

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

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

In order to better address the needs of communities and cities and the nation's poorest and most vulnerable populations, the Administration is proposing a reinvention plan which will dramatically alter the way in which the Department carries out its mission. Flexibility will be increased as State and local governments decide for themselves how funds can best be allocated. The reinvention plan represents a financial restructuring that will result in the eventual consolidation of the activities of some sixty current programs into three programs by 1998. In addition, the reinvention plan calls for the transformation of the Federal Housing Administration into a government corporation.

The reinvention process will begin with the consolidation of some sixty programs into seven new programs in 1996. In 1998, these seven programs will be further consolidated so that these activities are carried out by three grant programs: Housing Certificates for Families and Individuals Performance Funds, Community Opportunity Performance Funds, and Affordable Housing Performance Funds.

Activities currently carried out by the Department and the seven new accounts to be established in 1996—along with the funding requested for each—are summarized in the table below. Budget details are contained in the remainder of this chapter under the Department's major activity headings.

PROPOSED CONSOLIDATION OF HUD ACTIVITIES AND 1996 FUNDING REQUESTS
(In thousands of dollars)

| Current programs/activities | Fiscal year 1996 budget structure |
|------------------------------------------------------|---------------------------------------------------------------------------------------|
| Section 8 Vouchers | Housing Certificates for Families and Individuals Performance Funds \$7,665,000 |
| Section 8 Certificates | |
| Section 8 Certificates for Persons with Disabilities | |
| Section 8 Certificates for Persons with AIDS | |
| Section 8 Certificates for the Homeless | |
| Section 8 Counseling | |
| Homeownership/Preservation | |
| Property Disposition | |
| Loan Management | |
| Section 8 Opt Outs | |
| Lease Adjustments | |
| Renewal of Expiring Section 8 Contracts | |
| Sec. 8 Family Unification | |
| Family Self Sufficiency Coordinators | |
| Elderly Housing Service Coordinators | |
| Project-Based Service Coordinators | |
| Flexible Subsidy Fund | Public and Indian Housing Capital Performance Funds \$4,884,000 |
| Congregate Housing | |
| Public/Indian Housing Development | |
| Public/Indian Housing Amendments | |
| Indian Housing Development | |
| Tenant Opportunity Program (TOP) | |
| Urban Youth Corps | |
| Public/Indian Housing Modernization | |
| Public Housing Coordinators | |
| Major Reconstruction of Public Housing (MROP) | |
| Severely Distressed Public Housing | Public and Indian Housing Operation Performance Funds \$3,220,000 |
| Family Investment Centers | |
| Public Housing Operating Subsidies | |
| Drug Elimination Grants | Community Opportunity Performance Funds \$4,850,000 |
| Service Coordinators | |
| Community Development Grants (CDBG) | Community Opportunity Performance Funds \$4,850,000 |
| Youthbuild | |
| Economic Development Initiative (EDI) | Community Opportunity Performance Funds \$4,850,000 |
| Colonias | |

Urban Development Action Grants (UDAG)
Historically Black Colleges
Work Study Program
Joint Community Development
Community Outreach
Early Childhood Development
Insular Areas
Technical Assistance
Neighborhood Development
Community Adjustment Planning

| | |
|--------------------------------------------|-------------------------------------------------------------------|
| HOME | Affordable Housing Performance Funds |
| National Homeownership Trust Demonstration | \$3,339,000 |
| EZ Homes | |
| Housing Counseling | |
| Section 202 Elderly Housing | |
| Section 811 Housing for the Disabled | |
| Pension Fund Partnerships | |
| HOPE | |
| Lead-Based Paint Hazard Reduction | |
| Homeless Assistance Grants | Homeless Assistance Performance |
| Shelter Plus Care | Funds |
| Section 8 Mod Rehab SRO | \$1,120,000 |
| Emergency Shelter Grants | |
| Supportive Housing | |
| Innovative Program | |
| Housing Opportunity for Persons with AIDS | Housing Opportunities for Persons With AIDS Funds \$186,000 |

The major divisions of this chapter conform to the following Department activities:

Public and Indian housing programs cover three of the Department's proposed new performance programs: Housing Certificates for Families and Individuals Performance Funds, Public and Indian Housing Operation Performance Funds, and Public and Indian Housing Capital Performance Funds. Current public housing, assisted housing and Section 8 rental assistance programs will eventually be consolidated into one housing certificates program. Local and state governments, with a premium on metropolitan strategies, will administer the new housing certificates. This section also includes programs addressing the problems of severely distressed public housing and housing assistance to Native Americans.

Community planning and development covers the new consolidated performance-based Community Opportunity Performance Funds, Affordable Housing Performance Funds, and Homeless Assistance Performance Funds programs. The Community Opportunity program will provide formula grants, offering local and State governments flexible funding for the economic revitalization and renewal of distressed communities. The Affordable Housing program will consolidate activities currently included under HOME, housing for the elderly and persons with disabilities, housing counseling, and the National Homeownership fund. The program will provide grants to local and State governments under a formula with a national set-aside for Native Americans. Various grants and other assistance for the homeless would be consolidated in the proposed Homeless Assistance Performance Funds program. This heading also includes a program offering Housing Opportunities to Persons with AIDS.

Housing programs cover the planned consolidation of mortgage insurance activities of the Federal Housing Administration into two funds, single family and multifamily housing, to be carried out by a government-owned corporation. The new FHA corporation will also restructure the existing single family and multifamily programs based on market forces. HUD's reinvention of FHA will transform it into a streamlined enterprise using credit enhancement to finance expanded homeownership opportunities and the development of affordable rental housing. Other activities included under this

heading are the Office of Interstate Land Sales Registration and manufactured home inspection and monitoring programs.

Government National Mortgage Association (GNMA) covers the Department's programs to assist in the availability of mortgage credit and stabilize financing of selected types of mortgage loans through the guarantee of mortgage-backed securities. GNMA also utilizes multiple maturity securities issued through Real Estate Mortgage Investment Conduits (REMICS) in addition to its current single-class mortgage-backed securities.

Fair housing and equal opportunity includes the Fair Housing Assistance Program authorized by title VIII of the Civil Rights Act of 1968, as amended, and the Fair Housing Initiatives Program.

Policy development and research includes the policy development, economic analysis, program evaluation, and research activities of the Department.

Departmental Management includes the Department's Salaries and Expenses, the Inspector General, and the Office of Federal Housing Enterprise Oversight.

