

**PUBLIC AND INDIAN HOUSING  
HOUSING CERTIFICATE FUND  
2013 Summary Statement and Initiatives  
(Dollars in Thousands)**

HOUSING CERTIFICATE FUND	<u>Enacted/ Request</u>	<u>Carryover</u>	<u>Supplemental/ Rescission</u>	<u>Total Resources</u>	<u>Obligations</u>	<u>Outlays</u>
2011 Appropriation .....	\$87,689 <sup>a</sup>	\$152,179 <sup>b</sup>	-\$92,987	\$146,881	\$93,657	\$1,169,892
2012 Appropriation/Request .....	...	200,000 <sup>c</sup>	-200,000	...	...	925,000
2013 Request .....	<u>...</u>	<u>100,000<sup>d</sup></u>	<u>...</u>	<u>100,000</u>	<u>100,000</u>	<u>808,000</u>
Program Improvements/offsets .....	...	-100,000	+200,000	+100,000	+100,000	-117,000

- a/ Of this amount, \$15.7 million was carryover of recovered prior obligations collected during fiscal year 2010, and \$71.9 million was from recovered prior obligations collected during fiscal year 2011. Per P.L. 112-10, the recovered budget authority was cancelled and an equal amount of budget authority was appropriated; the same treatment of recoveries is proposed for fiscal year 2013.
- b/ Includes \$137 million from recovered prior obligations collected during fiscal year 2011.
- c/ Includes \$146 million in anticipated recoveries from prior obligations collected during fiscal year 2012.
- d/ Includes \$100 million in anticipated recoveries from prior obligations collected during fiscal year 2013.

**1. What is this request?**

No new, additional budget authority is requested for this account.

Appropriations language for the Housing Certificate Fund provides that recaptures from source year fiscal years 1975 through 1987 will be cancelled and an amount of additional budget authority equal to the amount cancelled will be appropriated. HUD anticipates recaptures originating in this timeframe to be \$100 million for fiscal year 2013.

Non-cancelled recaptures will be used to meet the needs for which the funds were originally appropriated, or for renewals, amendments, and administrative fees – primarily in the Project-Based Section 8 Program.

**2. What is this program?**

The Housing Certificate Fund (HCF) is best described as a conglomeration account. Prior to 2005, it was the account that funded what are now the Tenant-Based Rental Assistance (TBRA) and Project-Based Rental Assistance (PBRA) programs. In 1998, some

## Housing Certificate Fund

smaller accounts (including Annual Contributions for Assisted Housing) were consumed by HCF, making it an even more eclectic mix. Prior to and including 1974, HCF received contract authority (CA); between 1975 and 1987, HCF was appropriated both CA and budget authority (BA). It is for this reason the recaptures are handled differently depending on their source year.

In 2005, the account stopped receiving BA and the TBRA and PBRA accounts were established. HCF would continue to “hold” the account’s prior obligations; it would pay the original term (long-term up to 40-year) contract expenses as they came due and recapture funds as appropriate. As original contract terms drew to completion, annual renewals would subsequently take place in the Project-Based account, thus slowly depleting the inventory of projects and contracts in HCF, while increasing the number of projects in PBRA.

Recaptures are primarily used for renewals, amendments, and administrative fees for multifamily housing programs.

### **3. Why is this program necessary and what will we get for the funds.**

Please see Project-Based Rental Assistance Justification.

### **4. How do we know that this program works?**

Please see Project-Based Rental Assistance Justification.

Housing Certificate Fund

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HOUSING CERTIFICATE FUND  
Summary of Resources by Program  
(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2011 Budget Authority</u>	<u>2010 Carryover Into 2011</u>	<u>2011 Total Resources</u>	<u>2011 Obligations</u>	<u>2012 Budget Authority/ Request</u>	<u>2011 Carryover Into 2012</u>	<u>2012 Total Resources</u>	<u>2013 Request</u>
Contract Renewals .....	-\$5,298	\$152,179	\$146,881	\$19,991	-\$200,000	\$200,000	...	...
Contract Administrators	...	...	...	31,000	...	...	...	...
Section 8 Amendments ..	...	...	...	42,667	...	...	...	...
Administrative Fees ...	...	...	...	...	...	...	...	...
Total .....	-5,298	152,179	146,881	93,658	-200,000	200,000	...	...

NOTES:

"2010 Carryover Into 2011" includes recoveries of \$137 million from prior year obligations.

"2011 Carryover Into 2012" includes anticipated recoveries of \$146 million from prior year obligations.

**PUBLIC AND INDIAN HOUSING  
HOUSING CERTIFICATE FUND  
Appropriations Language**

The fiscal year 2013 President's Budget includes proposed changes in the appropriations language listed and explained below. New language is italicized and underlined, and language proposed for deletion is bracketed.

[Of the unobligated] *Unobligated* balances, including recaptures and carryover, remaining from funds appropriated to the Department of Housing and Urban Development under this heading, [\$200,000,000 are rescinded, to be effected by the Secretary of Housing and Urban Development no later than September 30, 2012] *the heading "Annual Contributions for Assisted Housing", and the heading "Project-Based Rental Assistance", for fiscal year 2013 and prior years may be used for renewal of or amendments to section 8 project-based contracts and for performance-based contract administrators, notwithstanding the purposes for which such funds were appropriated: Provided,* [That if insufficient funds exist under this heading, the remaining balance may be derived from any other unobligated balances available under any heading under this title funded in fiscal year 2011 and prior years: Provided further, That the Secretary shall notify the Committees on Appropriations of the unobligated balances used to meet this rescission 30 days in advance of such rescission: Provided further, That any such balances governed by reallocation provisions under the statute authorizing the program for which the funds were originally appropriated shall be available for the rescission: Provided further,] That any obligated balances of contract authority from fiscal year 1974 and prior that have been terminated [shall be] *are hereby permanently cancelled*[d]: *Provided further, That amounts previously recaptured, or recaptured during the current fiscal year, from section 8 project-based contracts from source years fiscal year 1975 through fiscal year 1987 are hereby permanently cancelled, and an amount of additional new budget authority, equivalent to the amount permanently cancelled is hereby appropriated, to remain available until expended, for the purposes set forth under this heading, in addition to amounts otherwise available.* (Department of Housing and Urban Development Appropriations Act, 2012.)