87.00 Total outlays (gross)	684	711	740
Net budget authority and outlays:			
89.00 Budget authority	649	649	647
90.00 Outlays	684	711	740

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

Identification code 86-0313-0-1-604	2001 actual	2002 est.	2003 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Title VI	9	53	17

General and special funds—Continued

NATIVE AMERICAN HOUSING BLOCK GRANTS—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

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

Identification code 86-0313-0-1-604	2001 actual	2002 est.	2003 est.
215901 Total loan guarantee levels	9	53	17
Guaranteed loan subsidy (in percent):			
232001 Title VI	11.07	11.07	11.07
232901 Weighted average subsidy rate	11.07	11.07	11.07
Guaranteed loan subsidy budget authority:			
233001 Title VI	1	6	2
233901 Total subsidy budget authority	1	6	2
Guaranteed loan subsidy outlays:			
234001 Title VI	1	3	2
234901 Total subsidy outlays	1	3	2

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

The Native American Housing Block Grant program includes a guaranteed loan provision (Title VI). A guarantee level of \$17 million is proposed for this loan guarantee program for 2003. 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.

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

NATIVE HAWAIIAN HOUSING BLOCK GRANT

For the Native Hawaiian Housing Block Grant program, as authorized under title VIII of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111 et seq.), \$10,000,000, to remain available until expended, of which \$400,000 shall be for training and technical assistance activities.

Program and Financing (in millions of dollars)

Identification code 86-0235-0-1-604	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Native Hawaiian Housing Block Grant			10
10.00 Total new obligations (object class 41.0)			10
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			10
23.95 Total new obligations			-10
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			10
Change in obligated balances:			
73.10 Total new obligations			10

73.20 Total outlays (gross)			-1
74.40 Obligated balance, end of year			9
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			1
Net budget authority and outlays:			
89.00 Budget authority			10
90.00 Outlays			1

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

It authorizes annual grants to the Department of Hawaiian Home Lands (DHHL) for housing and housing-related assistance, pursuant to an annual housing plan, within the area in which DHHL is authorized to provide that assistance. DHHL uses performance measures and benchmarks that are consistent with the national goals of the program, but it can base these measures on the needs and priorities that it establishes in its five- and one-year housing plans.

Public enterprise funds:

LOW-RENT PUBLIC HOUSING—LOANS AND OTHER EXPENSES

Program and Financing (in millions of dollars)

Identification code 86-4098-0-3-604	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
09.01 Reimbursable program: Capital investment loans to PHAs	7	40	40
10.00 Total new obligations (object class 33.0)	7	40	40
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	20	20	20
22.00 New budget authority (gross)	102	111	114
22.60 Portion applied to repay debt	-94	-71	-71
23.90 Total budgetary resources available for obligation	28	60	63
23.95 Total new obligations	-7	-40	-40
24.40 Unobligated balance carried forward, end of year	20	20	23
New budget authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	25	40	40
69.00 Offsetting collections (cash)	77	71	74
70.00 Total new budget authority (gross)	102	111	114
Change in obligated balances:			
72.40 Obligated balance, start of year	772	682	611
73.10 Total new obligations	7	40	40
73.20 Total outlays (gross)	-97	-111	-114
74.40 Obligated balance, end of year	682	611	537
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	77	111	114
86.98 Outlays from mandatory balances	20		
87.00 Total outlays (gross)	97	111	114
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-70	-71	-74
88.40 Non-Federal sources	-7		
88.90 Total, offsetting collections (cash)	-77	-71	-74
Net budget authority and outlays:			
89.00 Budget authority	25	40	40
90.00 Outlays	21	40	40

Status of Direct Loans (in millions of dollars)

Identification code 86-4098-0-3-604	2001 actual	2002 est.	2003 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1,350	1,280	1,210
1251 Repayments: Repayments and prepayments	-70	-70	-70
1290 Outstanding, end of year	1,280	1,210	1,140

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4098-0-3-604	2001 actual	2002 est.	2003 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	2,742	2,464	2,186
2251 Repayments and prepayments	-278	-278	-278
2290 Outstanding, end of year	2,464	2,186	1,908
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	2,464	2,186	1,908

The Low-Rent Public Housing Loan Fund provides direct Federal loans to fund remaining Public Housing Agency and Indian Housing Authority construction, acquisition, and modernization activities reserved under the Annual Contributions appropriation through 1986. These loans are made by borrowing from the Treasury. Under legislation enacted during 1986 (Public Law 99-272), amounts borrowed from the Treasury are forgiven at the end of each fiscal year and the loans to PHAs/IHAs are forgiven as construction, acquisition, and modernization activities are completed. Under the provisions of this legislation, \$25 million borrowed from the Treasury was forgiven in 2001, an estimated \$40 million will be borrowed from the Treasury and forgiven in 2002, and an estimated \$40 million will be borrowed from the Treasury and forgiven in 2003.

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

Operating results.—The actual and estimated net operating income for 2000, 2001, 2002 and 2003 follows:

Statement of Operations (in millions of dollars)

Identification code 86-4098-0-3-604	2000 actual	2001 actual	2002 est.	2003 est.
0101 Revenue	102	89	100	100
0102 Expense	-99	-91	-99	-99
0105 Net income or loss (-)	3	-2	1	1

Balance Sheet (in millions of dollars)

Identification code 86-4098-0-3-604	2000 actual	2001 actual	2002 est.	2003 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	792	702	792	792
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	1,359	1,282	1,359	1,359
1602 Interest receivable	85	80	85	85
1603 Allowance for estimated uncollectible loans and interest (-)	-2	-1	-2	-2
1604 Direct loans and interest receivable, net	1,442	1,361	1,442	1,442
1699 Value of assets related to direct loans	1,442	1,361	1,442	1,442
1999 Total assets	2,234	2,063	2,234	2,234
LIABILITIES:				
Federal liabilities:				
2102 Interest payable	164	151	164	164
2104 Resources payable to Treasury	1,348	1,279	1,348	1,348

2207 Non-Federal liabilities: Other	2	2	2	2
2999 Total liabilities	1,514	1,432	1,514	1,514
NET POSITION:				
3100 Appropriated capital	705	636	705	705
3300 Cumulative results of operations	15	-5	15	15
3999 Total net position	720	631	720	720
4999 Total liabilities and net position	2,234	2,063	2,234	2,234

Credit accounts:**INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT**
(INCLUDING TRANSFER OF FUNDS)

For the cost of guaranteed loans, as authorized by section 184 of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z-13a), **[\$5,987,000] \$5,000,000**, 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 **[\$234,283,000] \$197,242,798**.

In addition, for administrative expenses to carry out the guaranteed loan program, up to **[\$200,000] \$207,000** from amounts in the first paragraph, which shall be transferred to and merged with the appropriation for "Salaries and expenses", to be used only for the administrative costs of these guarantees. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002.*)

Program and Financing (in millions of dollars)

Identification code 86-0223-0-1-371	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.02 Guaranteed loan subsidy	1	6	5
10.00 Total new obligations (object class 41.0)	1	6	5
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	17	22	22
22.00 New budget authority (gross)	6	6	5
23.90 Total budgetary resources available for obligation	23	28	27
23.95 Total new obligations	-1	-6	-5
24.40 Unobligated balance carried forward, end of year	22	22	23
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	6	6	5
Change in obligated balances:			
72.40 Obligated balance, start of year	3	3	2
73.10 Total new obligations	1	6	5
73.20 Total outlays (gross)	-1	-7	-7
74.40 Obligated balance, end of year	3	2	1
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1	1	1
86.93 Outlays from discretionary balances	6	6	8
87.00 Total outlays (gross)	1	7	7
Net budget authority and outlays:			
89.00 Budget authority	6	6	5
90.00 Outlays	1	7	7

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

Identification code 86-0223-0-1-371	2001 actual	2002 est.	2003 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Indian Housing Loan Guarantee	12	234	194
215901 Total loan guarantee levels	12	234	194
Guaranteed loan subsidy (in percent):			
232001 Loan guarantee levels	8.13	2.47	2.43
232901 Weighted average subsidy rate	8.13	2.47	2.43

Credit accounts—Continued

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

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

Identification code 86-0223-0-1-371	2001 actual	2002 est.	2003 est.
Guaranteed loan subsidy budget authority:			
233001 Loan guarantee levels	1	6	5
233901 Total subsidy budget authority	1	6	5
Guaranteed loan subsidy outlays:			
234001 Loan guarantee levels	1	3	3
234901 Total subsidy outlays	1	3	3
Guaranteed loan downward reestimate subsidy budget authority:			
237001 Indian Housing Loan Guarantee	-6		
237901 Total downward reestimate subsidy budget authority	-6		
Guaranteed loan downward reestimate subsidy outlays:			
238001 Indian Housing Loan Guarantee	-6		
238901 Total downward reestimate subsidy outlays	-6		
Administrative expense data:			
351001 Budget authority			
358001 Outlays from balances			
359001 Outlays from new authority			

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

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

INDIAN HOUSING LOAN GUARANTEE FUND FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4104-0-3-604	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
08.02 Payment of Downward Re-Estimate to Receipt Account	6		
10.00 Total new obligations	6		
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	8	6	9
22.00 New financing authority (gross)	4	3	3
23.90 Total budgetary resources available for obligation	12	9	12
23.95 Total new obligations	-6		
24.40 Unobligated balance carried forward, end of year	6	9	12
New financing authority (gross), detail:			
Spending authority from offsetting collections:			
Discretionary:			
68.00 Federal sources	1	3	3
68.10 Change in uncollected customer payments from Federal sources (unexpired)	3		
68.90 Spending authority from offsetting collections (total discretionary)	4	3	3
Change in obligated balances:			
72.40 Obligated balance, start of year		-3	-3
73.10 Total new obligations	6		
73.20 Total financing disbursements (gross)	-6		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-3		

74.40 Obligated balance, end of year	-3	-3	-1
87.00 Total financing disbursements (gross)	6		

Offsets:

Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources:			
Payments from program account	-1	-3	-3
Against gross financing authority only:			
88.95 Change in receivables from program accounts	-3		

Net financing authority and financing disbursements:

89.00 Financing authority			
90.00 Financing disbursements	4	-3	-3

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4104-0-3-604	2001 actual	2002 est.	2003 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	72	234	234
2121 Limitation available from carry-forward	213	272	486
2143 Uncommitted limitation carried forward	-272	-486	-700
2150 Total guaranteed loan commitments	13	20	20
2199 Guaranteed amount of guaranteed loan commitments	13	20	20
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	60	66	77
2231 Disbursements of new guaranteed loans	10	20	23
2251 Repayments and prepayments	-4	-8	-9
2263 Adjustments: Terminations for default that result in claim payments		-1	-2
2290 Outstanding, end of year	66	77	89
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	66	77	89

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

Balance Sheet (in millions of dollars)

Identification code 86-4104-0-3-604	2000 actual	2001 actual	2002 est.	2003 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	8	4	6	6
1999 Total assets	8	4	6	6
LIABILITIES:				
2204 Non-Federal liabilities: Liabilities for loan guarantees	8	4	6	6
2999 Total liabilities	8	4	6	6
4999 Total liabilities and net position	8	4	6	6

NATIVE HAWAIIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of guaranteed loans, as authorized by section 184A of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z-13b), \$1,000,000, 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 **[\$40,000,000] \$39,711,934**.

In addition, for administrative expenses to carry out the guaranteed loan program, up to \$35,000 from amounts in the first paragraph, which shall be transferred to and merged with the appropriation for "Salaries and expenses", 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, 2002.*)

Program and Financing (in millions of dollars)

Identification code 86-0233-0-1-371	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.02 Guaranteed loan subsidy			1
10.00 Total new obligations (object class 41.0)			1
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		1	1
23.95 Total new obligations			-1
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation		1	1
Change in obligated balances:			
73.10 Total new obligations			1
Outlays (gross), detail:			
86.93 Outlays from discretionary balances			1
Net budget authority and outlays:			
89.00 Budget authority		1	1
90.00 Outlays			1

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

Identification code 86-0233-0-1-371	2001 actual	2002 est.	2003 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Native Hawaiian Housing		40	40
215901 Total loan guarantee levels		40	40
Guaranteed loan subsidy (in percent):			
232001 Loan guarantee levels		2.47	2.43
232901 Weighted average subsidy rate		2.47	2.43
Guaranteed loan subsidy budget authority:			
233001 Loan guarantee levels		1	1
233901 Total subsidy budget authority		1	1
Guaranteed loan subsidy outlays:			
234001 Native Hawaiian Housing			1
234901 Total subsidy outlays			1

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

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

NATIVE HAWAIIAN HOUSING LOAN GUARANTEE FUND FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4351-0-3-371	2001 actual	2002 est.	2003 est.
Budgetary resources available for obligation:			
22.00 New financing authority (gross)			1

24.40 Unobligated balance carried forward, end of year			1
New financing authority (gross), detail:			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Federal sources			1
Offsets:			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources: Payments from program account			-1
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements			-1

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4351-0-3-371	2001 actual	2002 est.	2003 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders		40	40
2121 Limitation available from carry-forward			40
2143 Uncommitted limitation carried forward		-40	-70
2150 Total guaranteed loan commitments			10
2199 Guaranteed amount of guaranteed loan commitments			10
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year			
2231 Disbursements of new guaranteed loans			1
2251 Repayments and prepayments			
2290 Outstanding, end of year			1
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year			1

Balance Sheet (in millions of dollars)

Identification code 86-4351-0-3-371	2000 actual	2001 actual	2002 est.	2003 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	8			1
1999 Total assets	8			1
LIABILITIES:				
2204 Non-Federal liabilities: Liabilities for loan guarantees	8			1
2999 Total liabilities	8			1
4999 Total liabilities and net position	8			1

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the government resulting from the loan guarantees committed in 2001 and beyond (including modifications of loan guarantees that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

TITLE VI INDIAN FEDERAL GUARANTEES FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4244-0-3-604	2001 actual	2002 est.	2003 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		1	4
22.00 New financing authority (gross)	1	3	2
23.90 Total budgetary resources available for obligation	1	4	6
24.40 Unobligated balance carried forward, end of year	1	4	7

Credit accounts—Continued

TITLE VI INDIAN FEDERAL GUARANTEES FINANCING ACCOUNT—
Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-4244-0-3-604	2001 actual	2002 est.	2003 est.
New financing authority (gross), detail:			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	1	3	2
Offsets:			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources	-1	-3	-2
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements	-1	-3	-2

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4244-0-3-604	2001 actual	2002 est.	2003 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	53	53	17
2121 Limitation available from carry-forward	151	194	221
2143 Uncommitted limitation carried forward	-194	-221	-198
2150 Total guaranteed loan commitments	10	26	40
2199 Guaranteed amount of guaranteed loan commitments	8	21	32
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	1	10	30
2231 Disbursements of new guaranteed loans	9	23	36
2251 Repayments and prepayments		-3	-2
2263 Adjustments: Terminations for default that result in claim payments			-1
2290 Outstanding, end of year	10	30	63
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	8	24	50

Balance Sheet (in millions of dollars)

Identification code 86-4244-0-3-604	2000 actual	2001 actual	2002 est.	2003 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	1	1	3	3
1999 Total assets	1	1	3	3
LIABILITIES:				
2204 Non-Federal liabilities: Liabilities for loan guarantees	1	1	3	3
2999 Total liabilities	1	1	3	3
NET POSITION:				
3999 Total net position				
4999 Total liabilities and net position	1	1	3	3

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

COMMUNITY PLANNING AND DEVELOPMENT

Federal Funds

General and special funds:

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

For carrying out the Housing Opportunities for Persons with AIDS program, as authorized by the AIDS Housing Opportunity Act (42 U.S.C. 12901 et seq.), **[\$277,432,000] \$292,000,000**, to remain available until September 30, **[2003] 2004: Provided**, That the Secretary shall renew all expiring contracts for permanent supportive housing that were funded under section 854(c)(3) of such Act that meet all program requirements before awarding funds for new contracts and activities authorized under this section: *Provided further*, That the Secretary may use up to \$2,000,000 of the funds under this heading for training, oversight, and technical assistance activities. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002.*)

Program and Financing (in millions of dollars)

Identification code 86-0308-0-1-604	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Housing for Persons with HIV/AIDS	239	277	292
10.00 Total new obligations (object class 41.0)	239	277	292
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	69	88	88
22.00 New budget authority (gross)	257	277	292
23.90 Total budgetary resources available for obligation	326	365	380
23.95 Total new obligations	-239	-277	-292
24.40 Unobligated balance carried forward, end of year	88	88	88
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	258	277	292
40.35 Appropriation rescinded	-1		
43.00 Appropriation (total discretionary)	257	277	292
Change in obligated balances:			
72.40 Obligated balance, start of year	441	439	466
73.10 Total new obligations	239	277	292
73.20 Total outlays (gross)	-241	-250	-260
74.40 Obligated balance, end of year	439	466	498
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1	11	12
86.93 Outlays from discretionary balances	240	239	248
87.00 Total outlays (gross)	241	250	260
Net budget authority and outlays:			
89.00 Budget authority	257	277	292
90.00 Outlays	241	250	260

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

Up to \$2 million is used for technical assistance to grantees and project sponsors to strengthen management of programs and ensure responsiveness in meeting client needs. States and metropolitan areas receive 90 percent of the remaining funds by formula based on the number of cases of AIDS and, for metropolitan areas, the incidence of AIDS in that area. The final 10 percent is awarded competitively to States, local governments, and private nonprofit entities, including faith-based organizations, for projects of national significance with priority for renewal of the projects providing permanent supportive housing. Awards are also made to States and local governments for projects in jurisdictions which do not qualify for a formula allocation. The requested funding for 2003 will support an additional 3,800 households, for a total of approximately 55,900 housing units for persons with HIV/AIDS and their families.

COMMUNITY DEVELOPMENT [FUND] BLOCK GRANTS
(INCLUDING TRANSFERS OF FUNDS)

For assistance to units of State and local government, and to other entities, for economic and community development activities, and for other purposes, [\$5,000,000,000] \$4,715,500,000, to remain available until September 30, [2004] 2005: *Provided*, That of the amount provided, [\$4,341,000,000] \$4,436,000,000 is for carrying out the community development block grant program under title I of the Housing and Community Development Act of 1974, as amended (the "Act" herein) (42 U.S.C. 5301 et seq.): *Provided further*, That for entitlement communities with per capita income two or more times the national average, the formula funding otherwise available will be reduced by fifty percent and the resulting savings will be redistributed to the other entitlement communities under the formula: *Provided further*, That [\$70,000,000] \$72,500,000 shall be for grants to Indian tribes notwithstanding section 106(a)(1) of such Act, of which up to \$1,500,000 shall be for the Native American Economic Development Access Center; [\$3,300,000] \$3,000,000 shall be [available as] for a grant to the Housing Assistance Council; [\$2,600,000] \$2,200,000 shall be [available as] for a grant to the National American Indian Housing Council; [\$5,000,000] shall be available as a grant to the National Housing Development Corporation, for operating expenses not to exceed \$2,000,000 and for a program of affordable housing acquisition and rehabilitation; \$5,000,000 shall be available as a grant to the National Council of La Raza for the HOPE Fund, of which \$500,000 is for technical assistance and fund management, and \$4,500,000 is for investments in the HOPE Fund and financing to affiliated organizations; and [\$42,500,000] \$38,900,000 shall be for grants pursuant to section 107 of the Act of which [\$4,000,000] \$2,400,000 shall be [made available] to support Alaska Native serving institutions and Native Hawaiian serving institutions as defined under the Higher Education Act, as amended, and of which \$3,000,000 shall be [made available to] for tribal colleges and universities to build, expand, renovate and equip their facilities: *Provided further*, That \$9,600,000 shall be made available to the Department of Hawaiian Homelands to provide assistance as authorized under title VIII of the Native American Housing Assistance and Self-Determination Act of 1996 (22 U.S.C. 4221 et seq.) (with no more than 5 percent of such funds being available for administrative costs): *Provided further*, That no less than [\$13,800,000] \$3,400,000 shall be transferred to the Working Capital Fund for the development [and maintenance] of and modification to information technology systems: which serve programs or activities under "Community Planning and Development" *Provided further*, That [\$22,000,000] \$65,000,000 shall be for grants pursuant to the Self Help [Housing] Homeownership Opportunity Program: *Provided further*, That not to exceed 20 percent of any grant made with funds appropriated under this heading (other than a grant made available in this paragraph to the Housing Assistance Council or the National American Indian Housing Council, or a grant using funds under section 107(b)(3) of the Act) shall be expended for "Planning and Management Development" and "Administration", as defined in regulations promulgated by the Department.

Of the amount [made available] under this heading, [\$29,000,000] \$29,500,000 shall be [made available] for capacity building, of which \$25,000,000 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 (42 U.S.C. 9816 note), as in effect immediately before June 12, 1997, with not less than \$5,000,000 of the funding to be used in rural areas, including tribal areas, and of which [\$4,000,000] \$4,500,000 shall be for capacity building activities administered by Habitat for Humanity International.

[Of the amount made available under this heading, the Secretary of Housing and Urban Development may use up to \$55,000,000 for supportive services for public housing residents, as authorized by section 34 of the United States Housing Act of 1937, as amended, and for residents of housing assisted under the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) and for grants for service coordinators and congregate services for the elderly and disabled residents of public and assisted housing and housing assisted under NAHASDA.]

[Of the amount made available under this heading, \$42,000,000 shall be available for neighborhood initiatives that are utilized to improve the conditions of distressed and blighted areas and neighborhoods, to stimulate investment, economic diversification, and community revitalization in areas with population outmigration or a stag-

nating or declining economic base, or to determine whether housing benefits can be integrated more effectively with welfare reform initiatives: *Provided*, That these grants shall be provided in accord with the terms and conditions specified in the statement of managers accompanying this conference report.]

Of the amount made available under this heading, notwithstanding any other provision of law, \$65,000,000 shall be available for YouthBuild program activities authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as amended, and such activities shall be an eligible activity with respect to any funds made available under this heading: *Provided*, That local YouthBuild programs that demonstrate an ability to leverage private and nonprofit funding shall be given a priority for YouthBuild funding: *Provided further*, That no more than 10 percent of any grant award may be used for administrative costs: *Provided further*, That not less than \$10,000,000 shall be available for grants to establish YouthBuild programs in underserved and rural areas: *Provided further*, That of the amount provided under this paragraph, \$2,000,000 shall be set aside and made available for a grant to YouthBuild USA for capacity building for community development and affordable housing activities as specified in section 4 of the HUD Demonstration Act of 1993, as amended.