PUBLIC AND INDIAN HOUSING

Federal Funds

General and special funds:

HOUSING CERTIFICATES FOR FAMILIES AND INDIVIDUALS PERFORMANCE FUNDS

For assistance in accordance with the Housing Certificates for Families and Individuals Performance Funds program, \$7,664,875,000, to remain available until expended: Provided, That such amount shall be available only upon enactment into law of authorizing legislation. (Additional authorizing legislation required.)

| Program and Financing (in thousands of dollars) | | | |
|----------------------------------------------------------------------------|-------------|-----------|------------|
| Identification code 86-0302-0-1-604 | 1994 actual | 1995 est. | 1996 est. |
| Program by activities: | | | |
| 10.00 Total obligations (object class 41.0) | | | 3,832,438 |
| Financing: | | | |
| 24.40 Unobligated balance available, end of year: Treasury balance | | | 3,832,438 |
| 40.00 Budget authority (appropriation) | | | 7,664,875 |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | | | 3,832,438 |
| 74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance | | | -3,052,087 |
| 90.00 Outlays | | | 780,351 |

The Administration proposes to consolidate all rental assistance programs into one that provides Housing Certificates for Families and Individuals. Consolidated programs would include Incremental Rental Assistance, Section 8 Family Unification, Section 8 Opt-Outs, Section 8 contract renewals, and Family Self Sufficiency Coordinators.

Certificates would provide recipients with subsidies to help them afford rental housing in the private housing market. The program would provide formula allocations of certificates to local and State governments, which would be encouraged to administer certificates on a marketwide basis. Jurisdictions would be given the authority to select administering entities.

PUBLIC AND INDIAN HOUSING OPERATION PERFORMANCE FUNDS

For assistance in accordance with the Public Housing/Indian Housing Operation Performance Funds program, \$3,220,000,000, to remain available until expended: Provided, That such amount shall be available only upon enactment into law of authorizing legislation. (Additional authorizing legislation required.)

| Program and Financing (in thousands of dollars) | | | |
|----------------------------------------------------------------------------|-------------|-----------|------------|
| Identification code 86-0303-0-1-604 | 1994 actual | 1995 est. | 1996 est. |
| Program by activities: | | | |
| 10.00 Total obligations (object class 41.0) | | | 3,220,000 |
| Financing: | | | |
| 40.00 Budget authority (appropriation) | | | 3,220,000 |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | | | 3,220,000 |
| 74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance | | | -1,996,560 |
| 90.00 Outlays | | | 1,223,440 |

The Administration proposes to consolidate operating subsidies for public housing into a single Public and Indian Housing Operation Performance Funds program. Programs to be consolidated include Operating Subsidies for Public and Indian Housing, Drug Elimination Grants, and Public Housing Service Coordinators. Operating subsidy payments are provided to assist local Public Housing Agencies (PHAs) and Indian Housing Authorities (IHAs) to meet certain deficits in the operations of public and Indian housing. These payments are in addition to debt service and capital funding provided by HUD. A portion of the funds will be awarded competitively to States and local governments and to private and non-profit entities who are proven performers. The funds may be used for a variety of special purposes.

PUBLIC AND INDIAN HOUSING CAPITAL PERFORMANCE FUNDS

For the Public Housing/Indian Housing Capital Performance Funds program, \$4,884,000,000, to remain available until expended; and in addition, \$287,000,000 of amounts reserved or obligated in prior years for reconstruction of obsolete public housing projects under 42 U.S.C. 1437 which were recaptured during fiscal year 1995, which shall become available only upon enactment into law of authorizing legislation, and remain available until expended. (Additional authorizing legislation required.)

| Program and Financing (in thousands of dollars) | | | |
|----------------------------------------------------------------------------|-------------|-----------|-----------|
| Identification code 86-0304-0-1-604 | 1994 actual | 1995 est. | 1996 est. |
| Program by activities: | | | |
| 10.00 Total obligations (object class 41.0) | | | 517,100 |
| Financing: | | | |
| 22.00 Unobligated balance transferred, net | | | -287,000 |
| 24.40 Unobligated balance available, end of year: Treasury balance | | | 4,653,900 |
| 40.00 Budget authority (appropriation) | | | 4,884,000 |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | | | 517,100 |
| 74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance | | | -504,401 |
| 90.00 Outlays | | | 12,699 |

The Administration proposes to consolidate all current public housing capital programs into a single Public and Indian Housing Capital Performance Funds program. Consolidated programs would include Public Housing Modernization, Public and Indian Housing Development, Severely Distressed Public Housing, public and Indian housing amendments and Family Investment Centers. This program would provide Federal resources to rehabilitate and restore viable public housing in need of modernization, demolish uninhabitable and non-viable public housing projects, and construct replacement housing where feasible.

[PAYMENTS FOR OPERATION OF LOW-INCOME HOUSING PROJECTS]

For payments to public housing agencies and Indian housing authorities for operating subsidies for low-income housing projects as authorized by section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g), \$2,900,000,000. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

| Identification code 86-0163-0-1-604 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------------------------------|-------------|------------|-----------|
| Program by activities: | | | |
| 00.01 Operating subsidies | 2,620,304 | 2,900,000 | |
| 10.00 Total obligations (object class 41.0) | 2,620,304 | 2,900,000 | |
| Financing: | | | |
| 21.40 Unobligated balance available, start of year: Treasury balance | 504 | | |
| 24.40 Unobligated balance available, end of year: Treasury balance | | | |
| 40.00 Budget authority (appropriation) | 2,620,808 | 2,900,000 | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 2,620,304 | 2,900,000 | |
| 72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance | 1,341,545 | 1,373,295 | 1,566,000 |
| 74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance | -1,373,295 | -1,566,000 | -29,000 |
| 77.00 Adjustments in expired accounts | -4,770 | | |
| 90.00 Outlays | 2,583,784 | 2,707,295 | 1,537,000 |

Operating subsidy payments are provided to assist local Public Housing Agencies (PHAs) and Indian Housing Authorities (IHAs) to meet certain deficits in the operation of PHA-owned and IHA-owned low-income housing. These payments are in addition to the debt service and capital funding provided by HUD for development and modernization of low-income housing.

The operating subsidy estimates were based primarily upon the Performance Funding System (PFS) formula.

This program will be terminated at the end of fiscal year 1995. Beginning in fiscal year 1996, funding for these activities will be provided under the Public and Indian Housing Operation Performance Funds program.

[DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING]

For grants to public housing agencies for use in eliminating drug-related crime in public housing projects authorized by 42 U.S.C. 11901-11908, and for drug information clearinghouse services authorized by 42 U.S.C. 11921-11925, \$290,000,000, to remain available until expended, of which \$10,000,000 shall be for grants, technical assistance, contracts and other assistance training, program assessment, and execution for or on behalf of public housing agencies and resident organizations (including the cost of necessary travel for participants in such training). (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

| Identification code 86-0197-0-1-604 | 1994 actual | 1995 est. | 1996 est. |
|-----------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 10.00 Total obligations (object class 41.0) | 44,729 | 544,740 | |
| Financing: | | | |
| 17.00 Recovery of prior year obligations | -861 | | |
| Unobligated balance available, start of year: | | | |
| 21.40 Treasury balance | -13,853 | -20,763 | |
| 21.49 Contract authority | -19,755 | -233,977 | |
| Unobligated balance available, end of year: | | | |
| 24.40 Treasury balance | 20,763 | | |
| 24.49 Contract authority | 233,977 | | |
| 40.00 Budget authority (appropriation) | 265,000 | 290,000 | |

| Relation of obligations to outlays: | | | |
|------------------------------------------------------------------------------|----------|----------|----------|
| 71.00 Total obligations | 44,729 | 544,740 | |
| 72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance | 302,896 | 186,427 | 552,350 |
| 74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance | -186,427 | -552,350 | -293,350 |
| 78.00 Adjustments in unexpired accounts | -861 | | |
| 90.00 Outlays | 160,337 | 178,817 | 259,000 |

The table below shows the funding requested for drug-related and crime prevention activities for the period 1994-1995.

This program will be terminated at the end of fiscal year 1995. Beginning in fiscal year 1996, funding for these types of activities will be provided under the Public and Indian Housing Operation Performance Funds program.

Summary of Program Activity (in thousands of dollars)

| | 1994 actual | 1995 est. | 1996 est. |
|--------------------------|-------------|-----------|-----------|
| Funding level: | | | |
| Drug elimination grants | 265,000 | 290,000 | |
| Total Funding | 265,000 | 290,000 | |
| Outlays: | | | |
| Drug Elimination Grants: | | | |
| Annual Contributions | 108 | | |
| Operating Subsidies | 5,752 | | |
| Drug Elimination Grants | 160,337 | 178,817 | 259,000 |
| Total Outlays | 166,187 | 178,817 | 259,000 |

VIOLENT CRIME REDUCTION PROGRAMS

For activities authorized by subtitle J, Title III of Public Law 103-322 (including administrative costs), \$3,000,000, to remain available until expended, which shall be derived from the Violent Crime Reduction Trust Fund and shall be transferred to the Bureau of the Census to develop or update statistical data required by the Local Partnership Act to develop formulae necessary for the future distribution of funds appropriated under such Act.

Program and Financing (in thousands of dollars)

| Identification code 86-8192-0-1-754 | 1994 actual | 1995 est. | 1996 est. |
|----------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 00.01 Local Partnership Act | | | 3,000 |
| 10.00 Total obligations (object class 25.1) | | | 3,000 |
| Financing: | | | |
| 42.00 Budget authority (transferred from other accounts) | | | 3,000 |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | | | 3,000 |
| 90.00 Outlays | | | 3,000 |

Amounts for Public and Indian Housing's portion of the Crime Control Programs are derived from transfers from the Violent Crime Reduction Trust Fund (VCRTF) as authorized by the Crime Control and Law Enforcement Act of 1994. These funds are provided to pay for census surveys required in development of formulae needed to distribute funds to units of local governments.

[SEVERELY DISTRESSED PUBLIC HOUSING]

For the HOPE VI/urban revitalization demonstration program under the third paragraph under the head "Homeownership and Opportunity for People Everywhere grants (HOPE grants)" in the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1993, Public Law 102-389, 106 Stat. 1571, 1579, \$500,000,000, to remain available until expended: *Provided*, That notwithstanding the first proviso of such third paragraph, the Secretary shall have discretion to approve fund-

General and special funds—Continued

[SEVERELY DISTRESSED PUBLIC HOUSING]—Continued

ing for more than fifteen applicants: *Provided further*, That notwithstanding the third proviso of such third paragraph, the Secretary may provide funds for more than 500 units for each participating city: *Provided further*, That in selecting HOPE VI implementation grants recipients in fiscal year 1995, the Secretary must first award such grants to those cities or jurisdictions which have received HOPE VI planning grants in fiscal year 1993 or fiscal year 1994: *Provided further*, That the requirement of the immediately preceding proviso shall not limit the Secretary's discretion to limit funding to amounts he deems appropriate, nor shall it prevent the Secretary from guaranteeing that all implementation grant recipients conform with the requirements of the HOPE VI/urban revitalization demonstration program: *Provided further*, That of the foregoing \$500,000,000, the Secretary may use up to \$2,500,000 for technical assistance under such urban revitalization demonstration, to be made available directly, or indirectly, under contracts or grants, as appropriate: *Provided further*, That nothing in this paragraph shall prohibit the Secretary from conforming the program standards and criteria set forth herein, with subsequent authorization legislation that may be enacted into law. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

| Identification code 86-0218-0-1-604 | 1994 actual | 1995 est. | 1996 est. |
|-----------------------------------------------------------|-------------|------------|------------|
| Program by activities: | | | |
| 10.00 Total obligations (object class 41.0) | 579,248 | 549,446 | |
| Financing: | | | |
| Unobligated balance available, start of year: | | | |
| 21.40 Treasury balance | | -22,564 | |
| 21.49 Contract authority | -300,000 | -476,428 | -449,546 |
| Unobligated balance available, end of year: | | | |
| 24.40 Treasury balance | 22,564 | | |
| 24.49 Contract authority | 476,428 | 449,546 | 449,546 |
| 40.00 Budget authority (appropriation) | 778,240 | 500,000 | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 579,248 | 549,446 | |
| Obligated balance, start of year: Unpaid obligations: | | | |
| 72.40 Treasury balance | | 577,827 | 1,107,773 |
| 74.40 Obligated balance, end of year: Unpaid obligations: | | | |
| Treasury balance | -577,827 | -1,107,773 | -1,087,773 |
| 90.00 Outlays | 1,421 | 19,500 | 20,000 |

This program provided Federal resources to rehabilitate and restore severely dilapidated public housing projects, thereby expanding the supply of decent, safe, and affordable housing for low-income renters. Funds provided to this program were in addition to the substantial resources provided for the public housing modernization program and were specifically targeted to the units in most need of attention.

This program will be terminated at the end of fiscal year 1995. Beginning in fiscal year 1996, funding for this type of activity will be provided under the Public and Indian Housing Capital Performance Funds program.

Public enterprise funds:

LOW-RENT PUBLIC HOUSING—LOANS AND OTHER EXPENSES

Program and Financing (in thousands of dollars)

| Identification code 86-4098-0-3-604 | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 00.01 Capital investment: Loans to public housing agencies and Indian housing authorities | 47,949 | 50,000 | 50,000 |
| 10.00 Total obligations (object class 33.0) | 47,949 | 50,000 | 50,000 |
| Financing: | | | |
| 17.00 Recovery of prior year obligations | | | |
| 21.40 Unobligated balance available, start of year: Treasury balance | -23,459 | -20,092 | -20,092 |