[Of the amount made available under this heading, \$294,200,000 shall be available for grants for the Economic Development Initiative (EDI) to finance a variety of targeted economic investments in accordance with the terms and conditions specified in the statement of managers accompanying this conference report.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002.*)

[For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for "Community Development Fund", \$2,000,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107-38: *Provided*, That such funds shall be subject to the first through sixth provisos in section 434 of Public Law 107-73: *Provided further*, That the State of New York, in conjunction with the City of New York, shall, through the Lower Manhattan Redevelopment Corporation ("the corporation"): (1) distribute the funds provided for the "Community Development Fund"; (2) within 45 days of enactment of this Act, issue the initial criteria and requirements necessary to accept applications from individuals, nonprofits, and small businesses for economic losses from the September 11, 2001, terrorist attacks; and (3) begin processing such applications: *Provided further*, That the corporation shall expeditiously respond to any application from an individual, nonprofit, or small business for economic losses under this heading: *Provided further*, That of the total amount made available for the "Community Development Fund", including amounts previously made available by transfer pursuant to the fifth proviso of Public Law 107-38, no less than \$500,000,000 shall be made available for individuals, nonprofits, or small businesses described in the prior three provisos, with a limit of \$500,000 per small business for economic losses: *Provided further*, That amounts made available in the previous proviso shall only be available for individuals, nonprofits, or small businesses located in New York City in the area located on or south of West 14th Street (west of its intersection with 5th Avenue), or on or south of East 14th street (east of its intersection with 5th Street): *Provided further*, That, of the amount provided in this paragraph, \$10,000,000 shall be used for a program to aid the travel and tourism industry in New York City.] (*Emergency Supplemental Act, 2002.*)

Program and Financing (in millions of dollars)

Identification code 86-0162-0-1-451	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Community Development Grants	4,953	6,012	4,713
00.02 World Trade Center Response		2,700	
00.03 Working Capital Fund	15	14	3
10.00 Total new obligations (object class 41.0)	4,968	8,726	4,716
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	883	1,026	
22.00 New budget authority (gross)	5,112	7,000	4,716
22.10 Resources available from recoveries of prior year obligations	4		
22.22 Unobligated balance transferred from other accounts		700	
23.90 Total budgetary resources available for obligation	5,999	8,726	4,716

General and special funds—Continued

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

Program and Financing (in millions of dollars)—Continued

Identification code 86-0162-0-1-451	2001 actual	2002 est.	2003 est.
23.95 Total new obligations	-4,968	-8,726	-4,716
23.98 Unobligated balance expiring or withdrawn	-3		
24.40 Unobligated balance carried forward, end of year	1,026		
New budget authority (gross), detail:			
Discretionary:			
Appropriation:			
40.00 Appropriation	5,602	5,000	4,716
40.00 Appropriation—pursuant to Defense Supp (HR 3338)		2,000	
40.36 Unobligated balance rescinded	-479		
40.77 Reduction pursuant to P.L. 106-554 (0.22 percent)	-11		
43.00 Appropriation (total discretionary)	5,112	7,000	4,716
Change in obligated balances:			
72.40 Obligated balance, start of year	9,074	9,091	12,582
73.10 Total new obligations	4,968	8,726	4,716
73.20 Total outlays (gross)	-4,939	-5,235	-5,878
73.40 Adjustments in expired accounts (net)	-8		
73.45 Recoveries of prior year obligations	-4		
74.40 Obligated balance, end of year	9,091	12,582	11,420
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	136	300	94
86.93 Outlays from discretionary balances	4,803	4,935	5,784
87.00 Total outlays (gross)	4,939	5,235	5,878
Net budget authority and outlays:			
89.00 Budget authority	5,112	7,000	4,716
90.00 Outlays	4,939	5,235	5,878

Summary of Budget Authority and Outlays

(in millions of dollars)

	2001 actual	2002 est.	2003 est.
Enacted/requested:			
Budget Authority	5,112	7,000	4,716
Outlays	4,939	5,235	5,878
Legislative proposal, not subject to PAYGO:			
Budget Authority			16
Outlays			
Total:			
Budget Authority	5,112	7,000	4,732
Outlays	4,939	5,235	5,878

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 under the Community Development Block Grant (CDBG) program and States to fund local community development programs.

The 2003 Budget allocates \$72.5 million to Indian tribes as authorized by Section 106(a)(1) of the Housing and Community Development Act of 1974. Since its inception, funds made available to Native American communities have supported a wide variety of community development activities, predominantly, but not exclusively, community facilities, infrastructure and buildings to help meet the basic needs of low and moderate income community members. Since the vast majority of eligible tribes and Alaska Native Villages have non-existent tax bases, this program has helped to finance those public facilities needed to maintain or establish community viability. While it has had a significant impact on many Native American communities throughout the Nation, basic community development needs throughout Indian Country remain substantial. Up to \$1,500,000 is for the continuing operation of the Native American Economic Development Access Center. Unemployment on Indian reservations and other Indian areas is extremely high. This Federal interagency project

provides economic development information to Indian and non-Indian individuals and enterprises.

Seventy percent of CDBG formula funds are allocated to metropolitan cities and urban counties that receive their grants using the higher of two objective formulas. States and small cities receive 30 percent of the formula funds. The budget proposes to reduce by fifty percent the formula funds which would otherwise be available for entitlement communities that have a per capita income two or more times the national average. These savings allow for the funding of a \$16 million Colonias Gateway Initiative which will help direct considerable assistance to very low income communities. The proposed level of funding for CDBG and the Section 108 Loan Guarantee Program will support an estimated 122,987 and 15,000 jobs, respectively. These funds will also help to rehabilitate 180,260 housing units.

Section 107 Grants include funding for technical assistance to support local and State grantees, management information systems support, Historically Black Colleges and Universities, Hispanic serving Institutions, the Community Development Work Study, Community Outreach Partnership Centers (COPC), Tribal Colleges and Universities and Alaska Native and Native Hawaiian Serving Institutions programs. There is also a legislative proposal to move the funding for the Insular areas out of Section 107 and into Section 106, the Formula program.

As authorized by Section 4 of the HUD Demonstration Act of 1993, the National Community Development Initiative (NCDI) helps build capacity of community-based development corporations and housing development organizations, and assist such corporations and organizations to carry out community development and affordable housing activities. The 2003 Budget includes \$25 million for this program. In addition, \$4.5 million is set aside for Habitat for Humanity capacity building programs. Both programs will target their efforts to increasing minority homeownership.

The Youthbuild program provides resources to educate, train and supply stipends for economically disadvantaged young adults through their participation in the construction and rehabilitation of housing for low-income and homeless families and individuals. 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 2003 request for \$65 million will provide more than 3,774 young people with skills they need to obtain jobs. Funding of \$65 million is provided for the Self-Help Homeownership Opportunity Program (Shop) which is targeted at very low-income populations. The three-fold increase reflects the growing capacity of self-help housing organizations to expand upon recent successes in making home ownership a viable option. In addition, \$3 million is provided for the Housing Assistance Council as well as \$2.2 million for the Native American Indian Housing Council to meet unserved rural and Native American housing needs.

The 2003 Budget also includes \$3 million in competitive grants to Tribal Colleges and Universities (TCU) to provide resources to build, expand, renovate and equip facilities. In addition, \$2.4 million is provided to assist Alaska Native and Native Hawaiian Serving institutions.

(Legislative proposal not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-0162-2-1-451	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Colonias Gateway Initiative			16
10.00 Total new obligations (object class 41.0)			16

Budgetary resources available for obligation:		
22.00	New budget authority (gross)	16
23.95	Total new obligations	-16
New budget authority (gross), detail:		
Discretionary:		
40.00	Appropriation	16
Change in obligated balances:		
73.10	Total new obligations	16
74.40	Obligated balance, end of year	16
Net budget authority and outlays:		
89.00	Budget authority	16
90.00	Outlays	

The Budget also provides \$16 million for the Colonias Gateway Initiative to enhance the availability of affordable housing, economic opportunity, and infrastructure in the Colonias by establishing a non-profit entity with the mission of improving the coordination of public, private, and community-based resources in the Colonias. Colonias are rural communities within 150 miles of the U.S. Mexican border that lack adequate infrastructure and other basic services.

[EMPOWERMENT ZONES/ENTERPRISE COMMUNITIES]

[For grants in connection with a second round of empowerment zones and enterprise communities, \$45,000,000, to remain available until expended, for "Urban Empowerment Zones", as authorized in section 1391(g) of the Internal Revenue Code of 1986 (26 U.S.C. 1391(g)), including \$3,000,000 for each empowerment zone for use in conjunction with economic development activities consistent with the strategic plan of each empowerment zone.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002.*)

Program and Financing (in millions of dollars)

Identification code 86-0315-0-1-451	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01	Develop urban sites	185	45
10.00	Total new obligations (object class 41.0)	185	45
Budgetary resources available for obligation:			
22.00	New budget authority (gross)	185	45
23.95	Total new obligations	-185	-45
New budget authority (gross), detail:			
Discretionary:			
40.00	Appropriation	185	45
Change in obligated balances:			
72.40	Obligated balance, start of year	93	246
73.10	Total new obligations	185	45
73.20	Total outlays (gross)	-31	-89
74.40	Obligated balance, end of year	246	202
Outlays (gross), detail:			
86.90	Outlays from new discretionary authority		1
86.93	Outlays from discretionary balances	31	89
87.00	Total outlays (gross)	31	89
Net budget authority and outlays:			
89.00	Budget authority	185	45
90.00	Outlays	31	89

The goal of the Empowerment Zone (EZ) initiative is to revitalize city neighborhoods by attracting business development and providing employment opportunities to residents of empowerment zones. Empowerment Zone principles include a strategic vision for change, a community-based partnership, providing economic opportunity and sustainable community development.

The VA HUD Appropriations Act of 2001 (P.L. 106-377 and P.L. 106-554) provided \$185 million for Round II Urban

Empowerment Zones. The VA HUD Appropriations Act of 2002 (P.L. 107-73) provided \$45 million for Round II Urban Empowerment Zones that will bring the total funding for Round II urban EZs through 2002 to \$330 million. No new funding is proposed for EZ's in FY 2003.

Funding provides for a broad range of activities aimed at assisting residents, businesses and organizations in urban EZs, including: community policing; health care; neighborhood development; brownfields clean-up and redevelopment; support for financing of capital projects; education; work force preparation and job creation efforts linked to welfare reform; leveraging private sector resources, repayment of debt financing by municipal bonds; financing of projects in conjunction with the Section 108 loan guarantee program and other economic development projects; support for project-based rental assistance; and, financing other housing activities.

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

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

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, to remain available until September 30, [2003] 2004: *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: *Provided further*, That notwithstanding section 108(q) of the Housing and Community Development Act of 1974, recipients of funding made available under this heading may, at the discretion of the Secretary, also apply for funding under section 108. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002.*)

Program and Financing (in millions of dollars)

Identification code 86-0314-0-1-451	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01	Cleanup and develop contaminated sites	49	26
10.00	Total new obligations (object class 41.0)	49	26
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	25	1
22.00	New budget authority (gross)	25	25
23.90	Total budgetary resources available for obligation	50	26
23.95	Total new obligations	-49	-26
24.40	Unobligated balance carried forward, end of year	1	
New budget authority (gross), detail:			
Discretionary:			
40.00	Appropriation	25	25
Change in obligated balances:			
72.40	Obligated balance, start of year	46	91
73.10	Total new obligations	49	26
73.20	Total outlays (gross)	-4	-26
74.40	Obligated balance, end of year	91	85
Outlays (gross), detail:			
86.90	Outlays from new discretionary authority		1
86.93	Outlays from discretionary balances	4	25
87.00	Total outlays (gross)	4	26
Net budget authority and outlays:			
89.00	Budget authority	25	25

General and special funds—Continued

BROWNFIELDS REDEVELOPMENT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-0314-0-1-451	2001 actual	2002 est.	2003 est.
90.00 Outlays	4	26	31

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

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

The Brownfields Redevelopment initiative has received annual appropriations of \$25 million since its inception in 1998. The 2003 request of \$25 million will enable communities to reclaim and redevelop approximately 19 Brownfield sites.

YOUTHBUILD PROGRAM

Program and Financing (in millions of dollars)

Identification code 86-0219-0-1-604	2001 actual	2002 est.	2003 est.
Change in obligated balances:			
72.40 Obligated balance, start of year	1	1	
73.20 Total outlays (gross)		-1	
74.40 Obligated balance, end of year	1		
Outlays (gross), detail:			
86.93 Outlays from discretionary balances		1	
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays		1	

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 Youthbuild program has been funded as a set-aside within the CDBG program since 1996. The 2003 set aside request of \$65 million will provide more than 3,774 young people with skills they need to get jobs. The obligated balance and outlays represent activity in the separate youthbuild account.

HOME INVESTMENT PARTNERSHIPS PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For the HOME investment partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, [\$1,846,040,000] \$2,084,100,000, to remain available until September 30, [2004: *Provided*, That of the total amount provided under this heading, \$50,000,000] 2005, of which \$200,000,000 shall be available for the Downpayment Assistance Initiative], subject to the enactment of subsequent legislation authorizing such initiative: *Provided further*, That should legislation author-

izing such initiative not be enacted by June 30, 2002, amounts designated in the previous proviso shall become available for any such purpose authorized under title II of the Cranston-Gonzalez National Affordable Housing Act, as amended: *Provided further*, That of the total amount provided under this heading, up to \$20,000,000 shall be available for housing counseling under section 106 of the Housing and Urban Development Act of 1968; and]; and no less than [\$17,000,000] \$1,100,000 shall be transferred to the Working Capital Fund for the development of and maintenance of, and modification to information technology systems which serve Programs or activities under "Community Planning and Development". (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002.)

Program and Financing (in millions of dollars)

Identification code 86-0205-0-1-604	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 HOME grants	1,706	1,846	2,084
10.00 Total new obligations (object class 41.0)	1,706	1,846	2,084
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	189	284	284
22.00 New budget authority (gross)	1,796	1,846	2,084
22.10 Resources available from recoveries of prior year obligations	5		
23.90 Total budgetary resources available for obligation	1,990	2,130	2,368
23.95 Total new obligations	-1,706	-1,846	-2,084
24.40 Unobligated balance carried forward, end of year	284	284	284
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,800	1,846	2,084
40.35 Appropriation rescinded	-4		
43.00 Appropriation (total discretionary)	1,796	1,846	2,084
Change in obligated balances:			
72.40 Obligated balance, start of year	4,107	4,383	4,678
73.10 Total new obligations	1,706	1,846	2,084
73.20 Total outlays (gross)	-1,424	-1,551	-1,600
73.45 Recoveries of prior year obligations	-5		
74.40 Obligated balance, end of year	4,383	4,678	5,162
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	38	37	42
86.93 Outlays from discretionary balances	1,386	1,514	1,558
87.00 Total outlays (gross)	1,424	1,551	1,600
Net budget authority and outlays:			
89.00 Budget authority	1,796	1,846	2,084
90.00 Outlays	1,424	1,551	1,600

The HOME Investment Partnerships program is authorized by the National Affordable Housing Act (P.L. 101-625). This program provides assistance to States and units of local government, through formula allocation, expanding the supply and affordability of housing. Eligible activities include acquisition, rehabilitation, and new construction of housing and tenant-based rental assistance. The 2003 request will result in the production of 104,000 units of affordable housing through new construction, rehabilitation, or acquisition. In addition, tenant-based rental assistance will be provided for 12,700 units.

The HOME request also includes up to \$1.1 million for information technology related projects, funding for technical assistance, and \$1 million for program management and analytical support.

HOMELESS ASSISTANCE GRANTS

(INCLUDING TRANSFER OF FUNDS)

For the emergency shelter grants program as authorized under subtitle B of title IV of the McKinney-Vento Homeless Assistance

Act, as amended; the supportive housing program as authorized under subtitle C of title IV of such Act; the section 8 moderate rehabilitation single room occupancy program as authorized under the United States Housing Act of 1937, as amended, to assist homeless individuals pursuant to section 441 of the McKinney-Vento Homeless Assistance Act; and the shelter plus care program as authorized under subtitle F of title IV of such Act, **[\$1,122,525,000]** \$1,129,500,000, to remain available until September 30, **[2004]** 2005: *Provided*, That not less than 30 percent of funds made available, excluding amounts provided for renewals under the shelter plus care program, shall be used for permanent housing: *Provided further*, That all funds awarded for services shall be matched by 25 percent in funding by each grantee: *Provided further*, That the Secretary shall renew on an annual basis expiring contracts or amendments to contracts funded under the shelter plus care program if the program is determined to be needed under the applicable continuum of care and meets appropriate program requirements and financial standards, as determined by the Secretary: *Provided further*, That all awards of assistance under this heading shall be required to coordinate and integrate homeless programs with other mainstream health, social services, and employment programs for which homeless populations may be eligible, including Medicaid, State Children's Health Insurance Program, Temporary Assistance for Needy Families, Food Stamps, and services funding through the Mental Health and Substance Abuse Block Grant, Workforce Investment Act, and the Welfare-to-Work grant program: *Provided further*, That **[\$2,000,000]** \$11,000,000 of the funds appropriated under this heading shall be available for the national homeless data analysis project: *Provided further*, That \$6,600,000 of the funds appropriated under this heading shall be available for technical assistance: *Provided further*, That no less than **[\$5,600,000]** \$1,500,000 of the funds appropriated under this heading shall be transferred to the Working Capital Fund: *for the development of and modifications to information technology systems which serve activities under "Community Planning and Development"*: *Provided further*, That **[\$500,000]** \$1,000,000 shall be made available to the Interagency Council on the Homeless for administrative needs. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002.*)

The Homeless Assistance Grants program funds the Shelter Plus Care, Supportive Housing, Emergency Shelter Grants, and Section 8 Moderate Rehabilitation Single Room Occupancy programs. These funds will enable localities to continue to shape and implement comprehensive, flexible, coordinated approaches to solving rather than institutionalizing homelessness. In fact, in recent years, many communities have made great strides in developing holistic approaches to solving homelessness. Requested funding would be available for a wide range of activities to assist homeless persons and prevent future homelessness and will support the Department's effort to end chronic homelessness in 10 years. The Administration will propose legislation to combine HUD's three competitive programs, Shelter Plus Care, Supportive Housing, and Section 8 Moderate Rehabilitation Single Room Occupancy into a single program with enough flexibility to meet community needs. The Department is also continuing to pursue expanded interagency efforts to meet the needs of the homeless. The 2003 request will fund over 50,000 new and renewal transitional and 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.

EMERGENCY FOOD AND SHELTER PROGRAM
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Program and Financing (in millions of dollars)				
Identification code 86-0192-0-1-604	2001 actual	2002 est.	2003 est.	
Obligations by program activity:				
00.01 Homeless assistance grants	999	2,531	1,130	
10.00 Total new obligations (object class 41.0)	999	2,531	1,130	
Budgetary resources available for obligation:				
21.40 Unobligated balance carried forward, start of year	1,340	1,408	.....
22.00 New budget authority (gross)	1,023	1,123	1,130	
22.10 Resources available from recoveries of prior year obligations	44	.....	.....
23.90 Total budgetary resources available for obligation	2,407	2,531	1,130	
23.95 Total new obligations	-999	-2,531	-1,130	
24.40 Unobligated balance carried forward, end of year	1,408	.....	.....
New budget authority (gross), detail:				
Discretionary:				
40.00 Appropriation	1,025	1,123	1,130	
40.35 Appropriation rescinded	-2	.....	.....
43.00 Appropriation (total discretionary)	1,023	1,123	1,130	
Change in obligated balances:				
72.40 Obligated balance, start of year	2,510	2,500	3,969	
73.10 Total new obligations	999	2,531	1,130	
73.20 Total outlays (gross)	-965	-1,062	-1,199	
73.45 Recoveries of prior year obligations	-44	.....	.....
74.40 Obligated balance, end of year	2,500	3,969	3,900	
Outlays (gross), detail:				
86.90 Outlays from new discretionary authority	12	34	34	
86.93 Outlays from discretionary balances	953	1,028	1,165	
87.00 Total outlays (gross)	965	1,062	1,199	
Net budget authority and outlays:				
89.00 Budget authority	1,023	1,123	1,130	
90.00 Outlays	965	1,062	1,199	

Identification code 86-0230-2-1-605	2001 actual	2002 est.	2003 est.	
Obligations by program activity:				
10.00 Total new obligations (object class 41.0)	153	
Budgetary resources available for obligation:				
22.00 New budget authority (gross)	153	
23.95 Total new obligations	-153	
New budget authority (gross), detail:				
Discretionary:				
40.00 Appropriation	153	
Change in obligated balances:				
73.10 Total new obligations	153	
73.20 Total outlays (gross)	-153	
Outlays (gross), detail:				
86.90 Outlays from new discretionary authority	153	
Net budget authority and outlays:				
89.00 Budget authority	153	
90.00 Outlays	153	

Legislation will be submitted to transfer this program from the Federal Emergency Management Agency to HUD. This transfer reduces the number of Federal agencies administering homeless programs—for HUD, ending chronic homelessness is part of its core mission. The Emergency Food and Shelter program distributes funds rapidly and equitably to local jurisdictions to supplement community efforts to provide emergency food and shelter services. Funds will be obligated to a National Board, which will be chaired by HUD and whose non-profit partners (American Red Cross, The Salvation Army, United Way of America, and others) provide professional expertise. This National Board then works through similarly composed local boards to advertise the availability of funds, assess community needs, and make allocation choices. These community-based Local Boards also assure coordination of effort and development of systems to

General and special funds—Continued

EMERGENCY FOOD AND SHELTER PROGRAM—Continued

prevent duplication of benefits. The Budget proposes no changes in the program's design or operation. The 2003 Budget includes \$153 million, a \$13 million increase.

RURAL HOUSING AND ECONOMIC DEVELOPMENT

【For the Office of Rural Housing and Economic Development in the Department of Housing and Urban Development, \$25,000,000 to remain available until expended, which amount shall be awarded by June 1, 2002, to Indian tribes, State housing finance agencies, State community and/or economic development agencies, local rural nonprofits and community development corporations to support innovative housing and economic development activities in rural areas: *Provided*, That all grants shall be awarded 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, 2002.*)

Program and Financing (in millions of dollars)

Identification code 86-0324-0-1-604	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Rural Housing	25	51	
10.00 Total new obligations (object class 41.0)	25	51	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	26	26	
22.00 New budget authority (gross)	25	25	
23.90 Total budgetary resources available for obligation	51	51	
23.95 Total new obligations	-25	-51	
24.40 Unobligated balance carried forward, end of year	26		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	25	25	
Change in obligated balances:			
72.40 Obligated balance, start of year	23	31	57
73.10 Total new obligations	25	51	
73.20 Total outlays (gross)	-17	-25	-25
74.40 Obligated balance, end of year	31	57	32
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		1	
86.93 Outlays from discretionary balances	17	24	25
87.00 Total outlays (gross)	17	25	25
Net budget authority and outlays:			
89.00 Budget authority	25	25	
90.00 Outlays	17	25	25

The 2002 VA-HUD and Independent Agencies Appropriations Act (P.L. 107-73) provided \$25 million to the Rural Housing and Economic Development program. This program is located in the Office of Community Planning and Development and is used to encourage new and innovative approaches to serving the housing and economic development needs of the nation's rural communities. The 2003 Budget proposes no new funding for this program.

URBAN DEVELOPMENT ACTION GRANTS

Program and Financing (in millions of dollars)

Identification code 86-0170-0-1-451	2001 actual	2002 est.	2003 est.
Change in obligated balances:			
72.40 Obligated balance, start of year	68	67	52
73.20 Total outlays (gross)	-1	-15	-15
74.40 Obligated balance, end of year	67	52	37

Outlays (gross), detail:			
86.93 Outlays from discretionary balances	1	15	15
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	1	15	15

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

CAPACITY BUILDING FOR COMMUNITY DEVELOPMENT AND AFFORDABLE HOUSING

Program and Financing (in millions of dollars)

Identification code 86-0222-0-1-451	2001 actual	2002 est.	2003 est.
Change in obligated balances:			
72.40 Obligated balance, start of year	7	2	
73.20 Total outlays (gross)	-5	-2	
74.40 Obligated balance, end of year	2		
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	5	2	
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	5	2	

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. Funding of \$28 million was provided for this program in 2001 in Public Law 106-377 as a set-aside within the CDBG program. P.L. 107-73 provided \$29 million for this program in 2002. \$29.5 million is being requested in 2003, again as a set-aside within CDBG.