| | | | |
|--------------------------------------------------------------------|------------|------------|------------|
| 24.40 Unobligated balance available, end of year: Treasury balance | 20,092 | 20,092 | 20,092 |
| 31.00 Redemption of debt | 54,464 | 57,952 | 61,711 |
| 39.00 Budget authority (gross) | 99,046 | 107,952 | 111,711 |
| Budget authority: | | | |
| 67.15 Authority to borrow (indefinite) | 25,000 | 50,000 | 50,000 |
| 68.00 Spending authority from offsetting collections | 74,046 | 57,952 | 61,711 |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 47,949 | 50,000 | 50,000 |
| Obligated balance, start of year: | | | |
| 72.10 Receivables from other government accounts | | | |
| 72.40 Appropriation | 1,521,753 | 1,414,832 | 1,299,209 |
| 72.90 Unpaid obligations: Fund balance | 6,123 | 1,276 | 1,276 |
| Obligated balance, end of year: | | | |
| 74.10 Receivables from other government accounts | | | |
| 74.40 Appropriation | -1,414,832 | -1,299,209 | -1,187,353 |
| 74.90 Unpaid obligations: Fund balance | -1,276 | -1,276 | -1,276 |
| 78.00 Adjustments in unexpired accounts | | | |
| 87.00 Outlays (gross) | 159,717 | 165,623 | 161,856 |
| Adjustments to gross budget authority and outlays: | | | |
| Offsetting collections from: | | | |
| 88.00 Federal sources | -54,464 | -57,952 | -61,711 |
| 88.40 Non-Federal sources | -19,582 | | |
| 88.90 Total, offsetting collections | -74,046 | -57,952 | -61,711 |
| 89.00 Budget authority (net) | 25,000 | 50,000 | 50,000 |
| 90.00 Outlays (net) | 85,671 | 107,671 | 100,145 |

Status of Direct Loans (in thousands of dollars)

| Identification code 86-4098-0-3-604 | 1994 actual | 1995 est. | 1996 est. |
|--------------------------------------------------------|-------------|-----------|-----------|
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 1,800,965 | 1,746,501 | 1,688,549 |
| 1251 Repayments: Repayments and prepayments | -54,464 | -57,952 | -61,711 |
| 1290 Outstanding, end of year | 1,746,501 | 1,688,549 | 1,626,838 |

Status of Guaranteed Loans (in thousands of dollars)

| Identification code 86-4098-0-3-604 | 1994 actual | 1995 est. | 1996 est. |
|---------------------------------------------------------------------|-------------|-----------|-----------|
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 4,689,694 | 4,412,635 | 4,112,635 |
| 2251 Repayments and prepayments | -277,059 | -300,000 | -325,000 |
| 2290 Outstanding, end of year | 4,412,635 | 4,112,635 | 3,787,635 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 4,412,635 | 4,112,635 | 3,787,635 |

The Low-Rent Public Housing Loan Fund is used to provide direct Federal loans to fund remaining Public Housing Agency (PHA) and Indian Housing Authority (IHA) construction, acquisition, and modernization activities reserved under the Annual Contributions appropriation through 1986. These loans are made from available resources of this fund and from borrowings from the Treasury. Under legislation enacted during 1986 (Public Law 99-272), the borrowings from the Treasury are forgiven at the end of each fiscal year and the loans to PHAs/IHAs are forgiven as construction, acquisition, and modernization activities are completed. Under the provisions of this legislation, \$25 million of borrowings from the Treasury were forgiven in 1994, an estimated \$50 million will be borrowed from the Treasury and forgiven in 1995, and an estimated \$50 million will be borrowed from the Treasury and forgiven in 1996. The table below shows the status of outstanding loans for the period 1994-1996. The \$68 million balance at the end of each year represents administrative loans, off-site facility loans, and preliminary loans on projects never undertaken and excess financing.

PUBLIC HOUSING AGENCIES/INDIAN HOUSING AUTHORITIES

Loans Outstanding

(In millions of dollars)

| | 1994 actual | 1995 est. | 1996 est. |
|----------------------------------|-------------|-----------|-----------|
| Outstanding, start of year | 88 | 68 | 68 |
| Direct loan disbursements | 48 | 50 | 50 |
| Repayments | -27 | | |
| Adjustments | 13 | | |
| Total loans forgiven | -54 | -50 | -50 |
| Outstanding, end of year | 68 | 68 | 68 |

Since 1987, new reservations of capital funds for construction, acquisition, and modernization activities have been provided directly from the Annual Contributions appropriation.

Operating results.—The actual and estimated net operating income for 1993, 1994, 1995, and 1996 follows:

Statement of Operations (in thousands of dollars)

| Identification code 86-4098-0-3-604 | 1993 actual | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------|-------------|-------------|-----------|-----------|
| 0101 Revenue | 123,354 | 119,386 | 53,150 | 53,150 |
| 0102 Expense | -171,365 | -138,807 | -53,150 | -53,150 |
| 0109 Net income or loss (-) | -48,011 | -19,421 | | |

Balance Sheet (in thousands of dollars)

| Identification code 86-4098-0-3-604 | 1993 actual | 1994 actual | 1995 est. | 1996 est. |
|---------------------------------------------------------------------------------------------------------------------|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | 1,539,089 | 1,423,954 | 1,324,884 | 1,225,814 |
| Investments in US securities: | | | | |
| 1106 Receivables, net | 1,876,404 | 1,852,164 | 1,794,212 | 1,732,501 |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | |
| 1601 Direct loans, gross | 129,510 | 68,247 | 68,247 | 68,247 |
| 1602 Interest receivable | | 3,143 | 3,143 | 3,143 |
| 1603 Allowance for estimated uncollectible loans and interest (-) | -12,746 | -12,004 | | |
| 1604 Direct loans and interest receivable, net | | 59,385 | 71,390 | 71,390 |
| 1699 Value of assets related to direct loans | | 59,385 | 71,390 | 71,390 |
| 1999 Total assets | 3,532,257 | 3,335,504 | 3,190,486 | 3,029,705 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2102 Interest payable | 218,194 | 211,652 | 211,652 | 211,652 |
| 2104 Resources payable to Treasury | 1,800,965 | 1,746,500 | 1,688,549 | 1,626,838 |
| Non-Federal liabilities: | | | | |
| 2201 Accounts payable | 33 | 33 | 33 | 33 |
| 2207 Other | 1,650 | 1,242 | | |
| 2999 Total liabilities | 2,020,842 | 1,959,427 | 1,900,234 | 1,838,523 |
| NET POSITION: | | | | |
| 3100 Appropriated capital | 3,532,257 | 3,335,503 | 3,190,486 | 3,029,705 |
| 3300 Cumulative results of operations | | 79,477 | 79,477 | 79,477 |
| 3999 Total net position | 3,532,257 | 3,414,980 | 3,269,963 | 3,109,182 |
| 4999 Total liabilities and net position | 5,553,099 | 5,374,407 | 5,170,197 | 4,947,705 |

Credit accounts:

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

For the cost of guaranteed loans, \$3,000,000, as authorized by section 184 of the Housing and Community Development Act of 1992 (106 Stat. 3739): *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 **[\$22,388,000]** \$36,900,000. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

Program and Financing (in thousands of dollars)

| Identification code 86-0223-0-1-604 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 10.00 Total obligations (object class 41.0) | 209 | 3,000 | 3,000 |
| Financing: | | | |
| 25.00 Unobligated balance expiring | 791 | | |
| 40.00 Budget authority (appropriation) | 1,000 | 3,000 | 3,000 |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 209 | 3,000 | 3,000 |
| 72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance | | 209 | 750 |
| 74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance | -209 | -750 | -750 |
| 90.00 Outlays | | 2,459 | 3,000 |

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

| Identification code 86-0223-0-1-604 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------------------------|-------------|-----------|-----------|
| Guaranteed loan levels supportable by subsidy budget authority: | | | |
| 2150 Indian loan guarantees | 1,560 | 22,388 | 36,900 |
| 2159 Total loan guarantee levels | 1,560 | 22,388 | 36,900 |
| Guaranteed loan subsidy (in percent): | | | |
| 2320 Subsidy rate | 13.40 | 13.40 | 8.13 |
| Guaranteed loan subsidy budget authority: | | | |
| 2330 Subsidy budget authority | 209 | 3,000 | 3,000 |
| Guaranteed loan subsidy outlays: | | | |
| 2340 Subsidy outlays | | 2,459 | 2,459 |

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 1994 and beyond (including modifications of guarantees that resulted from obligations in any year). The subsidy amounts are estimated on a present value basis. This program provides access to sources of private financing for Indian families and Indian housing authorities which 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 thousands of dollars)

| Identification code 86-4104-0-3-604 | 1994 actual | 1995 est. | 1996 est. |
|---------------------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 00.01 Default claims | | 397 | 397 |
| 10.00 Total obligations | | 397 | 397 |
| Financing: | | | |
| 21.90 Unobligated balance available, start of year: Fund balance | | -209 | -3,179 |
| 24.90 Unobligated balance available, end of year: Fund balance | 209 | 3,179 | 6,149 |
| 39.00 Financing authority (gross) | 209 | 3,367 | 3,367 |
| Financing authority: | | | |
| Spending authority from offsetting collections: | | | |
| 68.00 Spending authority from offsetting collections, Federal sources | 209 | 3,143 | 3,143 |
| 68.00 Spending authority from offsetting collections, non-Federal sources | | 224 | 224 |

Credit accounts—Continued

**INDIAN HOUSING LOAN GUARANTEE FUND FINANCING ACCOUNT—
Continued**

Program and Financing (in thousands of dollars)—Continued

| Identification code 86-4104-0-3-604 | 1994 actual | 1995 est. | 1996 est. |
|--------------------------------------------------------------------|-------------|-----------|-----------|
| 68.90 Spending authority from offsetting collections (total) | 209 | 3,367 | 3,367 |
| Relation of obligations to financing disbursements: | | | |
| 71.00 Total obligations | | 397 | 397 |
| Obligated balance, start of year: | | | |
| 72.10 Receivables from other government accounts | | -209 | -750 |
| 72.40 Unpaid obligations: Treasury balance | | | |
| Obligated balance, end of year: | | | |
| 74.10 Receivables from other government accounts | 209 | 750 | 750 |
| 74.40 Unpaid obligations: Treasury balance | | | |
| 87.00 Financing disbursements (gross) | 209 | 938 | 397 |
| Adjustments to financing authority and financing disbursements: | | | |
| Offsetting collections from: | | | |
| 88.00 Federal sources: Payments from program account | -209 | -3,000 | -3,000 |
| 88.25 Interest on uninvested funds | | -143 | -143 |
| 88.40 Non-Federal sources | | -224 | -224 |
| 88.90 Total, offsetting collections | -209 | -3,367 | -3,367 |
| 89.00 Financing authority (net) | | | |
| 90.00 Financing disbursements (net) | | -2,429 | -2,970 |

Status of Guaranteed Loans (in thousands of dollars)

| Identification code 86-4104-0-3-604 | 1994 actual | 1995 est. | 1996 est. |
|-----------------------------------------------------------------------------------|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on commitments: | | | |
| 2111 Limitation on guaranteed loans made by private lenders | 7,463 | 22,388 | 36,900 |
| 2150 Total guaranteed loan commitments | 7,463 | 22,388 | 36,900 |
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | | | 17,954 |
| 2231 Disbursements of new guaranteed loans | | 18,351 | 33,272 |
| 2261 Adjustments: Terminations for default that result in loans receivable | | -397 | -397 |
| 2290 Outstanding, end of year | | 17,954 | 50,829 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | | 17,954 | 50,829 |
| Addendum: | | | |
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: | | | |
| 2310 Outstanding, start of year | | | 397 |
| 2331 Disbursements for guaranteed loan claims | | 397 | 397 |
| 2390 Outstanding, end of year | | 397 | 794 |

As required by the Federal Credit Reform Act of 1990, this nonbudgetary account records all cash flows to and from the Government resulting from the loan guarantees committed in 1994 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 not included in the budget totals.

Balance Sheet (in thousands of dollars)

| Identification code 86-4104-0-3-604 | 1993 actual | 1994 actual | 1995 est. | 1996 est. |
|----------------------------------------|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | | 209 | 3,179 | 6,149 |
| Investments in US securities: | | | | |
| 1106 Receivables, net | | 209 | 750 | 750 |

| | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-----|-------|-------|
| 1501 Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable: Defaulted guaranteed loans receivable, gross | | 397 | 794 |
| 1999 Total assets | 418 | 4,326 | 7,693 |
| LIABILITIES: | | | |
| 2204 Non-Federal liabilities: Liabilities for loan guarantees | 209 | 750 | 750 |
| 2999 Total liabilities | 209 | 750 | 750 |
| NET POSITION: | | | |
| 3100 Appropriated capital | 209 | 3,576 | 6,943 |
| 3999 Total net position | 209 | 3,576 | 6,943 |
| 4999 Total liabilities and net position | 418 | 4,326 | 7,693 |

COMMUNITY PLANNING AND DEVELOPMENT

Federal Funds

General and special funds:

COMMUNITY OPPORTUNITY PERFORMANCE FUNDS

For assistance in accordance with the Community Opportunity Performance Funds program, \$4,850,000,000, to remain available until expended: Provided, That such amount shall be available only upon enactment into law of authorizing legislation. (Additional authorizing legislation required.)

Program and Financing (in thousands of dollars)

| Identification code 86-0305-0-1-451 | 1994 actual | 1995 est. | 1996 est. |
|----------------------------------------------------------------------------------|-------------|-----------|------------|
| Program by activities: | | | |
| 10.00 Total obligations (object class 41.0) | | | 4,850,000 |
| Financing: | | | |
| 40.00 Budget authority (appropriation) | | | 4,850,000 |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | | | 4,850,000 |
| 74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance | | | -4,675,400 |
| 90.00 Outlays | | | 174,600 |

The Administration proposes to consolidate current HUD grants for community economic development into a single Community Opportunity Performance Funds program. Consolidated programs would include Community Development Block Grants, Economic Development Initiative and recaptures from the Urban Development Action Grants (UDAG).