SHELTER PLUS CARE RENEWALS

Program and Financing (in millions of dollars)

Identification code 86-0232-0-1-604	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Renewal of Expiring Contracts	24	76	
10.00 Total new obligations (object class 41.0)	24	76	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		76	
22.00 New budget authority (gross)	100		
23.90 Total budgetary resources available for obligation	100	76	
23.95 Total new obligations	-24	-76	
24.40 Unobligated balance carried forward, end of year	76		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	100		
Change in obligated balances:			
72.40 Obligated balance, start of year		22	52
73.10 Total new obligations	24	76	
73.20 Total outlays (gross)	-2	-46	-52

74.40	Obligated balance, end of year	22	52	.....
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	2		
86.93	Outlays from discretionary balances		46	52
87.00	Total outlays (gross)	2	46	52
Net budget authority and outlays:				
89.00	Budget authority	100		
90.00	Outlays	2	46	52

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

Public enterprise funds:

REVOLVING FUND (LIQUIDATING PROGRAMS)

Program and Financing (in millions of dollars)

Identification code 86-4015-0-3-451	2001 actual	2002 est.	2003 est.	
Obligations by program activity:				
09.01	Loan servicing	5	4	.....
09.03	Administrative expenses	1		
10.00	Total new obligations	6	4	.....
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	76	31	13
22.00	New budget authority (gross)	81	1	1
22.40	Capital transfer to general fund	-120	-15	.....
23.90	Total budgetary resources available for obligation	37	17	14
23.95	Total new obligations	-6	-4	.....
24.40	Unobligated balance carried forward, end of year	31	13	14
New budget authority (gross), detail:				
Mandatory:				
69.00	Offsetting collections (cash)	81	1	1
Change in obligated balances:				
72.40	Obligated balance, start of year	6	7	7
73.10	Total new obligations	6	4	.....
73.20	Total outlays (gross)	-5	-4	-3
74.40	Obligated balance, end of year	7	7	4
Outlays (gross), detail:				
86.98	Outlays from mandatory balances	5	4	3
Offsets:				
Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources	-81	-1	-1
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	-76	3	2

Status of Direct Loans (in millions of dollars)

Identification code 86-4015-0-3-451	2001 actual	2002 est.	2003 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	142	19	16
1251	Repayments: Repayments and prepayments	-76	-1	-1
1263	Write-offs for default: Direct loans	-47	-2	-2
1290	Outstanding, end of year	19	16	13

The Revolving fund (liquidating programs) was established by the Independent Offices Appropriations Act of 1955 for the efficient liquidation of assets acquired under a number of housing and urban development programs. The account's largest influx of funds in fiscal year 2001 resulted from the sale of most of the section 312 loan portfolio to the private sector for \$64 million.

Statement of Operations (in millions of dollars)

Identification code 86-4015-0-3-451	2000 actual	2001 actual	2002 est.	2003 est.
0101	Revenue	5	4	5
0102	Expense	-4	-183	-4
0105	Net income or loss (-)	1	-179	1

Balance Sheet (in millions of dollars)

Identification code 86-4015-0-3-451	2000 actual	2001 actual	2002 est.	2003 est.
ASSETS:				
1101	Federal assets: Fund balances with Treasury	82	38	38
Non-Federal assets:				
1206	Receivables, net	17		
1207	Advances and prepayments	1	1	1
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601	Direct loans, gross	142	19	19
1602	Interest receivable	12	4	4
1603	Allowance for estimated uncollectible loans and interest (-)	-19	-8	-8
1604	Direct loans and interest receivable, net	135	15	15
1606	Foreclosed property	1	3	3
1699	Value of assets related to direct loans	136	18	18
1801	Other Federal assets: Cash and other monetary assets	1		
1999	Total assets	237	57	57
LIABILITIES:				
Non-Federal liabilities:				
2201	Accounts payable	1		
2207	Other	8	9	9
2999	Total liabilities	9	9	9
NET POSITION:				
3100	Appropriated capital	10	3	3
3300	Cumulative results of operations	218	45	45
3999	Total net position	228	48	48
4999	Total liabilities and net position	237	57	57

Object Classification (in millions of dollars)

Identification code 86-4015-0-3-451	2001 actual	2002 est.	2003 est.
25.2	Other services	4	4
32.0	Land and structures	2	
99.9	Total new obligations	6	4

Credit accounts:

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

For the cost of guaranteed loans, **[\$14,000,000] \$6,325,000**, to remain available until September 30, **[2003] 2004**, as authorized by section 108 of the Housing and Community Development Act of 1974, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed **[\$608,696,000] \$275,000,000**, notwithstanding any aggregate limitation on outstanding obligations guaranteed in section 108(k) of the Housing and Community Development Act of 1974, as amended: *Provided further*, That in addition, for administrative expenses to carry out the guaranteed loan program, **[\$1,000,000] \$1,040,000**, which shall be transferred to and merged with the appropriation for "Salaries and expenses". (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002.*)

Program and Financing (in millions of dollars)

Identification code 86-0198-0-1-451	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.02 Community development loan guarantee credit subsidy	6	14	6
00.09 Administrative expense	1	1	1
10.00 Total new obligations (object class 33.0)	7	15	7
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	30	15	7
23.95 Total new obligations	-7	-15	-7
23.98 Unobligated balance expiring or withdrawn	-23		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	30	15	7
Change in obligated balances:			
72.40 Obligated balance, start of year	22	18	22
73.10 Total new obligations	7	15	7
73.20 Total outlays (gross)	-7	-11	-15
73.40 Adjustments in expired accounts (net)	-3		
74.40 Obligated balance, end of year	18	22	14
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	2	3	2
86.93 Outlays from discretionary balances	5	8	13
87.00 Total outlays (gross)	7	11	15
Net budget authority and outlays:			
89.00 Budget authority	30	15	7
90.00 Outlays	7	11	15

Guaranteed Loans.—The Community Development Loan Guarantee program (Section 108) has a proposed commitment level of \$275 million in 2003. The credit subsidy/administrative cost estimate for the guaranteed loan program is \$7 million in 2003.

Section 108 loan guarantees are used by Community Development Block Grant 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	2001 actual	2002 est.	2003 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Community development loan guarantee levels	1,258	609	275

215901 Total loan guarantee levels	1,258	609	275
Guaranteed loan subsidy (in percent):			
232001 Subsidy rate	2.30	2.30	2.30
232901 Weighted average subsidy rate	2.30	2.30	2.30
Guaranteed loan subsidy budget authority:			
233001 Loan guarantee levels	29	14	6
233901 Total subsidy budget authority	29	14	6
Guaranteed loan subsidy outlays:			
234001 Loan guarantee levels	6	10	14
234901 Total subsidy outlays	6	10	14
Administrative expense data:			
351001 Budget authority	1	1	1
359001 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	2001 actual	2002 est.	2003 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	22	48	60
22.00 New financing authority (gross)	26	12	17
23.90 Total budgetary resources available for obligation	48	60	77
24.40 Unobligated balance carried forward, end of year	48	60	78
New financing authority (gross), detail:			
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	8	12	17
68.10 Change in uncollected customer payments from Federal sources (unexpired)	18		
68.90 Spending authority from offsetting collections (total discretionary)	26	12	17
Change in obligated balances:			
72.40 Obligated balance, start of year		-18	-18
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-18		
74.40 Obligated balance, end of year	-18	-18	-18
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-7	-10	-14
88.25 Interest on uninvested funds	-1	-2	-3
88.90 Total, offsetting collections (cash)	-8	-12	-17
Against gross financing authority only:			
88.95 Change in receivables from program accounts	-18		
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements	-8	-12	-17

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4096-0-3-451	2001 actual	2002 est.	2003 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	1,258	609	275
2121 Limitation available from carry-forward			
2142 Uncommitted loan guarantee limitation	-1,014		
2143 Uncommitted limitation carried forward			

2150	Total guaranteed loan commitments	244	609	275
2199	Guaranteed amount of guaranteed loan commitments	244	609	275
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	1,692	1,887	2,087
2231	Disbursements of new guaranteed loans	335	400	400
2251	Repayments and prepayments	-140	-200	-200
2290	Outstanding, end of year	1,887	2,087	2,287
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	1,887	2,087	2,287

Balance Sheet (in millions of dollars)

Identification code 86-4096-0-3-451	2000 actual	2001 actual	2002 est.	2003 est.	
ASSETS:					
1101	Federal assets: Fund balances with Treasury	22	30	50	60
1999	Total assets	22	30	50	60
LIABILITIES:					
2204	Non-Federal liabilities: Liabilities for loan guarantees	22	30	50	60
2999	Total liabilities	22	30	50	60
4999	Total liabilities and net position	22	30	50	60

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	2001 actual	2002 est.	2003 est.
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	16	
22.00	New budget authority (gross)	19	2
22.40	Capital transfer to general fund	-16	
22.60	Portion applied to repay debt	-3	-2
23.90	Total budgetary resources available for obligation	16	
24.40	Unobligated balance carried forward, end of year	16	
New budget authority (gross), detail:			
Mandatory:			
69.00	Offsetting collections (cash)	20	2
69.10	Change in uncollected customer payments from Federal sources (unexpired)	-1	
69.90	Spending authority from offsetting collections (total mandatory)	19	2
Change in obligated balances:			
72.40	Obligated balance, start of year	-5	-4
73.20	Total outlays (gross)	-5	
74.00	Change in uncollected customer payments from Federal sources (unexpired)	1	
74.40	Obligated balance, end of year	-5	-4

Outlays (gross), detail:				
86.98	Outlays from mandatory balances	5		
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-3		
88.40	Non-Federal sources	-17	-2	-2
88.90	Total, offsetting collections (cash)	-20	-2	-2
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	1		

Net budget authority and outlays:

89.00	Budget authority			
90.00	Outlays	-15	-2	-2

Status of Direct Loans (in millions of dollars)

Identification code 86-4097-0-3-451	2001 actual	2002 est.	2003 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	11	8	6
1251	Repayments: Repayments and prepayments	-3	-2	-2
1290	Outstanding, end of year	8	6	4

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4097-0-3-451	2001 actual	2002 est.	2003 est.	
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	107	81	52
2251	Repayments and prepayments	-26	-29	-6
2290	Outstanding, end of year	81	52	46
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	81	52	46

Statement of Operations (in millions of dollars)

Identification code 86-4097-0-3-451	2000 actual	2001 actual	2002 est.	2003 est.
0101	Revenue	2	1	1
0102	Expense	-2	-1	-1
0105	Net income or loss (-)			

Balance Sheet (in millions of dollars)

Identification code 86-4097-0-3-451	2000 actual	2001 actual	2002 est.	2003 est.
ASSETS:				
Federal assets:				
1101	Fund balances with Treasury	11	12	13
Investments in US securities:				
1106	Receivables, net	5	5	5
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1701	Defaulted guaranteed loans, gross	11	8	6
1799	Value of assets related to loan guarantees	11	8	6
1999	Total assets	11	24	23
LIABILITIES:				
2103	Federal liabilities: Debt	11	8	7
2207	Non-Federal liabilities: Other	16	16	16
2999	Total liabilities	11	24	23
4999	Total liabilities and net position	11	24	23

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.

Credit accounts—Continued

COMMUNITY DEVELOPMENT LOAN GUARANTEES LIQUIDATING
ACCOUNT—Continued

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

HOUSING PROGRAMS

Federal Funds

General and special funds:

HOUSING FOR SPECIAL POPULATIONS

(INCLUDING TRANSFER OF FUNDS)

For assistance for the purchase, construction, acquisition, or development of additional public and subsidized housing units for low income families not otherwise provided for, \$1,024,151,000, to remain available until September 30, [2004] 2005: *Provided*, That [\$783,286,000] \$773,636,000, plus recaptures or cancelled commitments, 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 for the elderly under section 202(c)(2) of such Act, including amendments to contracts for such assistance and renewal of expiring contracts for such assistance for up to a 1-year term, which shall remain available for disbursement until September 30, 2015, and for supportive services associated with the housing, of which amount [\$50,000,000] \$44,000,000 plus up to \$9,000,000 of amounts recaptured or commitments cancelled under this heading, shall be for service coordinators and the continuation of existing congregate service grants for residents of assisted housing projects, and of which amount [\$50,000,000] \$30,000,000 shall be for grants under section 202b of the Housing Act of 1959 (12 U.S.C. 1701q-2) for conversion of eligible projects under such section to assisted living or related use: *Provided further*, That of the amount under this heading, [\$240,865,000] \$250,515,000 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 supportive housing for persons with disabilities under section 811(d)(2) of such Act, including amendments to contracts for such assistance and renewal of expiring contracts for such assistance for up to a 1-year term, which shall remain available for disbursement until September 30, 2015, and for supportive services associated with the housing for persons with disabilities as authorized by section 811(b)(1) of such Act, and for tenant-based rental assistance contracts entered into pursuant to section 811 of such Act: *Provided further*, That no less than [\$1,200,000] \$500,000, to be divided evenly between the appropriations for the section 202 and section 811 programs, shall be transferred to the Working Capital Fund for the development [and maintenance of information technology systems] of and modifications to information technology systems which serve activities under "Housing Programs" or "Federal Housing Administration,": *Provided further*, That, in addition to amounts made available for renewal of tenant-based rental assistance contracts pursuant to the second proviso of this paragraph, the Secretary may designate up to 25 percent of the amounts earmarked under this paragraph for section 811 of such Act for tenant-based assistance, as authorized under that section, including such authority as may be waived under the next proviso, which assistance is 5 years in duration: *Provided further*, That the Secretary may waive any provision of such section 202 and such section 811 (including the provisions governing the terms and conditions of project rental assistance and tenant-based assistance) that the Secretary deter-

mines is not necessary to achieve the objectives of these programs, or that otherwise impedes the ability to develop, operate, or administer projects assisted under these programs, and may make provision for alternative conditions or terms where appropriate: *Provided further*, That all balances and recaptures, as of October 1, 2002, remaining in the "Congregate Housing Services" account as authorized by the Housing and Community Development Amendments of 1978, as amended, shall be transferred to and merged with the amounts for those purposes under this heading. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002.)

Program and Financing (in millions of dollars)		2001 actual	2002 est.	2003 est.
Identification code 86-0320-0-1-604				
Obligations by program activity:				
00.01	Elderly and disabled housing grants	917	1,024	1,024
10.00	Total new obligations (object class 41.0)	917	1,024	1,024
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	2,760	2,896	2,896
22.00	New budget authority (gross)	994	1,024	1,024
22.10	Resources available from recoveries of prior year obligations	59		
23.90	Total budgetary resources available for obligation	3,813	3,920	3,920
23.95	Total new obligations	-917	-1,024	-1,024
24.40	Unobligated balance carried forward, end of year	2,896	2,896	2,896
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	996	1,024	1,024
40.35	Appropriation rescinded	-2		
43.00	Appropriation (total discretionary)	994	1,024	1,024
Change in obligated balances:				
72.40	Obligated balance, start of year	3,978	4,062	4,239
73.10	Total new obligations	917	1,024	1,024
73.20	Total outlays (gross)	-774	-847	-885
73.45	Recoveries of prior year obligations	-59		
74.40	Obligated balance, end of year	4,062	4,239	4,378
Outlays (gross), detail:				
86.93	Outlays from discretionary balances	774	847	885
Net budget authority and outlays:				
89.00	Budget authority	994	1,024	1,024
90.00	Outlays	774	847	885

This account consolidates activity under the Section 202 Housing for the Elderly Program and the Section 811 Housing for the Disabled Program. In 2003, \$1,024 million is requested for the Housing for Special Populations account, the same amount as was appropriated in 2002.

Housing for the Disabled.—\$250 million is proposed for housing for persons with disabilities, including language to permit up to 25 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 \$774 million is proposed for housing for the elderly. Of this amount \$30 million is for the capital grant program to convert existing 202 properties to assisted living under appropriate conditions. These funds for capital grants are available to existing HUD elderly subsidized (Section 202) projects that convert some or all units to Assisted Living.

\$44.0 million is provided for a service coordinator program that will serve both residents of HUD-assisted elderly housing, other eligible elderly residing in the neighborhood in which such projects are located on an exception basis, and residents of projects assisted under section 811.

HOUSING COUNSELING ASSISTANCE

For contracts, grants and other assistance other than loans, as authorized under Section 106 of the Housing and Urban Development Act of 1968, as amended, \$35,000,000, to remain available until September 30, 2004: Provided, That funds shall be used for providing counseling and advice to tenants and homeowners both current and prospective with respect to property maintenance, financial management, and such other matters as may be appropriate to assist them in improving their housing conditions and meeting the responsibilities of tenancy or homeownership, including provisions for training and for support of voluntary agencies and services.

Program and Financing (in millions of dollars)

Identification code 86-0156-0-1-604	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Housing Assistance			35
10.00 Total new obligations (object class 41.0)			35
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			35
23.95 Total new obligations			-35
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			35
Change in obligated balances:			
73.10 Total new obligations			35
73.20 Total outlays (gross)			-9
74.40 Obligated balance, end of year			26
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			9
Net budget authority and outlays:			
89.00 Budget authority			35
90.00 Outlays			9

The Housing Counseling Assistance Program provides comprehensive housing counseling services to eligible homeowners and tenants, including home purchase, financial management, and rental counseling. This program has been funded through a set-aside under the HOME program appropriation for the past several years.

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

OTHER ASSISTED HOUSING PROGRAMS
RENTAL HOUSING ASSISTANCE

Program and Financing (in millions of dollars)

Identification code 86-0206-0-1-999	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Rent supplement	10	17	29
00.02 Homeownership and rental housing assistance (Sections 235 and 236)	36	60	60
00.04 IRP Rehab Grants/Loans		300	100
10.00 Total new obligations (object class 41.0)	46	377	189
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	30		
21.49 Unobligated balance carried forward, start of year: Contract authority	1,025	1,044	1,044
21.99 Total unobligated balance carried forward, start of year	1,055	1,044	1,044

22.10 Resources available from recoveries of prior year obligations	430	377	189
22.75 Balance of contract authority withdrawn	-395		
23.90 Total budgetary resources available for obligation	1,090	1,421	1,233
23.95 Total new obligations	-46	-377	-189
24.49 Unobligated balance carried forward, end of year: Contract authority	1,044	1,044	1,044

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	672	672	672
40.49 Portion applied to liquidate contract authority	-672	-672	-672
43.00 Appropriation (total discretionary)			

Change in obligated balances:

72.40 Obligated balance, start of year	10,775	9,719	9,047
73.10 Total new obligations	46	377	189
73.20 Total outlays (gross)	-672	-672	-672
73.45 Recoveries of prior year obligations	-430	-377	-189
74.40 Obligated balance, end of year	9,719	9,047	8,375
75.01 Obligated balance, start of year: Contract authority	10,705	9,619	8,947
75.02 Obligated balance, end of year: Contract authority	9,619	8,947	8,275

Outlays (gross), detail:

86.93 Outlays from discretionary balances	672	672	672
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Net budget authority and outlays:

89.00 Budget authority			
90.00 Outlays	672	672	672

Status of Contract Authority (in millions of dollars)

Identification code 86-0206-0-1-999	2001 actual	2002 est.	2003 est.
0100 Balance, start of year	11,730	10,663	9,991
0400 Appropriation to liquidate contract authority	-672	-672	-672
0600 Balance of contract authority withdrawn	-395		
0700 Balance, end of year	10,663	9,991	9,319

OTHER ASSISTED HOUSING

Summary of Administrative Commitments

(in millions of dollars)

Assistance contracts:	2001 actual	2002 est.	2003 est.
Rent supplement	10	17	29
Homeownership and rental housing assistance (sections 235 and 236)	36	60	60
IRP Rehab Grants		300	100
Administrative commitments, start of year	16	16	16
Administrative commitments, end of year	-16	-16	-16
Total obligations	46	377	189

The Other Assisted Housing Account contains the programs listed below:

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

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

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

IRP Rehab Grants.—Title V of the 1998 Appropriations Act (P.L. 105-65) establishes a program of rehabilitation grants for owners of eligible projects. An estimated \$300 million of such grants are expected in 2002 and \$100 million in 2003.

The table below reflects the consolidated outlay total for: the Housing Certificate Fund; the Public Housing Capital

General and special funds—Continued

OTHER ASSISTED HOUSING PROGRAMS—Continued

RENTAL HOUSING ASSISTANCE—Continued

Fund; and the Other Assisted Housing account, for 2001, 2002 and 2003.

SUMMARY OF OUTLAYS¹

(in millions of dollars)

	2001 actual	2002 est.	2003 est.
Subsidized housing programs, total	20,942	22,099	22,564
Low-income housing assistance (sec. 8)	16,720	17,771	18,339
Public housing capital fund	3,550	3,656	3,553
Rent supplement	54	54	54
Homeownership assistance (sec. 235)	14	14	14
Rental housing assistance (sec. 236)	591	591	591
College housing grants	13	13	13

¹ Includes outlays for contract renewals.

HOMEOWNERSHIP AND OPPORTUNITY FOR PEOPLE EVERYWHERE GRANTS (HOPE GRANTS)

Program and Financing (in millions of dollars)

Identification code 86-0196-0-1-604	2001 actual	2002 est.	2003 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		1	
22.00 New budget authority (gross)	-3		
22.10 Resources available from recoveries of prior year obligations	3		
23.90 Total budgetary resources available for obligation		1	
24.40 Unobligated balance carried forward, end of year	1		
New budget authority (gross), detail:			
Discretionary:			
40.36 Unobligated balance rescinded	-3		
Change in obligated balances:			
72.40 Obligated balance, start of year	51	26	1
73.20 Total outlays (gross)	-21	-25	-1
73.45 Recoveries of prior year obligations	-3		
74.40 Obligated balance, end of year	26	1	
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	21	25	1
Net budget authority and outlays:			
89.00 Budget authority	-3		
90.00 Outlays	21	25	1

The Homeownership and Opportunity for People Everywhere Program provided affordable homeownership opportunities for low-income families. Units were converted to homeownership from public and Indian housing properties in HOPE 1, from FHA-insured and Government-held multi-family properties in HOPE 2, and from Government-owned or -held single family properties in HOPE 3. HOPE Grants were used for property acquisition, rehabilitation, mortgage subsidies, security measures, and technical assistance. In addition, grants have been devoted to counseling and training of residents, and other activities intended to help them become economically self-sufficient homeowners. No funding is being requested for 2003. This schedule reflects the liquidation of prior year balances.

MANUFACTURED HOME INSPECTION AND MONITORING

(INCLUDING TRANSFERS OF FUNDS)

Unavailable Collections (in millions of dollars)

Identification code 86-5271-0-2-376	2001 actual	2002 est.	2003 est.
01.99 Balance, start of year			
Receipts:			
02.00 Manufactured home inspection and monitoring	2		

Appropriations:			
05.00	Manufactured home inspection and monitoring	-2	
07.99	Balance, end of year		

Program and Financing (in millions of dollars)

Identification code 86-5271-0-2-376	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.02	Other program costs	6	
10.00	Total new obligations (object class 25.2)	6	
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	5	1
22.00	New budget authority (gross)	2	
23.90	Total budgetary resources available for obligation	7	1
23.95	Total new obligations	-6	
24.40	Unobligated balance carried forward, end of year	1	
New budget authority (gross), detail:			
Mandatory:			
60.20	Appropriation (special fund)	2	
Change in obligated balances:			
72.40	Obligated balance, start of year	2	
73.10	Total new obligations	6	
73.20	Total outlays (gross)	-8	-1
Outlays (gross), detail:			
86.97	Outlays from new mandatory authority	2	
86.98	Outlays from mandatory balances	6	1
87.00	Total outlays (gross)	8	1
Net budget authority and outlays:			
89.00	Budget authority	2	
90.00	Outlays	8	1

This account provided spending for HUD and its agents for development of manufactured housing standards. Consistent with the Manufactured Housing Improvement Act of 2000, spending for 2003 on these activities is proposed in the discretionary Manufactured Housing Fees Trust Fund account.

Public enterprise funds:

RENTAL HOUSING ASSISTANCE FUND

Program and Financing (in millions of dollars)

Identification code 86-4041-0-3-604	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
09.01	Refunds of Excess Income	1	5
10.00	Total new obligations (object class 25.2)	1	5
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	1	10
22.00	New budget authority (gross)	10	16
23.90	Total budgetary resources available for obligation	11	26
23.95	Total new obligations	-1	-5
24.40	Unobligated balance carried forward, end of year	10	21
New budget authority (gross), detail:			
Mandatory:			
69.00	Offsetting collections (cash)	10	16
Change in obligated balances:			
72.40	Obligated balance, start of year	19	7
73.10	Total new obligations	1	5
73.20	Total outlays (gross)	-13	-16
74.40	Obligated balance, end of year	7	-5
Outlays (gross), detail:			
86.97	Outlays from new mandatory authority	13	16

Offsets:
Against gross budget authority and outlays:

88.40	Offsetting collections (cash) from: Non-Federal sources	-10	-16	-16
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Net budget authority and outlays:

89.00	Budget authority			
90.00	Outlays	3		

The Housing and Urban Development Act of 1968 authorized the Secretary to establish a revolving fund into which rental collections in excess of the established basic rents for units in section 236 subsidized projects would be deposited. The Housing and Community Development Amendment of 1978 authorized the Secretary, subject to approval in appropriation acts, to transfer excess rent collections received after 1978 to the Troubled Projects Operating Subsidy program, renamed the Flexible Subsidy Fund. Prior to that time, collections were used for paying tax and utility increases in section 236 projects. The Housing and Community Development Act of 1980 amended the 1978 Act by authorizing the transfer of excess rent collections regardless of when collected. This Budget proposes that the resources from the Rental Housing Assistance Fund continue to be transferred to the Flexible Subsidy Fund, with the exception of amounts required to make refunds of excess income remittances as authorized by Public Law 106-569.

FLEXIBLE SUBSIDY FUND
(TRANSFER OF FUNDS)

From the Rental Housing Assistance Fund, all uncommitted balances of excess rental charges as of September 30, [2001] 2002, and any collections made during fiscal year [2002] 2003 (with the exception of amounts required to make refunds of excess income remittances as authorized by Public Law 106-569), 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, 2002.)

Program and Financing (in millions of dollars)

Identification code 86-4044-0-3-604	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
09.00 Reimbursable program	14	2	
10.00 Total new obligations (object class 41.0)	14	2	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	279	282	300
22.00 New budget authority (gross)	15	20	20
22.10 Resources available from recoveries of prior year obligations	2		
23.90 Total budgetary resources available for obligation	296	302	320
23.95 Total new obligations	-14	-2	
24.40 Unobligated balance carried forward, end of year	282	300	320
New budget authority (gross), detail:			
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	27	20	20
68.10 Change in uncollected customer payments from Federal sources (unexpired)	-12		
68.90 Spending authority from offsetting collections (total discretionary)	15	20	20
Change in obligated balances:			
72.40 Obligated balance, start of year	2	13	3
73.10 Total new obligations	14	2	
73.20 Total outlays (gross)	-14	-12	
73.45 Recoveries of prior year obligations	-2		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	12		
74.40 Obligated balance, end of year	13	3	3

Outlays (gross), detail:

86.93	Outlays from discretionary balances	14	12	
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Offsets:
Against gross budget authority and outlays:
Offsetting collections (cash) from:

88.00	Federal sources	-12	-12	-12
88.20	Interest on Federal securities	-9		
88.40	Non-Federal sources	-6	-8	-8
88.90	Total, offsetting collections (cash)	-27	-20	-20

Against gross budget authority only:

88.95	Change in uncollected customer payments from Federal sources (unexpired)	12		
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Net budget authority and outlays:

89.00	Budget authority			
90.00	Outlays	-14	-8	-20

Memorandum (non-add) entries:

92.01	Total investments, start of year: Federal securities: Par value			
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Status of Direct Loans (in millions of dollars)

Identification code 86-4044-0-3-604	2001 actual	2002 est.	2003 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	703	648	585
1231 Disbursements: Direct loan disbursements	20	12	
1251 Repayments: Repayments and prepayments	-4	-4	-4
1263 Write-offs for default: Direct loans	-71	-71	-71
1290 Outstanding, end of year	648	585	510

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. In 2001, Congress enacted legislation which permits excess income balances in the Rental Housing Assistance Fund or transferred to the Flexible Subsidy Fund to be used for refunds of prior excess income remittances, as permitted by law.

Statement of Operations (in millions of dollars)

Identification code 86-4044-0-3-604	2000 actual	2001 actual	2002 est.	2003 est.
0101 Revenue	-15	1	13	13
0102 Expense	-31	-20		
0105 Net income or loss (-)	-46	-19	13	13

Balance Sheet (in millions of dollars)

Identification code 86-4044-0-3-604	2000 actual	2001 actual	2002 est.	2003 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	281	295	278	278
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	760	711	784	784
1602 Interest receivable		65		
1603 Allowance for estimated uncollectible loans and interest (-)	-678	-528	-705	-705

Public enterprise funds—Continued

FLEXIBLE SUBSIDY FUND—Continued
(TRANSFER OF FUNDS)—Continued

Balance Sheet (in millions of dollars)—Continued

Identification code 86-4044-0-3-604	2000 actual	2001 actual	2002 est.	2003 est.
1699 Value of assets related to direct loans	82	248	79	79
1999 Total assets	363	543	357	357
LIABILITIES:				
2207 Non-Federal liabilities: Other	3	2	3	3
2999 Total liabilities	3	2	3	3
NET POSITION:				
3100 Appropriated capital	217	217	217	217
3300 Cumulative results of operations	143	324	137	137
3999 Total net position	360	541	354	354
4999 Total liabilities and net position	363	543	357	357

HOMEOWNERSHIP ASSISTANCE FUND

Program and Financing (in millions of dollars)

Identification code 86-4043-0-3-604	2001 actual	2002 est.	2003 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	23	23	23
21.49 Unobligated balance carried forward, start of year: Contract authority	61	61	61
21.99 Total unobligated balance carried forward, start of year	84	84	84
23.90 Total budgetary resources available for obligation	84	84	84
24.40 Unobligated balance carried forward, end of year	23	23	23
24.49 Unobligated balance carried forward, end of year: Contract authority	61	61	61
24.99 Total unobligated balance carried forward, end of year	84	84	84
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-1		

Status of Contract Authority (in millions of dollars)

Identification code 86-4043-0-3-604	2001 actual	2002 est.	2003 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	2001 actual	2002 est.	2003 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3	3	3
24.40 Unobligated balance carried forward, end of year	3	3	3

Change in obligated balances:			
72.40 Obligated balance, start of year	16	13	5
73.20 Total outlays (gross)	-3	-8	-5
74.40 Obligated balance, end of year	13	5	

Outlays (gross), detail:			
86.93 Outlays from discretionary balances	3	8	5

Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	3	8	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:

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

During fiscal year [2002] 2003, 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 \$160,000,000,000.

During fiscal year [2002] 2003, obligations to make direct loans to carry out the purposes of section 204(g) of the National Housing Act, as amended, shall not exceed [250,000,000] \$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, [336,700,000] \$362,746,000, of which not to exceed [332,678,000] \$358,593,000 shall be transferred to the appropriation for "Salaries and expenses"; and not to exceed [4,022,000] \$4,153,000 shall be transferred to the appropriation for "Office of Inspector General". In addition, for administrative contract expenses, [160,000,000] \$85,720,000, of which no less than [118,400,000] \$21,360,000 shall be transferred to the Working Capital Fund for the development [and maintenance of] *of and modifications* to information technology systems *which serve programs or activities under "Housing Programs" or "Federal Housing Administration"*: *Provided*, That to the extent guaranteed loan commitments exceed \$65,500,000,000 on or before April 1, [2002] 2003, an additional \$1,400 for administrative contract expenses shall be available for each \$1,000,000 in additional guaranteed loan commitments (including a pro rata amount for any amount below \$1,000,000), but in no case shall funds made available by this proviso exceed \$16,000,000. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002; additional authorizing legislation required.*)

Unavailable Collections (in millions of dollars)

Identification code 86-0183-0-1-371	2001 actual	2002 est.	2003 est.
01.99 Balance, start of year			
Receipts:			
02.22 Subsidy balance transfer	4,026	909	
Appropriations:			
05.00 FHA mutual mortgage insurance program account	-4,026	-909	
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 86-0183-0-1-371	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.07 Reestimates of loan guarantee negative subsidy	3,049	808	
00.08 Interest on reestimates of loan guarantee subsidy	977	101	
00.09 Administrative expenses, salaries & expenses transfer	344	353	363
00.12 Non-overhead administrative expenses for FHA contracts	150	160	86

10.00	Total new obligations	4,520	1,422	449
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	4,532	1,422	449
23.95	Total new obligations	- 4,520	- 1,422	- 449
23.98	Unobligated balance expiring or withdrawn	- 12		
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	507	513	449
40.77	Reduction pursuant to P.L. 106-554 (0.22 percent)	- 1		
43.00	Appropriation (total discretionary)	506	513	449
Mandatory:				
60.20	Appropriation (special fund)	4,026	909	
70.00	Total new budget authority (gross)	4,532	1,422	449
Change in obligated balances:				
72.40	Obligated balance, start of year	128	120	90
73.10	Total new obligations	4,520	1,422	449
73.20	Total outlays (gross)	- 4,548	- 1,452	- 443
73.40	Adjustments in expired accounts (net)	22		
74.40	Obligated balance, end of year	120	90	96
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	454	503	433
86.93	Outlays from discretionary balances	68	40	10
86.97	Outlays from new mandatory authority	4,026	909	
87.00	Total outlays (gross)	4,548	1,452	443
Net budget authority and outlays:				
89.00	Budget authority	4,532	1,422	449
90.00	Outlays	4,548	1,452	443

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

	2001 actual	2002 est.	2003 est.	
Net budget authority and outlays:				
89.00	Budget authority	4,516	1,406	434
90.00	Outlays	4,532	1,436	428

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

Identification code 86-0183-0-1-371	2001 actual	2002 est.	2003 est.
Direct loan levels supportable by subsidy budget authority:			
115001 MMI Fund, Direct loans	1	250	50
115901 Total direct loan levels	1	250	50
Direct loan subsidy (in percent):			
132001 MMI Fund, Direct loans	0.00	0.00	0.00
132901 Weighted average subsidy rate	0.00	0.00	0.00
Direct loan subsidy budget authority:			
133001 Direct loan levels			
133901 Total subsidy budget authority			
Direct loan subsidy outlays:			
134001 Direct loan levels			
134901 Total subsidy outlays			
Guaranteed loan levels supportable by subsidy budget authority:			
215001 MMI Fund, Section 203(b)	134,841	147,339	142,441
215003 Standby commitment authority	25,159	12,661	17,559
215901 Total loan guarantee levels	160,000	160,000	160,000
Guaranteed loan subsidy (in percent):			
232001 MMI Fund, Section 203(b)	- 2.15	- 2.07	- 2.53
232003 Standby commitment authority	0.00	0.00	0.00
232901 Weighted average subsidy rate	- 2.15	- 2.07	- 2.53
Guaranteed loan subsidy budget authority:			
233001 MMI Fund, Section 203(b)	- 2,246	- 2,791	- 2,938
233003 Standby commitment authority			
233901 Total subsidy budget authority	- 2,246	- 2,791	- 2,938
Guaranteed loan subsidy outlays:			
234001 MMI Fund, Section 203(b)	- 2,246	- 2,791	- 2,938

234003 Standby commitment authority			
234901 Total subsidy outlays	- 2,246	- 2,791	- 2,938
Guaranteed loan upward reestimate subsidy budget authority:			
235001 MMI Fund, Section 203(b)	4,026	909	
235901 Total upward reestimate budget authority	4,026	909	
Guaranteed loan upward reestimate subsidy outlays:			
236001 MMI Fund, Section 203(b)	4,026	909	
236901 Total upward reestimate subsidy outlays	4,026	909	
Guaranteed loan downward reestimate subsidy budget authority:			
237001 MMI Fund, Section 203(b)	- 676	- 2,675	
237901 Total downward reestimate subsidy budget authority	- 676	- 2,675	
Guaranteed loan downward reestimate subsidy outlays:			
238001 MMI Fund, Section 203(b)	- 676	- 2,675	
238901 Total downward reestimate subsidy outlays	- 676	- 2,675	
Administrative expense data:			
351001 Budget authority	490	497	434
358001 Outlays from balances	68	40	10
359001 Outlays from new authority	438	487	418

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

The Budget proposes an aggregate limitation of \$160 billion on commitments to guarantee loans in 2003.

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

Object Classification (in millions of dollars)

Identification code 86-0183-0-1-371	2001 actual	2002 est.	2003 est.
25.2 Other services	54	42	65
25.3 Other purchases of goods and services from Government accounts	440	471	384
41.0 Grants, subsidies, and contributions	3,049	808	
43.0 Interest and dividends	977	101	
99.9 Total new obligations	4,520	1,422	449

FHA—MUTUAL MORTGAGE INSURANCE DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4242-0-3-371	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Direct loans	1	125	50
00.02 Interest paid to Treasury		12	5
00.03 Claims & other		11	5
10.00 Total new obligations	1	148	60
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	9	8	8
22.00 New financing authority (gross)	1	155	55
22.60 Portion applied to repay debt	- 2	- 7	
23.90 Total budgetary resources available for obligation	8	156	63
23.95 Total new obligations	- 1	- 148	- 60
24.40 Unobligated balance carried forward, end of year	8	8	3
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow		125	50

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

Identification code 86-4242-0-3-371	2001 actual	2002 est.	2003 est.
Spending authority from offsetting collections:			
Discretionary:			
68.00			
68.47	1	80	55
		-50	-50
68.90	1	30	5
70.00	1	155	55
Change in obligated balances:			
72.40	4	4	6
73.10	1	148	60
73.20	-1	-146	-60
74.40	4	6	6
87.00	1	146	60
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25		-1	-1
Non-Federal sources:			
88.40	-1	-73	-50
88.40		-6	-4
88.90	-1	-80	-55
Net financing authority and financing disbursements:			
89.00		75	
90.00		66	5

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 2003 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	2001 actual	2002 est.	2003 est.
Position with respect to appropriations act limitation on obligations:			
1111	250	250	50
1142	-249	-125	
1150	1	125	50
Cumulative balance of direct loans outstanding:			
1210		1	52
1231	1	125	50
Repayments:			
1251		-73	-50
1252			
Write-offs for default:			
1263		-1	-9
1264			

1290	Outstanding, end of year	1	52	43
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Balance Sheet (in millions of dollars)

Identification code 86-4242-0-3-371	2000 actual	2001 actual	2002 est.	2003 est.	
ASSETS:					
1101	Federal assets: Fund balances with Treasury	13	11	10	7
1206	Non-Federal assets: Receivables, net				
	Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross	-1	1	52	43
1405	Allowance for subsidy cost (-)	-1	-2		
1499	Net present value of assets related to direct loans	-2	-1	52	43
1999	Total assets	11	10	62	50
LIABILITIES:					
Federal liabilities:					
2103	Treasury borrowing	10	5	62	50
2105	Other liabilities—intragovernmental		4		
Non-Federal liabilities:					
2201	Accounts payable	1	1		
2202	Interest payable				
2999	Total liabilities	11	10	62	50
4999	Total liabilities and net position	11	10	62	50

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

Identification code 86-4587-0-3-371	2001 actual	2002 est.	2003 est.	
Obligations by program activity:				
00.08	Interest payments to Treasury	424	556	607
00.11	Default claims and other	4,825	4,395	3,964
00.91	Subtotal, capital/operating expenses	5,249	4,951	4,571
Negative Subsidy Activity:				
08.01	Payment of negative subsidy to liquidating account for new business	2,246	2,791	2,938
08.02	Reestimate of loan guarantee subsidy (downward reestimates)	636	2,194	
08.04	Interest on reestimates of loan guarantee subsidy	40	481	
08.91	Subtotal, subsidy activity	2,922	5,466	2,938
10.00	Total new obligations	8,171	10,417	7,509
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	2,659	2,717	1,118
22.00	New financing authority (gross)	11,242	9,018	7,847
22.10	Resources available from recoveries of prior year obligations	7		
22.60	Portion applied to repay debt	-3,020	-200	-500
23.90	Total budgetary resources available for obligation	10,888	11,535	8,465
23.95	Total new obligations	-8,171	-10,417	-7,509
24.40	Unobligated balance carried forward, end of year	2,717	1,118	957
New financing authority (gross), detail:				
Discretionary:				
47.00	Authority to borrow	500	1,500	1,000
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash)	10,711	7,518	6,847
68.10	Change in uncollected customer payments from Federal sources (unexpired)	31		
68.90	Spending authority from offsetting collections (total discretionary)	10,742	7,518	6,847
70.00	Total new financing authority (gross)	11,242	9,018	7,847
Change in obligated balances:				
72.40	Obligated balance, start of year	312	6	6
73.10	Total new obligations	8,171	10,417	7,509
73.20	Total financing disbursements (gross)	-8,439	-10,417	-7,509
73.45	Recoveries of prior year obligations	-7		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-31		

74.40	Obligated balance, end of year	6	6	6
87.00	Total financing disbursements (gross)	8,439	10,417	7,509
Offsets:				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Transfer of Reestimates from reserves in Liquidating account	-4,026	-909	
88.25	Interest on uninvested funds	-306	-133	-48
Non-Federal sources:				
88.40	Fees and premiums	-2,975	-3,118	-3,639
88.40	Recoveries on defaults	-3,404	-3,358	-3,160
88.40	Gross proceeds from asset sales			
88.90	Total, offsetting collections (cash)	-10,711	-7,518	-6,847
Against gross financing authority only:				
88.95	Change in receivables from program accounts	-31		
Net financing authority and financing disbursements:				
89.00	Financing authority	500	1,500	1,000
90.00	Financing disbursements	-2,272	2,899	662

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4587-0-3-371	2001 actual	2002 est.	2003 est.	
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders	160,000	160,000	160,000
2142	Uncommitted loan guarantee limitation	-25,159	-12,661	-17,559
2150	Total guaranteed loan commitments	134,841	147,339	142,441
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	401,960	419,313	452,487
2231	Disbursements of new guaranteed loans	107,449	133,557	121,674
2251	Repayments and prepayments	-85,530	-96,824	-57,789
Adjustments:				
2261	Terminations for default that result in loans receivable	-1	-377	-671
2262	Terminations for default that result in acquisition of property	-4,515	-3,138	-2,828
2263	Terminations for default that result in claim payments	-50	-44	-44
2290	Outstanding, end of year	419,313	452,487	512,829
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	419,313	452,487	512,829
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	102	4	
2331	Disbursements for guaranteed loan claims	1	377	671
2351	Repayments of loans receivable			
2364	Other adjustments, net	-99	-381	-671
2390	Outstanding, end of year	4		

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	2000 actual ¹	2001 actual	2002 est.	2003 est.	
ASSETS:					
Federal assets:					
1101	Fund balances with Treasury	2,971	2,723	5,995	5,834
Investments in US securities:					
1106	Receivables, net	3,802	118		
1206	Non-Federal assets: Receivables, net	26	172		
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:					
1501	Defaulted guaranteed loans receivable, gross	92	4		

1502	Interest receivable	3	4		
1504	Foreclosed property	2,052	1,858	2,052	2,052
1505	Allowance for subsidy cost	-929	-861	-861	-861
1599	Net value of assets related to defaulted guaranteed loan	1,218	1,005	1,191	1,191
1901	Other Federal assets: Other assets		118	132	148
1999	Total assets	8,017	4,136	7,318	7,173
LIABILITIES:					
Federal liabilities:					
2101	Accounts payable	2,853	41	41	41
2103	Federal liabilities, Debt	6,182	3,662	4,962	5,462
2105	Other	203			
Non-Federal liabilities:					
2201	Accounts payable	-257	-67	-67	-67
2204	Liabilities for loan guarantees	-969	462	2,212	1,551
2207	Other	5	38	170	186
2999	Total liabilities	8,017	4,136	7,318	7,173
4999	Total liabilities and net position	8,017	4,136	7,318	7,173

FHA—MUTUAL MORTGAGE AND COOPERATIVE HOUSING INSURANCE FUNDS LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4070-0-3-371	2001 actual	2002 est.	2003 est.	
Obligations by program activity:				
Operating expenses:				
00.03	Other operating costs	11	11	11
Capital investment:				
01.02	Assignment of defaulted mortgages		28	31
01.03	Acquisition of real properties	419	186	119
01.05	Other obligations	49		
01.07	Capitalized property expenses	66	33	12
01.08	Loss mitigation activities	8	8	3
01.09	Preforeclosure sale claims	2	3	3
01.91	Total capital investment	544	258	168
Upward Re-estimates of Subsidy Activity:				
08.07	Reestimate of loan guarantee subsidy- upward re-estimates from MMI reserves	3,049	807	
08.08	Interest on reestimates of loan guarantee subsidy	977	102	
08.91	Direct Program by Activities—Subtotal (1 level)	4,026	909	
10.00	Total new obligations	4,581	1,178	179
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	17,744	17,749	23,784
22.00	New budget authority (gross)	4,577	7,213	4,817
22.10	Resources available from recoveries of prior year obligations	9		
23.90	Total budgetary resources available for obligation	22,330	24,962	28,601
23.95	Total new obligations	-4,581	-1,178	-179
24.40	Unobligated balance carried forward, end of year	17,749	23,784	28,422
New budget authority (gross), detail:				
Discretionary:				
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	2,246	2,791	2,938
Mandatory:				
69.00	Offsetting collections (cash)	2,481	4,422	1,879
69.10	Change in uncollected accounts receivable from Federal sources	-150		
69.90	Spending authority from offsetting collections (total mandatory)	2,331	4,422	1,879
70.00	Total new budget authority (gross)	4,577	7,213	4,817
Change in obligated balances:				
72.40	Obligated balance, start of year	394	540	540
73.10	Total new obligations	4,581	1,178	179
73.20	Total outlays (gross)	-4,576	-1,178	-179
73.45	Recoveries of prior year obligations	-9		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	150		
74.40	Obligated balance, end of year	540	540	540
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	158	213	60

Credit accounts—Continued**FHA—MUTUAL MORTGAGE AND COOPERATIVE HOUSING INSURANCE FUNDS LIQUIDATING ACCOUNT—Continued****Program and Financing** (in millions of dollars)—Continued

Identification code 86-4070-0-3-371	2001 actual	2002 est.	2003 est.
86.98 Outlays from mandatory balances	4,418	965	119
87.00 Total outlays (gross)	4,576	1,178	179
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Payment from financing account	-2,922	-5,466	-2,938
88.20 Interest on Federal securities	-1,240	-1,363	-1,689
Non-Federal sources:			
88.40 Fees and premiums	-15	-35	-32
88.40 Proceeds from sale of real property	-488	-332	-123
88.40 Proceeds from sale of mortgage notes		-17	-35
88.40 Interest and operating income	-53		
88.40 Recoveries of prior year obligations	-9		
88.90 Total, offsetting collections (cash)	-4,727	-7,213	-4,817
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	150		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-151	-6,035	-4,638
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities: Par value	17,260	17,282	24,282
92.02 Total investments, end of year: Federal securities: Par value	17,282	24,282	28,782

Status of Direct Loans (in millions of dollars)

Identification code 86-4070-0-3-371	2001 actual	2002 est.	2003 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	3	3	
1251 Repayments: Repayments and prepayments		-1	
1264 Write-offs for default: Other adjustments, net		-2	
1290 Outstanding, end of year	3		

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4070-0-3-371	2001 actual	2002 est.	2003 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	47,619	39,963	33,339
2251 Repayments and prepayments	-7,235	-6,398	-3,116
Adjustments:			
2261 Terminations for default that result in loans receivable		-35	-34
2262 Terminations for default that result in acquisition of property	-419	-186	-119
2263 Terminations for default that result in claim payments	-2	-5	-3
2290 Outstanding, end of year	39,963	33,339	30,067
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	39,963	33,339	30,067
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	46	4	
2331 Disbursements for guaranteed loan claims		35	34
2351 Repayments of loans receivable	-1		
2361 Write-offs of loans receivable	-39	-18	
2364 Other adjustments, net	-2	-21	-34
2390 Outstanding, end of year	4		

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

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

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

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

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)		
	2001 actual	2002 est.	2003 est.
Insurance initiation:			
Mortgage insurance commitments (units)	1,191,631	1,245,755	1,175,604
Mortgage insurance written (in fiscal year):			
Units	1,007,472	1,198,842	1,160,355
Amount	\$107,449	\$133,557	\$121,674
Insurance maintenance: Outstanding balance of insurance in force, end of year:			
Mortgage insurance	\$459,523	\$485,826	\$542,896

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	2000 actual ¹	2001 actual ²	2002 est.	2003 est.
0101 Revenue	1,737	1,265	4,672	4,720
0102 Expense	-531	-244	-61	-82
0105 Net income or loss (-)	1,206	1,021	4,611	4,638
0108 Other comprehensive income	1,118	182	2,791	2,938

¹ Estimated result on GAAP basis pending final audit.