Community Opportunity Performance Funds would provide localities and States with flexible funding for the economic revitalization and renewal of distressed communities. The new program would provide formula grants to local and State governments, with a national set-aside for Native Americans. Jurisdictions would be permitted to use grants for a wide range of activities including assistance to community-based organizations for neighborhood revitalization activities, business loans to entrepreneurs in distressed communities, and cleanup of environmentally contaminated sites for economic or housing development. The budget proposes that a small percentage of program funds be retained for later distribution to reward those jurisdictions that are deemed high performers.

AFFORDABLE HOUSING PERFORMANCE FUNDS

For assistance in accordance with the Affordable Housing Performance Funds program, \$3,339,000,000, to remain available until expended: Provided, That such amount shall be available only upon enactment into law of authorizing legislation: Provided further, That

during fiscal year 1996, the Secretary shall sell assigned mortgage notes having an unpaid principal balance of up to \$4,000,000,000, which notes were originally insured under section 203(b) of the National Housing Act: Provided further, That of the amount appropriated herein, an amount equal to the lesser of \$175,000,000 or the excess of net proceeds above the value of holding the loans to maturity, such value established using assumptions specified in the President's fiscal year 1996 Budget adjusted for interest rates at the time of the sale, shall become available only after such sale has been completed. (Additional authorizing legislation required.)

| Program and Financing (in thousands of dollars) | | | |
|-----------------------------------------------------------|-------------|-----------|------------|
| Identification code 86-0306-0-1-604 | 1994 actual | 1995 est. | 1996 est. |
| Program by activities: | | | |
| 10.00 Total obligations (object class 41.0) | | | 3,339,000 |
| Financing: | | | |
| 40.00 Budget authority (appropriation) | | | 3,339,000 |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | | | 3,339,000 |
| 74.40 Obligated balance, end of year: Unpaid obligations: | | | |
| Treasury balance | | | -3,278,898 |
| 90.00 Outlays | | | 60,102 |

The Administration proposes to consolidate current grants for housing production and rehabilitation, including homeownership initiatives, into a single Affordable Housing Performance Funds program. Consolidated programs would include HOME, Housing for the Elderly and Persons with Disabilities, Housing Counseling, HOPE, and the National Homeownership Trust Demonstration program.

Affordable Housing Performance Funds would provide localities and States with flexible funding for the development of affordable housing. The Fund would provide formula grants to local and State governments, with a national set-aside for Native Americans. Jurisdictions would be permitted to use the Federal grants for a wide range of activities including housing acquisition, rehabilitation and construction of affordable housing, particularly housing for special vulnerable populations, and homeownership efforts to draw moderate-income families into housing or to help stabilize distressed communities. The budget proposes that a small percentage of program funds be retained for later distribution to reward those jurisdictions that are deemed high performers.

HOMELESS ASSISTANCE PERFORMANCE FUNDS

For assistance in accordance with the Homeless Assistance Performance Funds program, \$1,120,000,000, to remain available until expended: Provided, That such amount shall be available only upon enactment into law of authorizing legislation. (Additional authorizing legislation required.)

| Program and Financing (in thousands of dollars) | | | |
|-----------------------------------------------------------|-------------|-----------|------------|
| Identification code 86-0307-0-1-604 | 1994 actual | 1995 est. | 1996 est. |
| Program by activities: | | | |
| 10.00 Total obligations (object class 41.0) | | | 1,120,000 |
| Financing: | | | |
| 40.00 Budget authority (appropriation) | | | 1,120,000 |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | | | 1,120,000 |
| 74.40 Obligated balance, end of year: Unpaid obligations: | | | |
| Treasury balance | | | -1,069,600 |
| 90.00 Outlays | | | 50,400 |

The Administration proposes to create a single Homeless Assistance Performance Funds program. The program would include activities currently funded under the Homeless Assistance Grants account, including the Innovative Homeless Ini-

tiatives Demonstration, Shelter Plus Care, Emergency Shelter Grants, Supportive Housing program, and Section 8 Moderate Rehabilitation Single Room Occupancy program.

The new Homeless Assistance Performance Funds program would provide support on a formula basis to States, local governments, nonprofit organizations, and Indian tribes. Funds would support a wide range of activities that are components of an innovative approach to providing a "continuum of care" system to assist homeless persons move to permanent housing and prevent future homelessness. The budget proposes that a small percentage of program funds will be retained for later distribution to reward those jurisdictions that are deemed high performers.

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

For assistance in accordance with the Housing Opportunities for Persons with AIDS Fund, \$186,000,000, to remain available until expended. (Additional authorizing legislation required.)

| Program and Financing (in thousands of dollars) | | | |
|-----------------------------------------------------------|-------------|-----------|-----------|
| Identification code 86-0308-0-1-604 | 1994 actual | 1995 est. | 1996 est. |
| Program by activities: | | | |
| 10.00 Total obligations (object class 41.0) | | | 186,000 |
| Financing: | | | |
| 40.00 Budget authority (appropriation) | | | 186,000 |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | | | 186,000 |
| 73.00 Obligated balance transferred, net | | | 373,000 |
| 74.40 Obligated balance, end of year: Unpaid obligations: | | | |
| Treasury balance | | | -445,461 |
| 90.00 Outlays | | | 113,539 |

The Administration proposes to establish a Housing Opportunities for Persons with AIDS program as a separate account in 1996. All of the balances from prior appropriations for this program would be merged with the new appropriations. The program would resemble the program which is already in existence. The purpose of the program is to provide States and localities with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with AIDS and their families.

States and metropolitan areas receive 90 percent of the funds by formula based on the incidence of AIDS in their jurisdictions. The remaining 10 percent is awarded competitively to States and local governments and private nonprofit entities for projects of national significance and to States and local governments for projects in jurisdictions which do not qualify for a formula allocation.

[COMMUNITY DEVELOPMENT GRANTS]

[For grants to States and units of general local government and for related expenses, not otherwise provided for, necessary for carrying out a community development grants program as authorized by title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301), \$4,600,000,000, to remain available until September 30, 1997: Provided, That \$46,000,000 shall be available for grants to Indian tribes pursuant to section 106(a)(1) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301), and \$44,000,000 shall be available for "special purpose grants" pursuant to section 107 of such Act: Provided further, That not to exceed 20 per centum of any grant made with funds appropriated herein (other than a grant using funds under section 107(b)(3) of such Act or funds set aside in the following provisos) shall be expended for "Planning and Management Development" and "Administration" as defined in regulations promulgated by the Department of Housing and Urban Development: Provided further, That \$20,000,000 shall be made available from the total amount provided to carry out an early childhood development program under section

General and special funds—Continued

[COMMUNITY DEVELOPMENT GRANTS]—Continued

222 of the Housing and Urban-Rural Recovery Act of 1983, as amended (12 U.S.C. 1701z-6 note), including services for families that are homeless or at risk of becoming homeless: *Provided further*, That \$5,000,000 shall be made available from the total amount provided to carry out a neighborhood development program under section 123 of said Act (42 U.S.C. 5318 note).]