Balance Sheet (in millions of dollars)

Identification code 86-4070-0-3-371	2000 actual ¹	2001 actual	2002 est.	2003 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	1,139	1,269	1,165	1,495
Investments in US securities:				
Treasury securities, par:				
1102 Treasury securities, par	17,260	17,282	21,282	25,282
1102 Unamortized net premium/discount	-208	-177	-219	-177
1106 Receivables, net	3,311	335	335	335
Non-Federal assets:				
1206 Receivables, net	34	57	57	57
1207 Advances and prepayments				

Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601	Direct loans, gross	4	3	
1602	Interest receivable	2	2	
1603	Allowance for estimated uncollectible loans and interest (-)	-3	-3	
1699	Value of assets related to direct loans	3	2	
1701	Defaulted guaranteed loans, gross	34	12	12
1702	Interest receivable	31	16	16
1703	Allowance for estimated uncollectible loans and interest (-)	-45	-25	-25
1704	Defaulted guaranteed loans and interest receivable, net	20	3	3
1705	Allowance for uncollectibles from foreclosed property			
1706	Foreclosed property	275	175	107
1799	Value of assets related to loan guarantees	295	178	110
1901	Other Federal assets: Other assets	14	14	14
1999	Total assets	21,848	18,960	22,744
LIABILITIES:				
Federal liabilities:				
2101	Accounts payable	3,802	87	87
2105	Other Intragovernmental liabilities			
Non-Federal liabilities:				
2201	Accounts payable	727	721	721
2204	Liabilities for loan guarantees	462	462	462
2207	Unearned revenue and advances, and other	576	569	569
2999	Total liabilities	5,567	1,839	1,839
NET POSITION:				
3300	Cumulative results of operations	16,281	17,121	20,905
3999	Total net position	16,281	17,121	20,905
4999	Total liabilities and net position	21,848	18,960	22,744

Object Classification (in millions of dollars)

Identification code 86-4070-0-3-371				
		2001 actual	2002 est.	2003 est.
25.2	Other services	60	11	11
32.0	Land and structures	488	219	131
33.0	Investments and loans	4	35	34
41.0	Grants, subsidies, and contributions	3,049	808	
42.0	Insurance claims and indemnities	3	3	3
43.0	Interest and dividends	977	102	
99.9	Total new obligations	4,581	1,178	179

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, \$15,000,000, to remain available until expended: *Provided*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, of up to \$21,000,000,000: *Provided further*, That any amounts made available in any prior appropriations Act for the cost (as such term is defined in section 502 of the Congressional Budget Act of 1974) of guaranteed loans that are obligations of the funds established under section 238 or 519 of the National Housing Act that have not been obligated or that are deobligated shall be available to the Secretary of Housing and Urban Development in connection with the making of such guarantees and shall remain available until expended, notwithstanding the expiration of any period of availability otherwise applicable to such amounts].

Gross obligations for the principal amount of direct loans, as authorized by sections 204(g), 207(1), 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, [\$216,100,000] \$233,091,400, of which [\$197,779,000] \$213,186,400, shall be transferred to the appropriation for "Salaries and expenses"; and of which [\$18,321,000] \$19,905,000 shall be transferred to the appropriation for "Office of Inspector General". In addition, for administrative contract expenses necessary to carry out the guaranteed and direct loan programs, [\$144,000,000] \$93,780,000, of which no less than [\$41,000,000] \$14,240,000 shall be transferred to the Working Capital Fund for the development [and maintenance of information technology systems]: *of and modifications to information technology systems which serve activities under "Housing Programs" or "Federal Housing Administration" Provided*, That to the extent guaranteed loan commitments exceed \$8,426,000,000 on or before April 1, [2002] 2003, an additional \$1,980 for administrative contract expenses shall be available for each \$1,000,000 in additional guaranteed loan commitments over \$8,426,000,000 (including a pro rata amount for any increment below \$1,000,000), but in no case shall funds made available by this proviso exceed \$14,400,000. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002; additional authorizing legislation required.*)

Program and Financing (in millions of dollars)

Identification code 86-0200-0-1-371				
		2001 actual	2002 est.	2003 est.
Obligations by program activity:				
00.02	Guaranteed loan subsidy	99	15	15
00.07	Reestimate of credit subsidy	206	688	
00.08	Interest on reestimates of loan guarantee subsidy	40	307	
00.09	Administrative expenses, salaries & expenses transfer	221	226	233
00.10	Administrative contract expenses	95	144	94
10.00	Total new obligations	661	1,380	342
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	39	75	45
22.00	New budget authority (gross)	751	1,380	342
22.10	Resources available from recoveries of prior year obligations	-5		
23.90	Total budgetary resources available for obligation	785	1,455	387
23.95	Total new obligations	-661	-1,380	-342
23.98	Unobligated balance expiring or withdrawn	-49	-30	
24.40	Unobligated balance carried forward, end of year	75	45	45
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	466	385	342
40.15	Appropriation (emergency)	40		
40.77	Reduction pursuant to P.L. 106-554 (0.22 percent)	-1		
43.00	Appropriation (total discretionary)	505	385	342
Mandatory:				
60.00	Appropriation	246	995	
70.00	Total new budget authority (gross)	751	1,380	342
Change in obligated balances:				
72.40	Obligated balance, start of year	128	112	91
73.10	Total new obligations	661	1,380	342
73.20	Total outlays (gross)	-687	-1,401	-354
73.40	Adjustments in expired accounts (net)	5		
73.45	Recoveries of prior year obligations	5		
74.40	Obligated balance, end of year	112	91	78
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	374	345	315
86.93	Outlays from discretionary balances	67	61	40
86.97	Outlays from new mandatory authority	246	995	
87.00	Total outlays (gross)	687	1,401	354
Net budget authority and outlays:				
89.00	Budget authority	751	1,380	342
90.00	Outlays	687	1,401	354

Credit accounts—Continued

GENERAL AND SPECIAL RISK PROGRAM ACCOUNT—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

	2001 actual	2002 est.	2003 est.
Net budget authority and outlays:			
89.00 Budget authority	741	1,370	333
90.00 Outlays	677	1,391	345

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

Identification code 86-0200-0-1-371	2001 actual	2002 est.	2003 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Single-family PMMs		2	2
115002 Multifamily bridge loans		2	2
115003 Unused Limitation Authority	50	46	46
115901 Total direct loan levels	50	50	50
Direct loan subsidy (in percent):			
132001 Single-family PMMs	0.00	0.00	0.00
132002 Multifamily bridge loans	0.00	0.00	0.00
132003 Unused Limitation Authority	0.00	0.00	0.00
132901 Weighted average subsidy rate	0.00	0.00	0.00
Direct loan subsidy budget authority:			
133001 Single-family PMMs			
133002 Multifamily bridge loans			
133003 Unused Limitation Authority			
133901 Total subsidy budget authority			
Direct loan subsidy outlays:			
134001 Single-family PMMs			
134002 Multifamily bridge loans			
134003 Unused Limitation Authority			
134901 Total subsidy outlays			
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Apartments NC/SC	1,507	3,000	3,500
215003 221d3 NP/Coop owned apts	252	67	200
215004 Tax Credits NC	610	500	500
215005 Mixed Income (Hope d4)		9	50
215006 Apartments Refinance	646	951	960
215007 241a Supplemental Loans for Apts	13	18	50
215008 Operating Loss Loans for Apts (plus 232)	8	4	9
215009 HFA Risk Sharing	324	650	650
215012 GSE Risk Sharing	1	100	105
215013 FHA Full Insurance for Health Care Facilities (plus 241/232)	1,317	1,000	1,300
215014 Health Care Refinances	141	500	500
215015 Hospitals	279	100	500
215016 Other Rental (incl 207(mhp),220,231)			300
215017 Section 234: Condominiums	9,153	8,482	8,482
215018 Section 203(k): Rehabilitation Mortgages	995	1,395	1,395
215019 Section 221(d)(2): Low Income Housing	4		
215021 Title 1 Property Improvement	120	216	118
215022 Title 1 Manufactured Housing	47	11	70
215023 Standby authority	5,583	3,997	2,311
215901 Total loan guarantee levels	21,000	21,000	21,000
Guaranteed loan subsidy (in percent):			
232001 Apartments NC/SC	3.35	-0.14	-0.06
232003 221d3 NP/Coop owned apts	17.22	8.89	3.93
232004 Tax Credits NC	-1.75	-2.50	-0.65
232005 Mixed Income (Hope d4)	3.35	-0.14	-0.33
232006 Apartments Refinance	-1.11	-0.97	-2.17
232007 241a Supplemental Loans for Apts	22.08	28.16	6.35
232008 Operating Loss Loans for Apts (plus 232)	22.55	19.34	18.69
232009 HFA Risk Sharing	-1.14	-1.55	-1.37
232012 GSE Risk Sharing	-1.52	-0.57	-1.36
232013 FHA Full Insurance for Health Care Facilities (plus 241/232)	-2.07	-2.21	-1.19
232014 Health Care Refinances	-1.38	-2.54	-1.97
232015 Hospitals	-1.77	-0.36	-2.76
232016 Other Rental (incl 207(mhp),220,231)	0.00	0.00	-0.07
232017 Section 234: Condominiums	-0.69	-1.99	-1.08
232018 Section 203(k): Rehabilitation Mortgages	-0.11	-1.53	-0.46
232019 Section 221(d)(2): Low Income Housing	4.49	0.00	0.00

232021 Title 1 Property Improvement	-0.06	0.96	2.02
232022 Title 1 Manufactured Housing	0.14	-0.84	-0.47
232023 Standby authority	0.00	0.00	0.00
232901 Weighted average subsidy rate	-0.14	-1.46	-0.85
Guaranteed loan subsidy budget authority:			
233001 Apartments NC/SC	52	-4	-3
233003 221d3 NP/Coop owned apts	43	6	8
233004 Tax Credits NC	-6	-9	-6
233005 Mixed Income (Hope d4)			
233006 Apartments Refinance	-6	-7	-18
233007 241a Supplemental Loans for Apts	2	6	3
233008 Operating Loss Loans for Apts (plus 232)	2	1	2
233009 HFA Risk Sharing	-2	-8	-9
233012 GSE Risk Sharing			-1
233013 FHA Full Insurance for Health Care Facilities (plus 241/232)	-27	-17	-17
233014 Health Care Refinances	-2	-10	-11
233015 Hospitals	-2		-10
233016 Other Rental (incl 207(mhp),220,231)			
233017 Section 234: Condominiums	-57	-181	-92
233018 Section 203(k): Rehabilitation Mortgages	-1	-21	-6
233019 Section 221(d)(2): Low Income Housing			
233021 Title 1 Property Improvement			
233022 Title 1 Manufactured Housing		2	2
233023 Standby authority			
233024 Emergency Appropriation	40		
233901 Total subsidy budget authority	36	-242	-158
Guaranteed loan subsidy outlays:			
234001 Apartments NC/SC	52	8	-3
234003 221d3 NP/Coop owned apts	46	17	8
234004 Tax Credits NC	-6	-9	-6
234005 Mixed Income (Hope d4)			
234006 Apartments Refinance	-6	-7	-18
234007 241a Supplemental Loans for Apts	2	4	3
234008 Operating Loss Loans for Apts (plus 232)		1	2
234009 HFA Risk Sharing	-2	-8	-9
234012 GSE Risk Sharing			-1
234013 FHA Full Insurance for Health Care Facilities (plus 241/232)	-27	-17	-17
234014 Health Care Refinances	-2	-10	-11
234015 Hospitals	-2		-10
234016 Other Rental (incl 207(mhp),220,231)			
234017 Section 234: Condominiums	-57	-181	-92
234018 Section 203(k): Rehabilitation Mortgages	-1	-21	-6
234019 Section 221(d)(2): Low Income Housing			
234021 Title 1 Property Improvement		2	2
234022 Title 1 Manufactured Housing			
234023 Standby authority			
234901 Total subsidy outlays	-3	-221	-158
Guaranteed loan upward reestimate subsidy budget authority:			
235024 General and Special Risk	246	995	
235901 Total upward reestimate budget authority	246	995	
Guaranteed loan upward reestimate subsidy outlays:			
236024 General and Special Risk	246	995	
236901 Total upward reestimate subsidy outlays	246	995	
Guaranteed loan downward reestimate subsidy budget authority:			
237024 General and Special Risk	-517	-1,542	
237901 Total downward reestimate subsidy budget authority	-517	-1,542	
Guaranteed loan downward reestimate subsidy outlays:			
238024 General and Special Risk	-517	-1,542	
238901 Total downward reestimate subsidy outlays	-517	-1,542	
Administrative expense data:			
351001 Budget authority, S&E Transfer	221	226	233
351001 Budget authority	144	144	94
358001 Outlays from balances	52	36	36
359001 Outlays from new authority	289	334	304

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

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

associated with the loan guarantees committed or direct loans obligated in 1992 and thereafter (including modifications of loan guarantees or direct loans that resulted from obligations or commitments in any year), as well as administrative expenses of these programs. The subsidy amounts are estimated on a present value basis; the administrative expenses are accounted for on a cash basis.

The Budget includes a reduction in the annual premium rate of multifamily Section 221(d)(4) loan guarantees from 80 basis points to 57 basis points. This reflects improved estimates of these loan guarantee subsidy cost.

Object Classification (in millions of dollars)

Identification code 86-0200-0-1-371	2001 actual	2002 est.	2003 est.
25.1 Advisory and assistance services	62	103	80
25.2 Other services	33	41	14
25.3 Other purchases of goods and services from Government accounts	221	226	233
41.0 Grants, subsidies, and contributions	345	1,010	15
99.9 Total new obligations	661	1,380	342

FHA—GENERAL AND SPECIAL RISK GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4077-0-3-371	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
Capital investment, claims and other:			
00.01 Default claims and other	782	1,095	1,140
00.05 Interest paid to Treasury	87	130	130
00.08 Asset sale negative subsidy payment to the receipt account		113	40
00.10 Value paid to liquidating account for guarantees refinanced under 223(a)(7)		3	3
00.11 Mark-to-Market Legislative Savings	12	218	
00.14 Contract Costs		20	20
00.91 Direct Program by Activities—Subtotal (1 level)	881	1,579	1,333
08.01 Payment of negative subsidy to receipt account	103	257	173
08.02 Downward subsidy rate reestimate	423	1,091	
08.04 Interest on subsidy rate reestimates	94	451	
08.91 Direct Program by Activities—Subtotal (1 level)	620	1,799	173
10.00 Total new obligations	1,501	3,378	1,506
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,801	1,768	494
22.00 New financing authority (gross)	1,957	2,554	1,631
22.60 Portion applied to repay debt	-490	-450	-450
23.90 Total budgetary resources available for obligation	3,268	3,872	1,675
23.95 Total new obligations	-1,501	-3,378	-1,506
24.40 Unobligated balance carried forward, end of year	1,768	494	169
New financing authority (gross), detail:			
Discretionary:			
47.00 Authority to borrow	400	400	400
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	1,542	2,154	1,231
68.10 Change in uncollected customer payments from Federal sources (unexpired)	15		
68.90 Spending authority from offsetting collections (total discretionary)	1,557	2,154	1,231
70.00 Total new financing authority (gross)	1,957	2,554	1,631
Change in obligated balances:			
72.40 Obligated balance, start of year	-103	-124	227
73.10 Total new obligations	1,501	3,378	1,506
73.20 Total financing disbursements (gross)	-1,507	-3,027	-1,506
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-15		
74.40 Obligated balance, end of year	-124	227	227
87.00 Total financing disbursements (gross)	1,507	3,027	1,506

Offsets:

Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
Federal sources:				
88.00	Payments from program account	-99	-36	-15
88.00	Repayment of principal and interest from liquidating account	-176	-16	-16
88.00	Subsidy reestimate from program account	-246	-995	
88.25	Interest on uninvested funds	-128	-135	-135
Non-Federal sources:				
88.40	Fees and premiums	-439	-418	-496
88.40	Recoveries on defaulted mortgages	-10	-5	-10
88.40	Title I recoveries	-25	-47	-43
88.40	Single family property recoveries	-315	-274	-330
88.40	Gross Proceeds from sale of mortgage notes (liquidating)		-113	-40
88.40	Gross Proceeds from Mortgage Note Sales	-102	-112	-142
88.40	Multifamily property recoveries	-1	-3	-4
88.40	Rounding Error Adjustment	-1		
88.90	Total, offsetting collections (cash)	-1,542	-2,154	-1,231
Against gross financing authority only:				
88.95	Change in receivables from program accounts	-15		

Net financing authority and financing disbursements:

89.00	Financing authority	400	400	400
90.00	Financing disbursements	-35	873	275

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4077-0-3-371	2001 actual	2002 est.	2003 est.	
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders	21,000	21,000	21,000
2150	Total guaranteed loan commitments	21,000	21,000	21,000
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	69,128	73,376	75,998
2231	Disbursements of new guaranteed loans	15,238	17,027	19,892
2251	Repayments and prepayments	-10,232	-13,377	-6,214
Adjustments:				
2261	Terminations for default that result in loans receivable	-295	-418	-460
2262	Terminations for default that result in acquisition of property	-414	-602	-609
2263	Terminations for default that result in claim payments	-49	-8	-8
2290	Outstanding, end of year	73,376	75,998	88,599
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	73,376	75,998	88,599
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	552	618	650
2331	Disbursements for guaranteed loan claims	295	418	460
2351	Repayments of loans receivable	-124	-386	-435
2361	Write-offs of loans receivable	-105		
2390	Outstanding, end of year	618	650	675

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

Credit accounts—Continued**FHA—GENERAL AND SPECIAL RISK GUARANTEED LOAN FINANCING ACCOUNT—Continued****Balance Sheet¹ (in millions of dollars)**

Identification code 86-4077-0-3-371	2000 actual	2001 actual	2002 est.	2003 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	1,698	1,643	1,663	1,663
Investments in US securities:				
1106 Receivables, net	576	332		
1107 Borrowings receivable from liquidating account			202	202
Non-Federal assets:				
1201 Investments in non-Federal securities, net	7			
1206 Receivables, net	3	16		
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501 Defaulted guaranteed loans receivable, gross	552	618	650	675
1502 Interest receivable	8	84		
1504 Foreclosed property	226	187	598	598
1505 Allowance for subsidy cost	-289	-362	-1,061	-1,061
1599 Net value of assets related to defaulted guaranteed loan	497	527	187	212
1702 Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Interest receivable		18		
Other Federal assets:				
1801 Cash and other monetary assets		1		
1901 Other assets	-8	-17		
1999 Total assets	2,773	2,520	2,052	2,077
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable Intragovernmental	6	190		
2103 Debt	966	877	738	738
2105 Payable to Special Receipt Account for Subsidy Reestimate	517	12		
Non-Federal liabilities:				
2201 Accounts payable	-17			
2202 Interest payable		6		
2203 Debt	-2	-2		
2204 Liabilities for loan guarantees	1,297	1,428	1,314	1,339
2207 Other	6	9		
2999 Total liabilities	2,773	2,520	2,052	2,077
4999 Total liabilities and net position	2,773	2,520	2,052	2,077

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

Identification code 86-4105-0-3-371	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Direct loans		3	3
00.02 Interest paid to Treasury		1	1
10.00 Total new obligations		4	4
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1		
22.00 New financing authority (gross)	3	3	
23.90 Total budgetary resources available for obligation	4	3	
23.95 Total new obligations		-4	-4
24.40 Unobligated balance carried forward, end of year	1		
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	3	3	
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	4	4	
68.47 Portion applied to repay debt	-4	-4	

68.90	Spending authority from offsetting collections (total discretionary)		
70.00	Total new financing authority (gross)	3	3

Change in obligated balances:

73.10	Total new obligations	4	4
73.20	Total financing disbursements (gross)	-1	-4
87.00	Total financing disbursements (gross)	1	4

Offsets:

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

Net financing authority and financing disbursements:

89.00	Financing authority	-1	-1
90.00	Financing disbursements		

Status of Direct Loans (in millions of dollars)

Identification code 86-4105-0-3-371	2001 actual	2002 est.	2003 est.
Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans	50	50
1142	Unobligated direct loan limitation (-)	-50	-46
1150	Total direct loan obligations	4	4
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	1	2
1231	Disbursements: Direct loan disbursements	1	4
1251	Repayments: Repayments and prepayments		-4
1290	Outstanding, end of year	2	2

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

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

Balance Sheet (in millions of dollars)

Identification code 86-4105-0-3-371	2000 actual	2001 actual	2002 est.	2003 est.
ASSETS:				
Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross	1	2	2
1499	Net present value of assets related to direct loans	1	2	2
1999	Total assets	1	2	2
LIABILITIES:				
Federal liabilities:				
2103	Treasury borrowing		1	1
2104	Resources payable to Treasury	1	1	1
2999	Total liabilities	1	2	2
4999	Total liabilities and net position	1	2	2

FHA—LOAN GUARANTEE RECOVERY FUND—FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4106-0-3-371	2001 actual	2002 est.	2003 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	3	5
22.00 New financing authority (gross)	2	2	2
23.90 Total budgetary resources available for obligation	3	5	7
24.40 Unobligated balance carried forward, end of year	3	5	7
New financing authority (gross), detail:			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	2	2	2
Offsets:			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources	-2	-2	-2
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements	-2	-2	-2

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4106-0-3-371	2001 actual	2002 est.	2003 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders			
2121 Limitation available from carry-forward	4	4	
2143 Uncommitted limitation carried forward	-2		
2150 Total guaranteed loan commitments	2	4	
2199 Guaranteed amount of guaranteed loan commitments	2	4	
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	3	4	5
2231 Disbursements of new guaranteed loans	2	4	
2251 Repayments and prepayments	-1	-3	-3
2290 Outstanding, end of year	4	5	2
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	4	5	2

Balance Sheet (in millions of dollars)

Identification code 86-4106-0-3-371	2000 actual	2001 actual	2002 est.	2003 est.
ASSETS:				
Investments in US securities:				
1102 Federal assets: Treasury securities, par	1	3	5	7
1999 Total assets	1	3	5	7
LIABILITIES:				
2204 Non-Federal liabilities: Liabilities for loan guarantees	1	3	5	7
2999 Total liabilities	1	3	5	7
4999 Total liabilities and net position	1	3	5	7

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	2001 actual	2002 est.	2003 est.
01.99 Balance, start of year	7	7	7
07.99 Balance, end of year	7	7	7

Program and Financing (in millions of dollars)

Identification code 86-4072-0-3-371	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
Operating expenses:			
00.02 Interest on debentures	23	22	22
00.03 Other operating costs	53	20	20
00.05 Legislative savings repayments	176	16	16
00.06 PAE & 3rd party restructuring fees	106	82	62
00.91 Total operating expenses	358	140	120
Capital investment: Claims and other:			
01.01 Acquisition of defaulted Title I notes	-5	6	5
01.02 Assignment of mortgages	125	265	318
01.03 Assignments per 221 G4	205	177	212
01.05 Mark-To-Market Restructures	293	534	700
01.07 Loss on defaulted guaranteed loans	1	3	3
01.08 Tax advances on held mortgages	38	39	41
01.09 Acquisition of real properties	49	54	42
01.10 Capitalized property expenses	177	154	136
01.11 Rehabilitation of real properties	10	14	11
01.12 Upfront Grants	20	93	75
01.13 Other	94	5	5
01.14 M&M Contract	2	2	2
01.15 Prior Year Contract Adjustments	10		
01.16 Payment to the Financing Account-Asset Sale		113	40
01.91 Total capital investment	1,019	1,459	1,590
10.00 Total new obligations	1,377	1,599	1,710

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	1,245	1,986	
22.00 New budget authority (gross)	3,460	1,729	1,835
22.10 Resources available from recoveries of prior year obligations	27		
22.40 Capital transfer to general fund	-1,245	-1,986	
22.60 Portion applied to repay debt	-123	-130	-125
23.90 Total budgetary resources available for obligation	3,364	1,599	1,710
23.95 Total new obligations	-1,377	-1,599	-1,710
24.40 Unobligated balance carried forward, end of year	1,986		

New budget authority (gross), detail:

Mandatory:			
60.00 Appropriation	2,346	879	898
67.10 Authority to borrow	128	130	125
69.00 Offsetting collections (cash)	1,025	720	812
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-39		
69.90 Spending authority from offsetting collections (total mandatory)	986	720	812
70.00 Total new budget authority (gross)	3,460	1,729	1,835

Change in obligated balances:

72.40 Obligated balance, start of year	511	802	402
73.10 Total new obligations	1,377	1,599	1,710
73.20 Total outlays (gross)	-1,098	-1,999	-1,770
73.45 Recoveries of prior year obligations	-27		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	39		
74.40 Obligated balance, end of year	802	402	342

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	1,059	1,598	1,368
86.98 Outlays from mandatory balances	39	400	402
87.00 Total outlays (gross)	1,098	1,999	1,770

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

Identification code 86-4072-0-3-371	2001 actual	2002 est.	2003 est.
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00			
Federal sources	- 37		
Non-Federal sources:			
88.40			
Fees and premiums	-104	-122	-110
88.40			
Rebates of insurance premiums		2	2
88.40			
Multifamily foreclosure sales	-22	-89	-88
88.40			
Proceeds from sale of real property	-67	-60	-46
88.40			
Proceeds from sale of mortgage notes	-393	-163	-208
88.40			
MTM second mortgage repayments	-1	-23	-64
88.40			
Recoveries on defaulted mortgages	-160	-118	-156
88.40			
Interest	-81	-79	-74
88.40			
Other interest, dividends and revenue	-15	-15	-15
88.40			
Modification subsidy & transfers from financing acct.		-3	-3
88.40			
Other collections	-122	-50	-50
88.40			
Prior Year Recoveries	-23		
88.90			
Total, offsetting collections (cash)	-1,025	-720	-812
Against gross budget authority only:			
88.95			
Change in uncollected customer payments from Federal sources (unexpired)	39		
Net budget authority and outlays:			
89.00			
Budget authority	2,474	1,009	1,023
90.00			
Outlays	73	1,279	958
Memorandum (non-add) entries:			
92.01			
Total investments, start of year: Federal securities:			
Par value	7	7	6
92.02			
Total investments, end of year: Federal securities:			
Par value	7	6	6

Status of Direct Loans (in millions of dollars)

Identification code 86-4072-0-3-371	2001 actual	2002 est.	2003 est.
Cumulative balance of direct loans outstanding:			
1210			
Outstanding, start of year	44	38	33
1251			
Repayments: Repayments and prepayments	-6	-5	-10
1290			
Outstanding, end of year	38	33	23

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4072-0-3-371	2001 actual	2002 est.	2003 est.
Cumulative balance of guaranteed loans outstanding:			
2210			
Outstanding, start of year	29,761	25,370	23,381
2251			
Repayments and prepayments	-3,723	-910	-842
Adjustments:			
2261			
Terminations for default that result in loans receivable	-618	-981	-1,235
2262			
Terminations for default that result in acquisition of property	-49	-54	-42
2263			
Terminations for default that result in claim payments	-1	-44	-55
2290			
Outstanding, end of year	25,370	23,381	21,207
Memorandum:			
2299			
Guaranteed amount of guaranteed loans outstanding, end of year	25,370	23,381	21,207
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310			
Outstanding, start of year	1,960	1,999	2,446
2331			
Disbursements for guaranteed loan claims	618	981	1,235
2351			
Repayments of loans receivable	-590	-439	-510
2361			
Write-offs of loans receivable	-372	-95	-388
2364			
Other adjustments, net	383		
2390			
Outstanding, end of year	1,999	2,446	2,783

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

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

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

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.

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

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

Statement of Operations (in millions of dollars)

Identification code 86-4072-0-3-371	2000 actual ¹	2001 actual ²	2002 est.	2003 est.
0101				
Revenue	230	430		
0102				
Expense	-544	-503		
0105				
Net income or loss (-)	-314	-73		
0108				
Other comprehensive income	-277	-598		

¹ Preliminary results pending final audit.

Balance Sheet (in millions of dollars)

Identification code 86-4072-0-3-371	2000 actual ¹	2001 actual	2002 est.	2003 est.
ASSETS:				
Federal assets:				
1101				
Fund balances with Treasury	1,749	2,782		
Investments in US securities:				
1102				
Treasury securities, par	8	7		
1106				
Receivables, net	47	9	3	3
1107				
Advances and prepayments	20	20		
Non-Federal assets:				
1201				
Investments in non-Federal securities, net	-6			
1206				
Receivables, net	113	124	86	86
1207				
Advances and prepayments				
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601				
Direct loans, gross	44	39	33	23
1602				
Interest receivable	1	-1		
1603				
Allowance for estimated uncollectible loans and interest (-)	-22	-21	-47	-47
1699				
Value of assets related to direct loans	23	17	-14	-24
1701				
Defaulted guaranteed loans, gross	1,981	2,006	1,707	1,707
1702				
Interest receivable	216	130		
1703				
Allowance for estimated uncollectible loans and interest (-)	-1,605	-1,126	-1,208	-1,208
1704				
Defaulted guaranteed loans and interest receivable, net	592	1,010	499	499

1705	Allowance for uncollectables from foreclosed property	763	.....	-150	.....	-150	.....
1706	Foreclosed property	-668	84	244	244		
1799	Value of assets related to loan guarantees	687	1,094	593	593		
Other Federal assets:							
1801	Funds held by the Public	74	109				
1901	Other assets	9	18				
1999	Total assets	2,724	4,180	668	658		
LIABILITIES:							
Federal liabilities:							
2101	Accounts payable	204	52	363	363		
2105	Other Liabilities	20	127				
Non-Federal liabilities:							
2201	Accounts payable	354	444	443	443		
2202	Interest payable	12	-4				
2203	Debt	220	223				
2204	Liabilities for loan guarantees	6,732	6,732				
2206	Pension and other actuarial liabilities			5,960	5,960		
2207	Unearned revenue and advances	390	384	124	124		
2999	Total liabilities	7,932	7,958	6,890	6,890		
NET POSITION:							
3100	Appropriated capital	921	1,826	8,532	8,532		
3300	Cumulative results of operations	-6,129	-5,604	-14,754	-14,764		
3999	Total net position	-5,208	-3,778	-6,222	-6,232		
4999	Total liabilities and net position	2,724	4,180	668	658		

¹ Preliminary pending final audit.

Object Classification (in millions of dollars)

Identification code 86-4072-0-3-371		2001 actual	2002 est.	2003 est.
25.2	Other services	282	109	89
32.0	Land and structures	256	315	264
33.0	Investments and loans	618	982	1,234
42.0	Insurance claims and indemnities	39	42	44
43.0	Interest and dividends	6	22	22
44.0	Repayments to financing account	176	129	57
99.9	Total new obligations	1,377	1,599	1,710

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4115-0-3-371		2001 actual	2002 est.	2003 est.
Obligations by program activity:				
Capital investment:				
00.02	Maintenance security and collateral	5	5	5
01.01	Operating expenses: Interest on borrowings	299	230	198
10.00	Total new obligations	304	235	203
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	116	26	.....
22.00	New budget authority (gross)	322	426	296
22.10	Resources available from recoveries of prior year obligations	7	5	10
22.40	Capital transfer to general fund	-116	-222	-103
23.90	Total budgetary resources available for obligation	329	235	203
23.95	Total new obligations	-304	-235	-203
24.40	Unobligated balance carried forward, end of year	26	.....	.....
New budget authority (gross), detail:				
Mandatory:				
60.00	Appropriation (Indefinite)	87	.....	.....
69.00	Offsetting collections (cash)	785	751	751
69.47	Portion applied to repay debt	-550	-325	-455
69.90	Spending authority from offsetting collections (total mandatory)	235	426	296
70.00	Total new budget authority (gross)	322	426	296
Change in obligated balances:				
72.40	Obligated balance, start of year	178	152	115

73.10	Total new obligations	304	235	203
73.20	Total outlays (gross)	-323	-267	-222
73.45	Recoveries of prior year obligations	-7	-5	-10
74.40	Obligated balance, end of year	152	115	85

Outlays (gross), detail:

86.97	Outlays from new mandatory authority	304	265	222
86.98	Outlays from mandatory balances	19	2	.....
87.00	Total outlays (gross)	323	267	222

Offsets:

Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources	-785	-751	-751

Net budget authority and outlays:

89.00	Budget authority	-463	-325	-455
90.00	Outlays	-462	-484	-529

Status of Direct Loans (in millions of dollars)

Identification code 86-4115-0-3-371		2001 actual	2002 est.	2003 est.
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	7,923	7,805	7,623
1231	Disbursements: Direct loan disbursements	4	5	1
1251	Repayments: Repayments and prepayments	-122	-187	-221
1264	Write-offs for default: Other adjustments, net .....	.....	.....	.....
1290	Outstanding, end of year	7,805	7,623	7,403

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

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

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

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

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

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

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

Statement of Operations (in millions of dollars)

Identification code 86-4115-0-3-371		2000 actual	2001 actual	2002 est.	2003 est.
0101	Revenue	674	659	563	530
0102	Expense	-345	-294	-235	-203
0105	Net income or loss (-)	329	365	328	327

Balance Sheet (in millions of dollars)

Identification code 86-4115-0-3-371		2000 actual	2001 actual	2002 est.	2003 est.
ASSETS:					
1101	Federal assets: Fund balances with Treasury	294	178	115	85
1207	Non-Federal assets: Advances and prepayments .....	.....	.....	.....	.....

Credit accounts—Continued

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND LIQUIDATING ACCOUNT—Continued

Balance Sheet (in millions of dollars)—Continued

Identification code 86-4115-0-3-371	2000 actual	2001 actual	2002 est.	2003 est.
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	7,923	7,804	7,623	7,403
1602 Interest receivable	83	98	98	98
1603 Allowance for estimated uncollectible loans and interest (-)	-23	-20	-22	-21
1604 Direct loans and interest receivable, net	7,983	7,882	7,699	7,480
1606 Acquired Real Property	8	9	8	8
1699 Value of assets related to direct loans	7,991	7,891	7,707	7,488
1999 Total assets	8,285	8,069	7,822	7,573
LIABILITIES:				
Federal liabilities:				
2102 Interest payable	171	150	115	100
2103 Debt	3,653	3,103	2,778	2,323
2104 Resources payable to Treasury	4,451	4,407	4,710	5,036
2207 Non-Federal liabilities: Other	10	22	22	22
2999 Total liabilities	8,285	7,682	7,625	7,481
NET POSITION:				
3100 Unexpended Appropriations		22	12	6
3300 Revolving Fund: Cumulative results of operations		365	185	86
3999 Total net position		387	197	92
4999 Total liabilities and net position	8,285	8,069	7,822	7,573

Object Classification (in millions of dollars)

Identification code 86-4115-0-3-371	2001 actual	2002 est.	2003 est.
32.0 Land and structures	5	5	5
43.0 Interest and dividends	299	230	198
99.9 Total new obligations	304	235	203

NONPROFIT SPONSOR ASSISTANCE LIQUIDATING ACCOUNT

Status of Direct Loans (in millions of dollars)

Identification code 86-4042-0-3-604	2001 actual	2002 est.	2003 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	2000 actual	2001 actual	2002 est.	2003 est.
ASSETS:				
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross		1	1	1
1603 Allowance for estimated uncollectible loans and interest (-)		-1	-1	-1

1699 Value of assets related to direct loans				
1999 Total assets				

MANUFACTURED HOUSING FEES TRUST FUND

For necessary expenses as authorized by the National Manufactured Housing Construction and Safety Standards Act of 1974, as amended (42 U.S.C. 5401 et seq.), **[\$13,566,000]** \$13,000,000, to remain available until expended, to be derived from the Manufactured Housing Fees Trust Fund: *Provided*, That not to exceed the total amount appropriated under this heading shall be available from the general fund of the Treasury to the extent necessary to incur obligations and make expenditures pending the receipt of collections to the Fund pursuant to section 620 of such Act: *Provided further*, That the amount made available under this heading from the general fund shall be reduced as such collections are received during fiscal year **[2002]** 2003 so as to result in a final fiscal year **[2002]** 2003 appropriation from the general fund estimated at not more than \$0 and fees pursuant to such section 620 shall be modified as necessary to ensure such a final fiscal year **[2002]** 2003 appropriation. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002.*)

Unavailable Collections (in millions of dollars)

Identification code 86-8119-0-7-376	2001 actual	2002 est.	2003 est.
01.99 Balance, start of year			
Receipts:			
02.00 Manufactured home inspection and monitoring	6	14	13
Appropriations:			
05.00 Manufactured home inspection and monitoring	-6	-14	-13
05.99 Total appropriations	-6	-14	-13
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 86-8119-0-7-376	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Transfer to salaries and expenses	1	1	1
00.02 Other program costs	4	13	12
10.00 Total new obligations (object class 25.2)	5	14	13

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year		1	1
22.00 New budget authority (gross)	6	14	13
23.90 Total budgetary resources available for obligation	6	15	14
23.95 Total new obligations	-5	-14	-13
24.40 Unobligated balance carried forward, end of year	1	1	1

New budget authority (gross), detail:

Discretionary:			
40.26 Appropriation (trust fund)		14	13
Mandatory:			
60.26 Appropriation (trust fund)	6		
70.00 Total new budget authority (gross)	6	14	13

Change in obligated balances:

72.40 Obligated balance, start of year		3	3
73.10 Total new obligations	5	14	13
73.20 Total outlays (gross)	-2	-14	-13
74.40 Obligated balance, end of year	3	3	3

Outlays (gross), detail:

86.90 Outlays from new discretionary authority		11	10
86.93 Outlays from discretionary balances		3	3
86.97 Outlays from new mandatory authority	2		
86.98 Outlays from mandatory balances	2		
87.00 Total outlays (gross)	2	14	13

Net budget authority and outlays:

89.00 Budget authority	6	14	13
90.00 Outlays	2	14	13

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

Fees are charged to the manufacturers for each manufactured home transportable section produced and will be used to fund the costs of all authorized activities necessary for the consensus committee, HUD, and its agents to carry out all aspects of the manufactured housing legislation. Fees are deposited in a trust fund administered by the Department, and a portion of the fee receipts are transferred to the salaries and expenses account to defray the direct administrative expenses of the program. In 2001, an estimated 338,565 transportable sections were produced, for a total of 191,249 manufactured homes.

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

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

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

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

The estimated annual program activity level will continue at 1,020 filings, approximately the same estimated level as in recent years with a cost of \$350,000.

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 \$834 million in 2002 and \$808 million in 2003.

Credit accounts:

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)

New commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act, as amended (12 U.S.C. 1721(g)), shall not exceed \$200,000,000,000, to remain available until September 30, [2003] 2004.

For administrative expenses necessary to carry out the guaranteed mortgage-backed securities program, [\$9,383,000] \$10,761,000, to be derived from the GNMA guarantees of mortgage-backed securities guaranteed loan receipt account, of which not to exceed [\$9,383,000] \$10,761,000, shall be transferred to the appropriation for "Salaries and expenses". (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002.*)

Unavailable Collections (in millions of dollars)

Identification code 86-0186-0-1-371	2001 actual	2002 est.	2003 est.
01.99 Balance, start of year	1,004	1,351	1,740
Receipts:			
02.20 Negative subsidies	356	398	398
04.00 Total: Balances and collections	1,360	1,749	2,138
Appropriations:			
05.00 Guarantees of mortgage-backed securities loan guarantee program account	-9	-9	-10
07.99 Balance, end of year	1,351	1,740	2,128

Program and Financing (in millions of dollars)

Identification code 86-0186-0-1-371	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Administrative expenses, salaries and expenses	9	9	10
10.00 Total new obligations (object class 25.3)	9	9	10
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	9	9	10
23.95 Total new obligations	-9	-9	-10
New budget authority (gross), detail:			
Discretionary:			
40.20 Appropriation (special fund)	9	9	10
Change in obligated balances:			
73.10 Total new obligations	9	9	10
73.20 Total outlays (gross)	-9	-9	-10
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	9	9	10
Net budget authority and outlays:			
89.00 Budget authority	9	9	10
90.00 Outlays	9	9	10
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities:			
Par value			
92.02 Total investments, end of year: Federal securities:			
Par value			

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

Identification code 86-0186-0-1-371	2001 actual	2002 est.	2003 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Ginnie Mae mortgage-backed securities	153,798	120,000	120,000
215002 Standby commitment authority	46,202	80,000	80,000

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

(INCLUDING TRANSFER OF FUNDS)—Continued

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

Identification code 86-0186-0-1-371	2001 actual	2002 est.	2003 est.
215901 Total loan guarantee levels	200,000	200,000	200,000
Guaranteed loan subsidy (in percent):			
232001 Loan guarantee levels	-0.36	-0.33	-0.33
232002 Standby commitment authority	-0.36	-0.33	-0.33
232901 Weighted average subsidy rate	-0.36	-0.33	-0.33
Guaranteed loan subsidy budget authority:			
233001 Loan guarantee levels	-356	-398	-398
233002 Standby commitment authority			
233901 Total subsidy budget authority	-356	-398	-398
Guaranteed loan subsidy outlays:			
234001 Loan guarantee levels	-356	-398	-398
234002 Standby commitment authority			
234901 Total subsidy outlays	-356	-398	-398
Administrative expense data:			
351001 Budget authority	9	9	10
359001 Outlays from new authority	9	9	10

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	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Operating expenses	40	43	3
00.02 Capital investment	52	95	63
00.91 Subtotal, Operating expenses and capital investment	92	138	66
08.01 Payment to receipt account for negative subsidy	356	398	398
10.00 Total new obligations	448	536	464
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	598	666	675
22.00 New financing authority (gross)	516	545	548
23.90 Total budgetary resources available for obligation	1,114	1,211	1,223
23.95 Total new obligations	-448	-536	-464
24.40 Unobligated balance carried forward, end of year	666	675	759
New financing authority (gross), detail:			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	516	545	548
Change in obligated balances:			
72.40 Obligated balance, start of year	16	26	28
73.10 Total new obligations	448	536	464
73.20 Total financing disbursements (gross)	-437	-534	-464
74.40 Obligated balance, end of year	26	28	28
87.00 Total financing disbursements (gross)	437	534	464

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25 Interest on uninvested funds	-47	-38	-38
Non-Federal sources:			
88.40 Guarantee Fees	-383	-383	-398
88.40 Commitment and other fees	-48	-72	-42
88.40 Multiclass fees	-18	-21	-21

88.40 Repayment of advances	-20	-31	-49
88.90 Total, offsetting collections (cash)	-516	-545	-548

Net financing authority and financing disbursements:

89.00 Financing authority			
90.00 Financing disbursements	-79	-11	-84

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4240-0-3-371	2001 actual	2002 est.	2003 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	200,000	200,000	200,000
2121 Limitation available from carry-forward		38,343	
2143 Uncommitted limitation carried forward	-38,343		
2150 Total guaranteed loan commitments	161,657	238,343	200,000
2199 Guaranteed amount of guaranteed loan commitments	161,657	238,343	200,000
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	602,741	604,309	627,619
2231 Disbursements of new guaranteed loans	153,798	120,000	120,000
2251 Repayments and prepayments	-152,230	-96,689	-72,168
2290 Outstanding, end of year	604,309	627,619	675,451
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	604,309	627,619	675,451

Operating Results.—Fee collections, interest, and other income are expected to exceed expenses by \$76 million in 2001; \$37 million in 2002 and \$95 million in 2003. 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	2000 actual	2001 actual	2002 est.	2003 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	614	693	703	747
1206 Non-Federal assets: Receivables, net	31	32	32	33
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross		3	10	11
1699 Value of assets related to direct loans		2	11	10
1803 Other Federal assets: Property, plant and equipment, net	5	8	12	15
1999 Total assets	650	736	757	806
LIABILITIES:				
Non-Federal liabilities:				
2201 Accounts payable	47	59	59	61
2207 Other	22	21		
2999 Total liabilities	69	80	59	61
NET POSITION:				
3300 Cumulative results of operations	581	656	698	745
3999 Total net position	581	656	698	745
4999 Total liabilities and net position	650	736	757	806

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

GUARANTEES OF MORTGAGE-BACKED SECURITIES LIQUIDATING ACCOUNT**Unavailable Collections (in millions of dollars)**

Identification code 86-4238-0-3-371	2001 actual	2002 est.	2003 est.
01.99 Balance, start of year			

Receipts:				
02.80	Guarantees of mortgage-backed securities liquidating account, offsetting collections	402	420	425
Appropriations:				
05.00	Guarantees of mortgage-backed securities liquidating account	-402	-420	-425
07.99	Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 86-4238-0-3-371				
Obligations by program activity:				
00.01	Administrative contract expenses			40
Operating expenses:				
00.02	Default expenses	1	1	1
00.03	Servicing expenses	2	1	1
00.91	Total operating expenses	3	2	42
Capital investment:				
01.01	Advances of guaranty payments	47	46	45
10.00	Total new obligations	50	48	87

Budgetary resources available for obligation:

21.40	Unobligated balance carried forward, start of year	6,237	6,589	6,961
22.00	New budget authority (gross)	402	420	465
23.90	Total budgetary resources available for obligation	6,639	7,009	7,426
23.95	Total new obligations	-50	-48	-87
24.40	Unobligated balance carried forward, end of year	6,589	6,961	7,339

New budget authority (gross), detail:

Mandatory:				
60.00	Appropriation			40
69.00	Offsetting collections (cash)	402	420	425
70.00	Total new budget authority (gross)	402	420	465

Change in obligated balances:

72.40	Obligated balance, start of year ¹	-79	-66	-59
73.10	Total new obligations	50	48	87
73.20	Total outlays (gross)	-37	-42	-89
74.40	Obligated balance, end of year	-66	-59	-61

Outlays (gross), detail:

86.97	Outlays from new mandatory authority	37	42	89
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Offsets:

Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.20	Interest on Federal securities	-356	-378	-389
Non-Federal sources:				
88.40	Repayments of guaranteed payments	-42	-39	-35
88.40	Servicing income	-3	-2	-1
88.40	Repayments on mortgages	-1	-1	
88.90	Total, offsetting collections (cash)	-402	-420	-425

Net budget authority and outlays:

89.00	Budget authority			40
90.00	Outlays	-365	-378	-336

Memorandum (non-add) entries:

92.01	Total investments, start of year: Federal securities: Par value	6,190	6,575	6,838
92.02	Total investments, end of year: Federal securities: Par value	6,575	6,838	7,111

¹ This line nets unpaid obligations and offsetting collections from new Federal sources.