[During fiscal year 1995, new commitments to issue guarantees to carry out the purposes of section 108 of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301), shall not exceed \$2,054,000,000.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

Program and Financing (in thousands of dollars)

| Identification code 86-0162-0-1-451 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------------------------------|-------------|------------|------------|
| Program by activities: | | | |
| 00.01 Grant | 4,877,319 | 5,224,457 | 100,000 |
| 00.02 Salaries and expenses | 70 | 475 | |
| 10.00 Total obligations (object class 41.0) | 4,877,389 | 5,224,932 | 100,000 |
| Financing: | | | |
| 17.00 Recovery of prior year obligations | -723 | -6,000 | |
| 21.40 Unobligated balance available, start of year: Treasury balance | -524,255 | -696,732 | -100,000 |
| 24.40 Unobligated balance available, end of year: Treasury balance | 696,732 | 100,000 | |
| 25.00 Unobligated balance expiring | 857 | | |
| 39.00 Budget authority | 5,050,000 | 4,622,200 | |
| Budget authority: | | | |
| 40.00 Appropriation | 5,075,000 | 4,622,200 | |
| 41.00 Transferred to other accounts | -75,000 | | |
| 42.00 Transferred from other accounts | 50,000 | | |
| 43.00 Appropriation (total) | 5,050,000 | 4,622,200 | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 4,877,389 | 5,224,932 | 100,000 |
| 72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance | 6,724,495 | 7,949,629 | 8,838,113 |
| 74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance | -7,949,629 | -8,838,113 | -4,373,905 |
| 77.00 Adjustments in expired accounts | -49 | | |
| 78.00 Adjustments in unexpired accounts | -723 | -6,000 | |
| 90.00 Outlays | 3,651,483 | 4,330,448 | 4,564,208 |

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

Funds are allocated to Indian tribes, and on an entitlement basis, to metropolitan cities and urban counties which receive their grants using the higher of two objective formulas. States and small cities are also allocated a portion of the available funds.

Funding for this program will be terminated at the end of fiscal year 1995. Beginning in fiscal year 1996, funding for these types of activities will be provided under the Community Opportunity Performance Funds program.

[HOME INVESTMENT PARTNERSHIPS PROGRAM]

[For the HOME investment partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101-625), as amended, \$1,400,000,000, to remain available until expended.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

Program and Financing (in thousands of dollars)

| Identification code 86-0205-0-1-999 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------------------------------|-------------|------------|------------|
| Program by activities: | | | |
| 10.00 Total obligations (object class 41.0) | 1,450,003 | 1,485,441 | |
| Financing: | | | |
| 17.00 Recovery of prior year obligations | -80 | -2,000 | |
| 21.40 Unobligated balance available, start of year: Treasury balance | -153,364 | -83,441 | |
| 24.40 Unobligated balance available, end of year: Treasury balance | 83,441 | | |
| 39.00 Budget authority | 1,380,000 | 1,400,000 | |
| Budget authority: | | | |
| 40.00 Appropriation | 1,275,000 | 1,400,000 | |
| 42.00 Transferred from other accounts | 105,000 | | |
| 43.00 Appropriation (total) | 1,380,000 | 1,400,000 | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 1,450,003 | 1,485,441 | |
| 72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance | 2,364,612 | 3,032,323 | 3,303,024 |
| 74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance | -3,032,323 | -3,303,024 | -2,080,571 |
| 78.00 Adjustments in unexpired accounts | -80 | -2,000 | |
| 90.00 Outlays | 782,212 | 1,212,740 | 1,222,453 |

The HOME Investment Partnerships program is authorized by the National Affordable Housing Act (P.L. 101-625). This program provided assistance to States and units of local government, through formula allocation, for the purpose of expanding the supply and affordability of housing. Eligible activities included acquisition, rehabilitation, tenant-based rental assistance, and, new construction.

This program will be terminated at the end of fiscal year 1995. Beginning in fiscal year 1996, funding for these types of activities will be provided under the Affordable Housing Performance Funds program.

URBAN DEVELOPMENT ACTION GRANTS

Program and Financing (in thousands of dollars)

| Identification code 86-0170-0-1-451 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------------------------------|-------------|-----------|-----------|
| Financing: | | | |
| 17.00 Recovery of prior year obligations | -10,534 | -89,464 | |
| 21.40 Unobligated balance available, start of year: Treasury balance | | -10,534 | |
| 24.40 Unobligated balance available, end of year: Treasury balance | 10,534 | | |
| 41.00 Budget authority (transferred to other accounts) | | -100,000 | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | | | |
| 72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance | 234,366 | 191,157 | 66,693 |
| 74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance | -191,157 | -66,693 | -36,693 |
| 78.00 Adjustments in unexpired accounts | -10,534 | -89,464 | |
| 90.00 Outlays | 32,675 | 35,000 | 30,000 |

Title I of the Housing and Community Development Act of 1974, as amended, authorizes grants to distressed cities and distressed urban counties to fund economic development projects.

The program has terminated and there are no funds remaining available for obligation.

CAPACITY BUILDING FOR COMMUNITY DEVELOPMENT AND AFFORDABLE HOUSING

Program and Financing (in thousands of dollars)

| Identification code 86-0222-0-1-451 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 10.00 Total obligations (object class 41.0) | 20,000 | | |
| Financing: | | | |
| 40.00 Budget authority (appropriation) | 20,000 | | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 20,000 | | |
| 72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance | | 20,000 | 12,000 |
| 74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance | -20,000 | -12,000 | -4,000 |
| 90.00 Outlays | | 8,000 | 8,000 |

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.

RENTAL REHABILITATION GRANTS

Program and Financing (in thousands of dollars)

| Identification code 86-0182-0-1-451 | 1994 actual | 1995 est. | 1996 est. |
|----------------------------------------------------------------------|-------------|-----------|-----------|
| Financing: | | | |
| 21.40 Unobligated balance available, start of year: Treasury balance | -507 | | |
| 22.00 Unobligated balance transferred, net | 507 | | |
| 39.00 Budget authority | | | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | | | |
| 90.00 Outlays | | | |

This program was authorized under section 17(a)(1)(A) of the United States Housing Act of 1937, as amended by section 301 of the Housing and Urban-Rural Recovery Act of 1983 (Public Law 98-181).

The National Affordable Housing Act (P.L. 101-625) terminated the Rental Rehabilitation program effective October 1, 1991, and the program's unexpended balances were transferred to the revolving fund (liquidating programs), effective October 1, 1991.

URBAN HOMESTEADING

Program and Financing (in thousands of dollars)

| Identification code 86-0171-0-1-451 | 1994 actual | 1995 est. | 1996 est. |
|--------------------------------------------|-------------|-----------|-----------|
| Financing: | | | |
| 17.00 Recovery of prior year obligations | -184 | | |
| 25.00 Unobligated balance expiring | 184 | | |
| 39.00 Budget authority | | | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | | | |
| 78.00 Adjustments in unexpired accounts | -184 | | |
| 90.00 Outlays | | -184 | |

Section 810 of the Housing and Community Development Act of 1974, as amended, authorized the Secretary of HUD

to transfer one- to four-unit HUD-owned properties, without payment, to units of local government for use in an urban homesteading program. In addition, the Act authorized the Secretary of the Department of Veterans Affairs, the Secretary of Agriculture, and the Resolution Trust Corporation to transfer their unoccupied, single family properties for use in such programs.