Status of Direct Loans (in millions of dollars)

Identification code 86-4238-0-3-371				
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	109	110	90
1232	Disbursements: Purchase of loans assets from the public	47	46	45
1252	Repayments: Proceeds from loan asset sales to the public or discounted	-42	-39	-35
1263	Write-offs for default: Direct loans	-4	-27	-25
1290	Outstanding, end of year	110	90	75

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4238-0-3-371				
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	146	134	122
2251	Repayments and prepayments	-12	-12	-12
2290	Outstanding, end of year	134	122	110

Memorandum:

2299	Guaranteed amount of guaranteed loans outstanding, end of year	134	122	110
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Operating results.—Fee collections, interest, and other income are expected to exceed expenses by \$378 million in 2002 and \$348 million in 2003. 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					
0101	Revenue	370	383	381	390
0102	Expense			-3	-42
0105	Net income or loss (-)	370	383	378	348
0199	Total comprehensive income	370	383	378	348

Balance Sheet (in millions of dollars)

Identification code 86-4238-0-3-371					
ASSETS:					
Federal assets:					
1101	Fund balances with Treasury				
Investments in US securities:					
1102	Treasury securities, par	6,171	6,557	6,838	7,111
1106	Receivables, net	89	85	57	58
1206	Non-Federal assets: Receivables, net	3	2	2	1
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1601	Direct loans, gross	109	110	89	75
1603	Allowance for estimated uncollectible loans and interest (-)	-105	-99	-79	-65
1699	Value of assets related to direct loans	4	11	10	10
1999	Total assets	6,267	6,655	6,907	7,180
LIABILITIES:					
Non-Federal liabilities:					
2201	Accounts payable	20	20	1	
2207	Other	513	515	514	514
2999	Total liabilities	533	535	515	514
NET POSITION:					
3300	Cumulative results of operations	5,734	6,120	6,392	6,666
3999	Total net position	5,734	6,120	6,392	6,666
4999	Total liabilities and net position	6,267	6,655	6,907	7,180

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				
25.2	Other services	3	2	42
33.0	Investments and loans	47	46	45
99.9	Total new obligations	50	48	87

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, **[\$50,250,000] \$47,000,000**, to remain available until September 30, **[2003: Provided, That \$1,500,000 shall be for necessary expenses of the Millennial Housing Commission, as authorized by section 206 of Public Law 106-74, with the final report due no later than May 30, 2002 and a termination date of August 30, 2002, notwithstanding section 206(f) and (g) of Public Law 106-74: Provided further, That \$1,000,000 shall be for necessary expenses of the commission established under section 525 of the Preserving Affordable Housing for Senior Citizens and Families in the 21st Century Act, with the final report due no later than June 30, 2002 and a termination date of September 30, 2002, notwithstanding section 525(f) and (g) of Public Law 106-74: Provided further, That of the total amount provided under this heading, \$8,750,000 shall be for the Partnership for Advancing Technology in Housing (PATH) Initiative] 2004. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002.)**

Program and Financing (in millions of dollars)

Identification code 86-0108-0-1-451	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Housing Research	41	41	47
00.02 PATH	9	10	
00.05 Strategic Planning Performance Measurement	3		
10.00 Total new obligations	53	51	47
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	3	
22.00 New budget authority (gross)	53	48	47
23.90 Total budgetary resources available for obligation	55	51	47
23.95 Total new obligations	-53	-51	-47
24.40 Unobligated balance carried forward, end of year	3		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	53	50	47
41.00 Transferred to other accounts		-2	
43.00 Appropriation (total discretionary)	53	48	47
Change in obligated balances:			
72.40 Obligated balance, start of year	63	51	40
73.10 Total new obligations	53	51	47
73.20 Total outlays (gross)	-64	-60	-51
74.40 Obligated balance, end of year	51	40	37
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	25	19	19
86.93 Outlays from discretionary balances	39	41	33
87.00 Total outlays (gross)	64	60	51
Net budget authority and outlays:			
89.00 Budget authority	53	48	47
90.00 Outlays	63	60	51

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 2003, the research program will expand funding for program evaluations and cover some of the increased costs associ-

ated with analyzing newly available 2000 census data to determine their implications for HUD programs. National Housing Surveys will continue in 2003. Research and evaluation activities will also support the Department in carrying out its responsibilities under the Government Performance and Results Act.

Object Classification (in millions of dollars)

Identification code 86-0108-0-1-451	2001 actual	2002 est.	2003 est.
25.2 Other services	47	45	42
41.0 Grants, subsidies, and contributions	6	6	5
99.9 Total new obligations	53	51	47

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, \$45,899,000, to remain available until September 30, **[2003] 2004**, of which \$20,250,000 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, 2002.)

Program and Financing (in millions of dollars)

Identification code 86-0144-0-1-751	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Fair housing assistance	21	26	26
00.02 Fair housing initiatives	24	20	20
10.00 Total new obligations (object class 41.0)	45	46	46
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	30	31	31
22.00 New budget authority (gross)	46	46	46
23.90 Total budgetary resources available for obligation	76	77	77
23.95 Total new obligations	-45	-46	-46
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	31	31	31
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	46	46	46
Change in obligated balances:			
72.40 Obligated balance, start of year	39	45	54
73.10 Total new obligations	45	46	46
73.20 Total outlays (gross)	-39	-37	-46
73.40 Adjustments in expired accounts (net)	-1		
74.40 Obligated balance, end of year	45	54	54
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1		
86.93 Outlays from discretionary balances	38	37	46
87.00 Total outlays (gross)	39	37	46
Net budget authority and outlays:			
89.00 Budget authority	46	46	46
90.00 Outlays	39	37	46

The Budget proposes an appropriation of \$46 million in 2003 to fund fair housing activities that support efforts to end housing discrimination. Of the amount requested, \$26 million is for the Fair Housing Assistance Program and \$20 million is for the Fair Housing Initiatives Program.

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

The funding requested for FHAP will support fair housing enforcement by increasing funding to support additional State and local fair housing organizations to meet the needs of currently underserved populations. It is estimated that the number of new State and local agencies with laws equivalent to the Fair Housing Act will increase to 98 in 2003 from 96 in 2002.

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

OFFICE OF LEAD HAZARD CONTROL

Federal Funds

General and Special Funds:

LEAD HAZARD REDUCTION

For the Lead Hazard Reduction Program, as authorized by section 1011 of the Residential Lead-Based Paint Hazard Reduction Act of 1992, **[\$109,758,000] \$126,000,000**, to remain available until September 30, **[2003] 2004**, of which \$10,000,000 shall be for the Healthy Homes Initiative, pursuant to sections 501 and 502 of the Housing and Urban Development Act of 1970 that shall include research, studies, testing, and demonstration efforts, including education and outreach concerning lead-based paint poisoning and other housing-related diseases and hazards: *Provided*, That of the amounts provided under this heading, \$3,500,000 shall be for a one-time grant to the National Center for Lead-Safe Housing. *(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002.)*

Program and Financing (in millions of dollars)

Identification code 86-0174-0-1-451	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Lead abatement	90	196	126
10.00 Total new obligations (object class 41.0)	90	196	126
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	72	86	.....
22.00 New budget authority (gross)	100	110	126
22.10 Resources available from recoveries of prior year obligations	4	.....	.....
23.90 Total budgetary resources available for obligation	176	196	126
23.95 Total new obligations	-90	-196	-126
24.40 Unobligated balance carried forward, end of year	86	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	100	110	126
Change in obligated balances:			
72.40 Obligated balance, start of year	196	196	297
73.10 Total new obligations	90	196	126
73.20 Total outlays (gross)	-86	-95	-101
73.45 Recoveries of prior year obligations	-4	.....	.....
74.40 Obligated balance, end of year	196	297	322
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	4	2	3
86.93 Outlays from discretionary balances	81	93	98

87.00	Total outlays (gross)	86	95	101
Net budget authority and outlays:				
89.00	Budget authority	100	110	126
90.00	Outlays	85	95	101

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

The program is a major part of a 10-year strategy to eliminate lead poisoning in children. The 2003 Budget includes a \$16 million increase to \$96 million for HUD's Lead Hazard Control Program competitive grants, and \$10 million for the Healthy Homes Initiative. A request of \$10 million to continue Operation LEAP is also included. These funds will be used to leverage the lead hazard control grant program.

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

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

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

MANAGEMENT AND ADMINISTRATION

Federal Funds

General and special funds:

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary administrative and non-administrative expenses of the Department of Housing and Urban Development, not otherwise provided for, including not to exceed \$25,000 for official reception and representation expenses, **[\$1,097,292,000] \$1,120,871,000**, of which **[\$530,457,000] \$571,779,000** shall be provided from the various funds of the Federal Housing Administration, **[\$9,383,000] [\$10,000,000] \$10,761,000** shall be provided from funds of the Government National Mortgage Association, **[\$1,000,000] \$1,040,000** shall be provided from the "Community development loan guarantees program" account, **[\$150,000] \$156,000** shall be provided by transfer from the "Native American housing block grants" account, **[\$200,000] \$207,000** shall be provided by transfer from the "Indian housing loan guarantee fund program" account and \$35,000 shall be transferred from the "Native Hawaiian housing loan guarantee fund" account: *Provided*, That no less than **[\$85,000,000] \$10,500,000** shall be transferred to the Working Capital Fund for the development **[and maintenance of] of and modifications to** information technology

General and special funds—Continued

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

systems: *Provided further*, That the Secretary shall fill 7 out of 10 vacancies at the GS-14 and GS-15 levels until the total number of GS-14 and GS-15 positions in the Department has been reduced from the number of GS-14 and GS-15 positions on the date of enactment of Public Law 106-377 by 2½ percent: *Provided further*, That the Secretary shall submit a staffing plan for the Department by January 15, 2002. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002; additional authorizing legislation required.)

Program and Financing (in millions of dollars)

Identification code 86-0143-0-1-999	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
Direct program:			
00.01 Housing, mortgage credit, regulatory and energy conservation	222	231	213
00.02 Community planning and development programs	37	38	35
00.03 Equal opportunity and research programs	40	41	38
00.04 Departmental management, legal and audit services	36	36	34
00.05 Field direction and administration	228	236	217
09.01 Reimbursable program	557	566	584
09.99 Total reimbursable program	557	566	584
10.00 Total new obligations	1,120	1,148	1,121
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	1,126	1,148	1,121
23.95 Total new obligations	-1,120	-1,148	-1,121
23.98 Unobligated balance expiring or withdrawn	-5		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	569	582	537
40.77 Reduction pursuant to P.L. 106-554 (0.22 percent)	-1		
43.00 Appropriation (total discretionary)	568	582	537
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	558	566	584
70.00 Total new budget authority (gross)	1,126	1,148	1,121
Change in obligated balances:			
72.40 Obligated balance, start of year	194	174	174
73.10 Total new obligations	1,120	1,148	1,121
73.20 Total outlays (gross)	-1,137	-1,148	-1,128
73.40 Adjustments in expired accounts (net)	-3		
74.40 Obligated balance, end of year	174	174	167
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1,045	1,054	1,034
86.93 Outlays from discretionary balances	92	94	94
87.00 Total outlays (gross)	1,137	1,148	1,128
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-558	-566	-584
Net budget authority and outlays:			
89.00 Budget authority	568	582	537
90.00 Outlays	579	582	544

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

	2001 actual	2002 est.	2003 est.
Net budget authority and outlays:			
89.00 Budget authority	542	556	510
90.00 Outlays	553	556	517

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	2001 actual	2002 est.	2003 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	282	313	329
11.3 Other than full-time permanent	1	2	2
11.5 Other personnel compensation	2	3	3
11.9 Total personnel compensation	285	318	334
12.1 Civilian personnel benefits	100	100	102
21.0 Travel and transportation of persons	8	8	12
23.1 Rental payments to GSA	46	46	48
23.3 Communications, utilities, and miscellaneous charges	14	14	14
24.0 Printing and reproduction	3	3	3
25.1 Advisory and assistance services	74	63	
25.2 Other services	3	3	4
25.3 Other purchases of goods and services from Government accounts	20	20	12
25.4 Operation and maintenance of facilities	3	3	3
25.7 Operation and maintenance of equipment	1	1	2
26.0 Supplies and materials	3	2	2
31.0 Equipment	3	1	1
99.0 Direct obligations	563	582	537
99.0 Reimbursable obligations	557	566	584
99.9 Total new obligations	1,120	1,148	1,121

Personnel Summary

Identification code 86-0143-0-1-999	2001 actual	2002 est.	2003 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment	4,552	4,641	4,641
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	4,374	4,459	4,459

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, **[\$93,898,000]** **\$101,595,000**, of which **[\$22,343,000]** **\$24,058,000** shall be provided from the various funds of the Federal Housing Administration [and \$5,000,000 shall be provided from the appropriation for the "Public housing operating fund": *Provided*, That the Inspector General shall have independent authority over all personnel issues within] : *Provided, that no less than \$300,000 shall be transferred to the Working Capital Fund for the development of and modifications to information technology systems for the Office of Inspector General. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002; additional authorizing legislation required.)*

[For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for "Office of Inspector General", \$1,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107-38.] (*Emergency Supplemental Act, 2002.*)

Program and Financing (in millions of dollars)

Identification code 86-0189-0-1-451	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Direct program	62	71	77
09.01 Reimbursable program	33	28	24
10.00 Total new obligations	95	99	101
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	6		
22.00 New budget authority (gross)	89	99	101
23.90 Total budgetary resources available for obligation	95	99	101

23.95	Total new obligations	-95	-99	-101
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	56	71	77
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	33	28	24
70.00	Total new budget authority (gross)	89	99	101
Change in obligated balances:				
72.40	Obligated balance, start of year	27	26	26
73.10	Total new obligations	95	99	101
73.20	Total outlays (gross)	-95	-98	-101
74.40	Obligated balance, end of year	26	26	26
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	79	84	84
86.93	Outlays from discretionary balances	15	15	15
87.00	Total outlays (gross)	95	98	101
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-33	-28	-24
Net budget authority and outlays:				
89.00	Budget authority	56	71	77
90.00	Outlays	61	70	77

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

	2001 actual	2002 est.	2003 est.	
Net budget authority and outlays:				
89.00	Budget authority	53	68	74
90.00	Outlays	58	67	74

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

Object Classification (in millions of dollars)

Identification code 86-0189-0-1-451	2001 actual	2002 est.	2003 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	31	41	48
11.5	Other personnel compensation	2	2	2
11.9	Total personnel compensation	33	43	50
12.1	Civilian personnel benefits	10	11	11
21.0	Travel and transportation of persons	4	4	4
23.1	Rental payments to GSA	5	4	4
23.3	Communications, utilities, and miscellaneous charges	1	1	1
25.1	Advisory and assistance services	4	3	3
25.3	Other purchases of goods and services from Government accounts	2	2	2
26.0	Supplies and materials	1	1	1
31.0	Equipment	1	2	1
99.0	Direct obligations	61	71	77
99.0	Reimbursable obligations	34	28	24
99.9	Total new obligations	95	99	101

Personnel Summary

Identification code 86-0189-0-1-451	2001 actual	2002 est.	2003 est.	
Direct:				
1001	Total compensable workyears: Full-time equivalent employment	438	443	443

Reimbursable:				
2001	Total compensable workyears: Full-time equivalent employment	246	232	232

**CONSOLIDATED FEE FUND
(RESCISSION)**

[Of the] All unobligated balances remaining available from fees and charges under section 7(j) of the Department of Housing and Urban Development Act, \$6,700,000 is on October 1, 2002 are rescinded. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002.)

Program and Financing (in millions of dollars)

Identification code 86-5486-0-2-604	2001 actual	2002 est.	2003 est.	
Obligations by program activity:				
00.01	Direct Program Activity	1	1	.....
10.00	Total new obligations (object class 25.3)	1	1	.....
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	16	16	8
22.00	New budget authority (gross) .....	.....	-7	-8
23.90	Total budgetary resources available for obligation	16	9	.....
23.95	Total new obligations	-1	-1	.....
24.40	Unobligated balance carried forward, end of year	16	8	.....
New budget authority (gross), detail:				
Discretionary:				
40.36	Unobligated balance rescinded .....	.....	-7	-8
Change in obligated balances:				
73.10	Total new obligations	1	1	.....
73.20	Total outlays (gross)	-1	-1	.....
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority .....	.....	.....	-1
86.93	Outlays from discretionary balances .....	.....	.....	1
86.98	Outlays from mandatory balances	1	1	.....
87.00	Total outlays (gross)	1	1	.....
Net budget authority and outlays:				
89.00	Budget authority .....	.....	-7	-8
90.00	Outlays	1	1	.....

Section 7(j) of the Department of Housing and Urban Development Act established fees and charges from selected programs to offset the costs of audits, inspections and other related expenses that may be incurred by the Department in monitoring these programs. These funds are no longer needed. In 2003, the budget proposes a rescission of all unobligated funds.

**OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT
SALARIES AND EXPENSES
(INCLUDING TRANSFER OF FUNDS)**

[For carrying out the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, including not to exceed \$500 for official reception and representation expenses, \$27,000,000, to remain available until expended, to be derived from the Federal Housing Enterprises 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: *Provided further*, That this Office shall submit a staffing plan to the House and Senate Committees on Appropriations no later than January 30, 2002]. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002.)

General and special funds—Continued**OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT—Continued****SALARIES AND EXPENSES—Continued****(INCLUDING TRANSFER OF FUNDS)—Continued****Unavailable Collections (in millions of dollars)**

Identification code 86-5272-0-2-371	2001 actual	2002 est.	2003 est.
01.99 Balance, start of year			
Receipts:			
02.60 Office of federal housing enterprise oversight	22	27	31
Appropriations:			
05.00 Office of federal housing enterprise oversight	-22	-27	-31
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 86-5272-0-2-371	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Direct program	23	27	31
10.00 Total new obligations	23	27	31
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	22	27	31
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	23	27	31
23.95 Total new obligations	-23	-27	-31
New budget authority (gross), detail:			
Discretionary:			
40.20 Appropriation (special fund)	22	27	31
Change in obligated balances:			
72.40 Obligated balance, start of year	6	5	6
73.10 Total new obligations	23	27	31
73.20 Total outlays (gross)	-23	-26	-30
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	5	6	7
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	19	22	25
86.93 Outlays from discretionary balances	4	4	5
87.00 Total outlays (gross)	23	26	30
Net budget authority and outlays:			
89.00 Budget authority	22	27	31
90.00 Outlays	23	26	30

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

	2001 actual	2002 est.	2003 est.
Net budget authority and outlays:			
89.00 Budget authority	22	27	30
90.00 Outlays	23	26	29

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

In order to treat OFHEO similarly to other financial regulators, including the regulator of the Federal Home Loan Bank System, the Budget proposes legislation that would pro-

vide direct funding of OFHEO's activities with mandatory assessments on Fannie Mae and Freddie Mac.

Object Classification (in millions of dollars)

Identification code 86-5272-0-2-371	2001 actual	2002 est.	2003 est.
Direct obligations:			
11.1 Personnel compensation: Personnel Compensation	12	14	16
12.1 Civilian personnel benefits	3	3	5
23.2 Rental payments to others	3	3	3
25.2 Other services	3	2	5
31.0 Equipment	1	4	1
32.0 Land and structures	1		
99.0 Direct obligations	23	26	30
99.5 Below reporting threshold		1	1
99.9 Total new obligations	23	27	31

Personnel Summary

Identification code 86-5272-0-2-371	2001 actual	2002 est.	2003 est.
1001 Total compensable workyears: Full-time equivalent employment	105	118	142

Intragovernmental funds:**WORKING CAPITAL FUND**

For additional capital for Working Capital Fund (42 U.S.C. 3535) for the development of, modifications to, and infrastructure for Department-wide Information technology systems, and for the continuing operation of both Department-wide and program-specific information systems, \$278,737,000 to remain available until September 30, 2004: Provided, That any amounts transferred to this Fund under this Act shall remain available until expended.

Program and Financing (in millions of dollars)

Identification code 86-4586-0-4-451	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Direct Program Activity			278
09.01 Reimbursable program	340	351	75
10.00 Total new obligations	340	351	353
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	25	24	24
22.00 New budget authority (gross)	336	351	353
22.10 Resources available from recoveries of prior year obligations	2		
23.90 Total budgetary resources available for obligation	363	375	377
23.95 Total new obligations	-340	-351	-353
24.40 Unobligated balance carried forward, end of year	24	24	24
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			278
Mandatory:			
69.00 Offsetting collections (cash)	398	351	75
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-62		
69.90 Spending authority from offsetting collections (total mandatory)	336	351	75
70.00 Total new budget authority (gross)	336	351	353
Change in obligated balances:			
72.40 Obligated balance, start of year	-17	71	71
73.10 Total new obligations	340	351	353
73.20 Total outlays (gross)	-310	-351	-325
73.45 Recoveries of prior year obligations	-2		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	62		
74.40 Obligated balance, end of year	71	71	99
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			250
86.97 Outlays from new mandatory authority	310	351	75

87.00	Total outlays (gross)	310	351	325
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-398	-351	-75
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	62		
Net budget authority and outlays:				
89.00	Budget authority			278
90.00	Outlays	-87		250
Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)				
		2001 actual	2002 est.	2003 est.
Net budget authority and outlays:				
89.00	Budget authority			276
90.00	Outlays	-87		248

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. In 2001 and 2002 the fund was financed from fees charged for services performed. In 2003, a direct appropriation is requested for the operations of the computer system and for development and modifications of Department-wide systems. Fees will continue for services to develop and modify systems where the benefit is limited to a specific program.

Object Classification (in millions of dollars)				
Identification code 86-4586-0-4-451		2001 actual	2002 est.	2003 est.
Direct obligations:				
11.1	Personnel compensation: Full-time permanent			32
12.1	Civilian personnel benefits			8
21.0	Travel and transportation of persons			1
23.3	Communications, utilities, and miscellaneous charges			43
25.1	Advisory and assistance services			176
26.0	Supplies and materials			1
31.0	Equipment			17
99.0	Direct obligations			278
Reimbursable obligations:				
11.1	Personnel compensation: Full-time permanent	26	30	
12.1	Civilian personnel benefits	5	6	
21.0	Travel and transportation of persons	1	2	
23.3	Communications, utilities, and miscellaneous charges	35	40	9
25.1	Advisory and assistance services	223	237	58
26.0	Supplies and materials	1	1	
31.0	Equipment	49	35	8
99.0	Reimbursable obligations	340	351	75
99.9	Total new obligations	340	351	353

Personnel Summary

Identification code 86-4586-0-4-451		2001 actual	2002 est.	2003 est.
Direct:				
1001	Total compensable workyears: Full-time equivalent employment			380
Reimbursable:				
2001	Total compensable workyears: Full-time equivalent employment	354	380	

ADMINISTRATIVE PROVISIONS

SEC. 201. Fifty percent of the amounts of budget authority, or in lieu thereof 50 percent of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 1437 note) shall be rescinded,

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

SEC. 202. None of the amounts made available under this Act may be used during fiscal year 2002 to investigate or prosecute under the Fair Housing Act any otherwise lawful activity engaged in by one or more persons, including the filing or maintaining of a non-frivolous legal action, that is engaged in solely for the purpose of achieving or preventing action by a Government official or entity, or a court of competent jurisdiction.

SEC. 203. (a) Notwithstanding section 854(c)(1)(A) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)(1)(A)), from any amounts made available under this title for fiscal year [2002] 2003 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 [2002] 2003 under such clause (ii) because the areas in the State outside of the metropolitan statistical areas that qualify under clause (i) in fiscal year [2002] 2003 do not have the number of cases of acquired immunodeficiency syndrome (AIDS) required under such clause.

(b) The amount of the allocation and grant for any State described in subsection (a) shall be an amount based on the cumulative number of AIDS cases in the areas of that State that are outside of metropolitan statistical areas that qualify under clause (i) of such section 854(c)(1)(A) in fiscal year [2002] 2003, 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).

SEC. 204. (a) Section 225(a) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000, Public Law 106-74 (113 Stat. 1076), is amended by [inserting "and fiscal year 2002" after "fiscal year 2001"] striking "year 2000, and the amounts that would otherwise be allocated for fiscal year 2001 and fiscal year 2002", and inserting "years 2000, 2001, 2002, and 2003".

(b) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development shall allocate to Wake County, North Carolina, the amounts that otherwise would be allocated for fiscal year [2002] 2003 under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)) to the City of Raleigh, North Carolina, on behalf of the Raleigh-Durham-Chapel Hill, North Carolina Metropolitan Statistical Area. Any amounts allocated to Wake County shall be used to carry out eligible activities under section 855 of such Act (42 U.S.C. 12904) within such metropolitan statistical area.

SEC. 205. Section 106(c)(9) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(c)(9)) is repealed.

SEC. 206. Section 251 of the National Housing Act (12 U.S.C. 1715z-16) is amended—

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

(2) by adding the following new subsection at the end:

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

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

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

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

Intragovernmental funds—Continued

ADMINISTRATIVE PROVISIONS—Continued

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

【SEC. 207. (a) Section 203(c) of the National Housing Act (12 U.S.C. 1709(c)) is amended—

(1) in paragraph (1), by striking “and (k)” and inserting “or (k);” and

(2) in paragraph (2)—

(A) by inserting after “subsection (v)” the following: “and each mortgage that is insured under subsection (k) or section 234(c);” and

(B) by striking “and executed on or after October 1, 1994.”.

(b) The amendments made by subsection (a) shall—

(1) apply only to mortgages that are executed on or after the date of enactment of this Act; and

(2) be implemented in advance of any necessary conforming changes to regulations.】

SEC. 【208】204. (a) During fiscal year 【2002】2003, in the provision of rental assistance under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) in connection with a program to demonstrate the economy and effectiveness of providing such assistance for use in assisted living facilities that is carried out in the counties of the State of Michigan specified in subsection (b) of this section, notwithstanding paragraphs (3) and (18)(B)(iii) of such section 8(o), a family residing in an assisted living facility in any such county, on behalf of which a public housing agency provides assistance pursuant to section 8(o)(18) of such Act, may be required, at the time the family initially receives such assistance, to pay rent in an amount exceeding 40 percent of the monthly adjusted income of the family by such a percentage or amount as the Secretary of Housing and Urban Development determines to be appropriate.

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

【SEC. 209. Section 533 of the National Housing Act (12 U.S.C. 1735f-11) is amended to read as follows:

“SEC. 533. REVIEW OF MORTGAGEE PERFORMANCE AND AUTHORITY TO TERMINATE.—

“(a) PERIODIC REVIEW OF MORTGAGEE PERFORMANCE.—To reduce losses in connection with single family mortgage insurance programs under this Act, at least once a year the Secretary shall review the rate of early defaults and claims for insured single family mortgages originated or underwritten by each mortgagee.

“(b) COMPARISON WITH OTHER MORTGAGEES.—For each mortgagee, the Secretary shall compare the rate of early defaults and claims for insured single family mortgage loans originated or underwritten by the mortgagee in an area with the rate of early defaults and claims for other mortgagees originating or underwriting insured single family mortgage loans in the area. For purposes of this section, the term ‘area’ means each geographic area in which the mortgagee is authorized by the Secretary to originate insured single family mortgages.

“(c) TERMINATION OF MORTGAGEE ORIGINATION APPROVAL.—(1) Notwithstanding section 202(c) of this Act, the Secretary may terminate the approval of a mortgagee to originate or underwrite single family mortgages if the Secretary determines that the mortgage loans originated or underwritten by the mortgagee present an unacceptable risk to the insurance funds. The determination shall be based on the comparison required under subsection (b) and shall be made in accordance with regulations of the Secretary. The Secretary may rely on existing regulations published before this section takes effect.

“(2) The Secretary shall give a mortgagee at least 60 days prior written notice of any termination under this subsection. The termination shall take effect at the end of the notice period, unless the Secretary withdraws the termination notice or extends the notice period. If requested in writing by the mortgagee within 30 days of the date of the notice, the mortgagee shall be entitled to an informal conference with the official authorized to issue termination notices on behalf of the Secretary (or a designee of that official). At the informal conference, the mortgagee may present for consideration specific factors that it believes were beyond its control and that caused the excessive default and claim rate.”.]

【SEC. 210. Except as explicitly provided in law, any grant or assistance made pursuant to title II of this Act shall be made on a competitive basis in accordance with section 102 of the Department of Housing and Urban Development Reform Act of 1989.】

【SEC. 211. Public housing agencies in the States of Alaska, Iowa, and Mississippi shall not be required to comply with section 2(b) of the United States Housing Act of 1937, as amended, during fiscal year 2002.】

【SEC. 212. Notwithstanding any other provision of law, in fiscal year 2002, in managing and disposing of any multifamily property that is owned or held by the Secretary and is occupied primarily by elderly or disabled families, the Secretary of Housing and Urban Development shall maintain any rental assistance payments under section 8 of the United States Housing Act of 1937 that are attached to any dwelling units in the property. To the extent the Secretary determines that such a multifamily property owned or held by the Secretary is not feasible for continued rental assistance payments under such section 8, the Secretary may, in consultation with the tenants of that property, contract for project-based rental assistance payments with an owner or owners of other existing housing properties or provide other rental assistance.】

【SEC. 213. (a) SECTION 207 LIMITS.—Section 207(c)(3) of the National Housing Act (12 U.S.C. 1713(c)(3)) is amended—

(1) by striking “\$30,420”, “\$33,696”, “\$40,248”, “\$49,608”, and “\$56,160” and inserting “\$38,025”, “\$42,120”, “\$50,310”, “\$62,010”, and “\$70,200”, respectively;

(2) by striking “\$9,000” and inserting “\$11,250”; and

(3) by striking “\$35,100”, “\$39,312”, “\$48,204”, “\$60,372”, and “\$68,262” and inserting “\$43,875”, “\$49,140”, “\$60,255”, “\$75,465”, and “\$85,328”, respectively.

(b) SECTION 213 LIMITS.—Section 213(b)(2) of the National Housing Act (12 U.S.C. 1715e(b)(2)) is amended—

(1) by striking “\$30,420”, “\$33,696”, “\$40,248”, “\$49,608”, and “\$56,160” and inserting “\$38,025”, “\$42,120”, “\$50,310”, “\$62,010”, and “\$70,200”, respectively; and

(2) by striking “\$35,100”, “\$39,312”, “\$48,204”, “\$60,372”, and “\$68,262” and inserting “\$43,875”, “\$49,140”, “\$60,255”, “\$75,465”, and “\$85,328”, respectively.

(c) SECTION 220 LIMITS.—Section 220(d)(3)(B)(iii) of the National Housing Act (12 U.S.C. 1715k(d)(3)(B)(iii)) is amended—

(1) by striking “\$30,420”, “\$33,696”, “\$40,248”, “\$49,608”, and “\$56,160” and inserting “\$38,025”, “\$42,120”, “\$50,310”, “\$62,010”, and “\$70,200”, respectively; and

(2) by striking “\$35,100”, “\$39,312”, “\$48,204”, “\$60,372”, and “\$68,262” and inserting “\$43,875”, “\$49,140”, “\$60,255”, “\$75,465”, and “\$85,328”, respectively.

(d) SECTION 221(d)(3) LIMITS.—Section 221(d)(3)(ii) of the National Housing Act (12 U.S.C. 1715l(d)(3)(ii)) is amended—

(1) by striking “\$33,638”, “\$38,785”, “\$46,775”, “\$59,872”, and “\$66,700” and inserting “\$42,048”, “\$48,481”, “\$58,469”, “\$74,840”, and “\$83,375”, respectively; and

(2) by striking “\$35,400”, “\$40,579”, “\$49,344”, “\$63,834”, and “\$70,070” and inserting “\$44,250”, “\$50,724”, “\$61,680”, “\$79,793”, and “\$87,588”, respectively.

(e) SECTION 221(d)(4) LIMITS.—Section 221(d)(4)(ii) of the National Housing Act (12 U.S.C. 1715l(d)(4)(ii)) is amended—

(1) by striking “\$30,274”, “\$34,363”, “\$41,536”, “\$52,135”, and “\$59,077” and inserting “\$37,843”, “\$42,954”, “\$51,920”, “\$65,169”, and “\$73,846”, respectively; and

(2) by striking “\$32,701”, “\$37,487”, “\$45,583”, “\$58,968”, and “\$64,730” and inserting “\$40,876”, “\$46,859”, “\$56,979”, “\$73,710”, and “\$80,913”, respectively.

(f) SECTION 231 LIMITS.—Section 231(c)(2) of the National Housing Act (12 U.S.C. 1715v(c)(2)) is amended—

(1) by striking “\$28,782”, “\$32,176”, “\$38,423”, “\$46,238”, and “\$54,360” and inserting “\$35,978”, “\$40,220”, “\$48,029”, “\$57,798”, “\$67,950”, respectively; and

(2) by striking “\$32,701”, “\$37,487”, “\$45,583”, “\$58,968”, and “\$64,730” and inserting “\$40,876”, “\$46,859”, “\$56,979”, “\$73,710”, and “\$80,913”, respectively.

(g) SECTION 234 LIMITS.—Section 234(e)(3) of the National Housing Act (12 U.S.C. 1715y(e)(3)) is amended—

(1) by striking “\$30,420”, “\$33,696”, “\$40,248”, “\$49,608”, and “\$56,160” and inserting “\$38,025”, “\$42,120”, “\$50,310”, “\$62,010”, and “\$70,200”, respectively; and

(2) by striking “\$35,100”, “\$39,312”, “\$48,204”, “\$60,372”, and “\$68,262” and inserting “\$43,875”, “\$49,140”, “\$60,255”, “\$75,465”, and “\$85,328”, respectively.】

【SEC. 214. Of the amounts appropriated in the Consolidated Appropriations Act, 2001 (Public Law 106-554), for the operation of an historical archive at the University of South Carolina, Department of Archives, South Carolina, such funds shall be available to the

University of South Carolina to fund an endowment for the operation of an historical archive at the University of South Carolina, without fiscal year limitation.】

【SEC. 215. Section 247 of the National Housing Act (12 U.S.C. 1715z-12) is amended—

(1) in subsection (d), by striking paragraphs (1) and (2) and inserting the following:

“(1) NATIVE HAWAIIAN.—The term ‘native Hawaiian’ means any descendant of not less than one-half part of the blood of the races inhabiting the Hawaiian Islands before January 1, 1778, or, in the case of an individual who is awarded an interest in a lease of Hawaiian home lands through transfer or succession, such lower percentage as may be established for such transfer or succession under section 208 or 209 of the Hawaiian Homes Commission Act of 1920 (42 Stat. 111), or under the corresponding provision of the Constitution of the State of Hawaii adopted under section 4 of the Act entitled ‘An Act to provide for the admission of the State of Hawaii into the Union’, approved March 18, 1959 (73 Stat. 5).”

“(2) HAWAIIAN HOME LANDS.—The term ‘Hawaiian home lands’ means all lands given the status of Hawaiian home lands under section 204 of the Hawaiian Homes Commission Act of 1920 (42 Stat. 110), or under the corresponding provision of the Constitution of the State of Hawaii adopted under section 4 of the Act entitled ‘An Act to provide for the admission of the State of Hawaii into the Union’, approved March 18, 1959 (73 Stat. 5).”; and

(2) by adding at the end the following:

“(e) CERTIFICATION OF ELIGIBILITY FOR EXISTING LESSEES.—Possession of a lease of Hawaiian home lands issued under section 207(a) of the Hawaiian Homes Commission Act of 1920 (42 Stat. 110), shall be sufficient to certify eligibility to receive a mortgage under this section.”.】

【SEC. 216. Notwithstanding the requirement regarding commitment of funds in the first sentence of section 288(b) of the HOME Investment Partnerships Act (42 U.S.C. 12838(b)), the Secretary of Housing and Urban Development (in this section referred to as the “Secretary”) shall approve the release of funds under that section to the Arkansas Development Finance Authority (in this section referred to as the “ADFA”) for projects, if—

(1) funds were committed to those projects on or before June 12, 2001;

(2) those projects had not been completed as of June 12, 2001;

(3) the ADFA has fully carried out its responsibilities as described in section 288(a); and

(4) the Secretary has approved the certification that meets the requirements of section 288(c) with respect to those projects.】

【SEC. 217. Notwithstanding any other provision of law with respect to this or any other fiscal year, the Housing Authority of Baltimore City may use the remaining balance of the grant award of \$20,000,000 made to such authority for development efforts at Hollander Ridge in Baltimore, Maryland with funds appropriated for fiscal year 1996 under the heading “Public Housing Demolition, Site Revitalization, and Replacement Housing Grants” for the rehabilitation of the Claremont Homes project and for the provision of affordable housing in areas within the City of Baltimore either: (1) designated by the partial consent decree in *Thompson v. HUD* as non-impacted census tracts; or (2) designated by said authority as either strong neighborhoods experiencing private investment or dynamic growth areas where public and/or private commercial or residential investment is occurring.】 (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002.*)

SEC. 205. SERVICE COORDINATORS FOR SECTION 811 HOUSING.—Section 683(2) of the Housing and Community Development Act of 1992 is amended—

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

(2) in subparagraph (G), by striking “section.” and inserting “section; and”; and

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

“(H) housing that is assisted under section 811 of the Cranston-Gonzalez National Affordable Housing Act.”.

SEC. 206. Section 1316 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4516) is amended in subsection (a) in the first sentence by striking “, to the extent provided in appropriation Acts,” and in subsection (f) in the third sentence by striking “, to the extent provided in appropriation Acts and subsection (e).”.

SEC. 207. REPEAL OF SECTION 236(S) LOAN PROGRAM.—

(a) Section 236(s) of the National Housing Act (12 U.S.C. 1715z-1(s)) is amended—

(1) in the heading by striking “AND LOANS”;

(2) in paragraph (1), by striking “and loans”;

(3) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking “or loan”; and

(B) in subparagraph (E)(i), by striking “or loan (as appropriate)”;

(4) in paragraph (3), in the matter that precedes subparagraph (A), by striking “or loan”;

(5) in paragraph (4)—

(A) in the paragraph heading, by striking “AND LOAN”; and

(B) by striking “or loans” after “grants” each place it appears;

(6) in paragraph (7), by deleting subparagraph (D); and

(7) by deleting paragraph (5) and redesignating paragraphs (6) and (7) as (5) and (6).

SEC. 208. Section 9 of the United States Housing Act of 1937 is amended—

by inserting at the end the following new subsection:

“(o) DEVELOPMENT-BASED SUBSIDIES.—(1) In order to facilitate the financing of capital needs and development-based financial management and accountability, the Secretary may approve, on a project by project basis, the conversion of a public housing project or a portion of a public housing project to project-based voucher assistance, which assistance may be on-site or off-site, provided that the number of public housing units converted under this subsection shall be equal to the number of units receiving project-based voucher assistance pursuant to this subsection, and that a commitment has first been obtained from an approved lender for a mortgage loan secured by the property to finance qualified necessary capital improvements under terms established by the Secretary.

“(2) The initial year of any contract for project-based voucher assistance under this subsection may be funded with amounts made available in an appropriations Act under the headings making amounts available for the purposes set forth in subsections (d) or (e) of this section, or with any other amounts appropriated for this purpose. Any renewal of such contracts shall be funded with amounts made available under the heading making amounts available for the renewal of assistance under section 8.

“(3) Project-based voucher assistance provided pursuant to this subsection shall be administered under section 8(o)(13), except that—

“(A) subparagraphs (C)(ii) and (D) of such section shall not apply;

“(B)(i) any units converted to project-based voucher assistance under this subsection shall be maintained as assisted housing and provided project-based voucher assistance for the same length of time as the housing would have been required under section 9(d)(3) to be operated and maintained as public housing absent such conversion, subject to the availability of sufficient appropriated funds for the purpose of renewing expiring contracts for assistance payments, as provided in appropriations Acts;

“(ii) notwithstanding clause (i), when dwelling units which are receiving project-based voucher assistance pursuant to a conversion under this subsection and which are not located in developments or portions of developments which house only elderly persons or persons with disabilities, or both, become vacant, the public housing agency may rent up to one-third of such units to unassisted families (except that the Secretary may permit the agency under such special local circumstances as are determined by the Secretary to rent more than one-third of such units to unassisted families), and for each unit so rented for the duration of such rental may use the assistance otherwise associated with that unit to provide tenant-based voucher assistance under section 8; and

“(iii)(I) notwithstanding clause (i), if the Secretary determines that such action would further the purposes of this subsection, the Secretary may provide for termination of the restricted use period set forth in clause (i) in the event that any units converted to project-based voucher assistance under this subsection are foreclosed upon (or otherwise disposed of pursuant to an instrument in lieu of foreclosure), on the date the units are acquired by foreclosure (or instrument in lieu of foreclosure), unless—

“(aa) the Secretary determines that the foreclosure is part of an arrangement the purpose of which is to terminate the restricted use period; or

“(bb) a bona fide and reasonable contract acceptable to the Secretary to purchase such units is presented by a person who is willing to continue such use restrictions; and

Intragovernmental funds—Continued

ADMINISTRATIVE PROVISIONS—Continued

“(I) if the Secretary provides for termination of the restricted use period pursuant to subclause (I), the Secretary shall provide enhanced voucher assistance under section 8(t) to any family occupying an assisted unit at the time of such termination;

“(C) any units converted to project-based voucher assistance under this subsection shall remain covered by and subject to the provisions in the public housing cooperation agreement entered into between the city and the public housing agency;

“(D) any units converted to project-based voucher assistance under this subsection shall not be included as tenant-based assistance that is attached to a structure for the purposes of the 20 percent limitation set forth in section 8(o)(13)(B);

“(E) the Secretary may set the rent level for a unit converted to project-based voucher assistance under this subsection at a level lower than the level at which such rent would otherwise be set pursuant to section 8(o)(13)(H), provided such lower level is sufficient, in the determination of the Secretary, to cover debt service payments on obligations to finance the cost of any necessary rehabilitation, contributions to a capital reserve, amounts necessary for adequate debt service coverage, the cost of the subsequent operation of the housing as project-based voucher assistance, and any other necessary costs;

“(F) where units converted to project-based voucher assistance under this subsection are owned by the public housing agency or an entity controlled by such agency, the Secretary may administer or make alternative arrangements to administer the obligations otherwise required of the public housing agency under the annual contributions contract; and

“(G) the Secretary may waive or make alternative arrangements regarding any other provision of law or regulation that the Secretary finds to be inconsistent with accomplishing the purposes of this subsection.

“(4) The conversion of a public housing project to project-based voucher assistance under this subsection shall not be considered a disposition under section 18 of this Act as long as the public housing agency or an entity controlled by the agency retains ownership of the project.

“(5)(A) The Secretary may establish a common loan loss reserve account to which public housing agencies converting public housing units to project-based voucher assistance under this subsection may contribute a percentage of amounts available for such conversion, which percentage shall be specified by the Secretary. The Secretary may establish the terms and conditions applicable to this loan loss reserve account and any contributions to it, and may select an entity or entities on a competitive or noncompetitive basis to develop, maintain, and administer this account.

“(B) Amounts contributed to the account established under this paragraph shall be available without fiscal year limitation to reim-

burse any mortgagor that provides financing to a public housing agency for necessary renovations to any project converted pursuant to this subsection if the public housing agency defaults on the repayment of such debt.”;

(b) in subsection (d)(1)(I), by striking “; and” and inserting a semicolon;

(c) in subsection (d)(1)(J), by striking the period and inserting “; and”; and

(d) in subsection (d)(1), by inserting at the end the following new subparagraph:

“(K) assistance in the financing for necessary renovations to or other capital expenses for any project receiving project-based voucher assistance pursuant to subsection (o) of this section, including the making of upfront capital contributions to such projects where needed to make financing feasible and the purchase or provision of letters of credit or other credit enhancements necessary to carry out such subsection, contributions to a common loan loss reserve account as established by subsection (o)(5) of this section, and any contributions that the Secretary may require for the initial administration of such subsection (o) with respect to such project.”.

SEC. 209. REPEAL OF FEDERALIZATION OF PUBLIC HOUSING UNITS.

(a) Section 9(n)(1) of the United States Housing Act of 1937 is hereby repealed.

(b) Section 226 of the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999, is hereby repealed.

(c) The amendment made by subsection (a) shall be deemed to have taken effect on October 1, 1998.

(d) The amendment made by subsection (b) shall be deemed to have taken effect on October 21, 1998.

SEC. 210. Section 8(y)(7)(A) of the United States Housing Act of 1937 is amended by striking “for fiscal year 2000 and each fiscal year thereafter to the extent provided in advance in appropriations Acts”.

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

	2001 actual	2002 est.	2003 est.
Offsetting receipts from the public:			
86-271910 FHA-general and special risk, Negative sub-			
sidies	103	588	213
86-271930 FHA-general and special risk, Downward re-			
estimates of subsidies	517	1,542	.....
86-274330 Indian housing loan guarantees, downward			
reestimates of subsidies	6	.....	.....
General Fund Offsetting receipts from the public	626	2,130	213