The National Affordable Housing Act (P.L. 101-625) terminated the Urban Homesteading Program effective October 1, 1991.

ASSISTANCE FOR SOLAR AND CONSERVATION IMPROVEMENTS

Program and Financing (in thousands of dollars)

| Identification code 86-0179-0-1-272 | 1994 actual | 1995 est. | 1996 est. |
|----------------------------------------------------------------------|-------------|-----------|-----------|
| Financing: | | | |
| 21.40 Unobligated balance available, start of year: Treasury balance | -54 | | |
| 25.00 Unobligated balance expiring (P.L. 101-507) | 54 | | |
| 39.00 Budget authority | | | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | | | |
| 90.00 Outlays | | | |

Title V of the Energy Security Act of 1980 authorized the creation of the Solar Energy and Energy Conservation Bank to encourage energy conservation and the use of solar energy. It has provided funds to subsidize loans and grants for the installation of energy conservation and solar energy improvements in single and multifamily residences, and agricultural and commercial buildings.

The Solar Bank terminated operation on March 15, 1988.

EMERGENCY SHELTER GRANTS PROGRAM

Program and Financing (in thousands of dollars)

| Identification code 86-0181-0-1-604 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 10.00 Total obligations (object class 41.0) | 113,587 | 160,677 | |
| Financing: | | | |
| 17.00 Recovery of prior year obligations | -57 | | |
| 21.40 Unobligated balance available, start of year: Treasury balance | -2,407 | -3,877 | |
| 24.40 Unobligated balance available, end of year: Treasury balance | 3,877 | | |
| 40.00 Budget authority (appropriation) | 115,000 | 156,800 | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 113,587 | 160,677 | |
| 72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance | 65,960 | 116,893 | 167,646 |
| 74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance | -116,893 | -167,646 | -44,214 |
| 78.00 Adjustments in unexpired accounts | -57 | | |
| 90.00 Outlays | 62,596 | 109,924 | 123,432 |

Title IV, subtitle B, of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77), authorizes the Secretary to make Emergency Shelter Grants to States, units of local government, and nonprofit organizations to provide emergency shelter and other support for the homeless. For fiscal year 1995, this assistance was funded by appropriations to the Homeless Assistance Grants account. Beginning in fiscal year 1996, funding for this type of activity will be provided under the Homeless Assistance Performance Funds program.

General and special funds—Continued

SUPPORTIVE HOUSING PROGRAM

Program and Financing (in thousands of dollars)

| Identification code 86-0188-0-1-604 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 10.00 Total obligations (object class 41.0) | 134,176 | 370,738 | |
| Financing: | | | |
| 17.00 Recovery of prior year obligations | -1,981 | | |
| 21.40 Unobligated balance available, start of year: Treasury balance | -135,333 | -337,138 | |
| 24.40 Unobligated balance available, end of year: Treasury balance | 337,138 | | |
| 40.00 Budget authority (appropriation) | 334,000 | 33,600 | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 134,176 | 370,738 | |
| 72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance | 388,732 | 418,662 | 675,053 |
| 74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance | -418,662 | -675,053 | -554,420 |
| 78.00 Adjustments in unexpired accounts | -1,981 | | |
| 90.00 Outlays | 102,265 | 114,347 | 120,633 |

Title IV, subtitle C, of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77) authorizes assistance to promote the development of supportive housing and services for deinstitutionalized homeless individuals, homeless families with children, homeless individuals with mental disabilities, and other homeless persons. Such assistance is available for the acquisition, rehabilitation, construction, or leasing of structures to be used for homeless persons as well as to pay for operating costs and supportive services.

For 1995, this type of assistance was funded by appropriations to the Homeless Assistance Grants account. Beginning in fiscal year 1996, funding for this type of activity will be provided under the Homeless Assistance Performance Funds program.

SUPPLEMENTAL ASSISTANCE FOR FACILITIES TO ASSIST THE HOMELESS

Program and Financing (in thousands of dollars)

| Identification code 86-0187-0-1-451 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------------------------------|-------------|-----------|-----------|
| Financing: | | | |
| 17.00 Recovery of prior year obligations | -4 | | |
| 22.00 Unobligated balance transferred, net | 4 | | |
| 39.00 Budget authority | | | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | | | |
| 72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance | 24,143 | 17,015 | 10,515 |
| 74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance | -17,015 | -10,515 | -4,515 |
| 78.00 Adjustments in unexpired accounts | -4 | | |
| 90.00 Outlays | 7,124 | 6,500 | 6,000 |

Title IV, subtitle D, of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77), authorized the Supplemental Assistance for Facilities To Assist the Homeless program (SAFAH) to provide comprehensive assistance for particularly innovative programs or alternative methods of meeting the immediate and long-term needs of the homeless. The authority for the SAFAH program was terminated by section 1403 of the Housing and Community Development Act of 1992.

SHELTER PLUS CARE

Program and Financing (in thousands of dollars)

| Identification code 86-0204-0-1-604 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 10.00 Total obligations (object class 41.0) | 239,199 | 198,999 | |
| Financing: | | | |
| 21.40 Unobligated balance available, start of year: Treasury balance | -314,451 | -198,999 | |
| 24.40 Unobligated balance available, end of year: Treasury balance | 198,999 | | |
| 40.00 Budget authority (appropriation) | 123,747 | | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 239,199 | 198,999 | |
| 72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance | 61,658 | 295,878 | 444,877 |
| 74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance | -295,878 | -444,877 | -394,877 |
| 90.00 Outlays | 4,980 | 50,000 | 50,000 |

Title IV, subtitle F, of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77), authorizes the Secretary to provide rental assistance to persons with disabilities. Supportive services at least equal in value to the aggregate rental assistance must also be provided by grant recipients, using other Federal, State, local and private resources. Eligible recipients include States, units of general local government and Indian tribes. Grants are awarded on a competitive basis.

For 1995, this type of assistance can be provided within the Homeless Assistance Grants account. Beginning in fiscal year 1996, funding for this type of activity will be provided under the Homeless Assistance Performance Funds program.

INNOVATIVE HOMELESS INITIATIVES DEMONSTRATION PROGRAM

Program and Financing (in thousands of dollars)

| Identification code 86-0221-0-1-604 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 10.00 Total obligations (object class 41.0) | 99,950 | 25,050 | |
| Financing: | | | |
| 21.40 Unobligated balance available, start of year: Treasury balance | | -50 | |
| 24.40 Unobligated balance available, end of year: Treasury balance | 50 | | |
| 40.00 Budget authority (appropriation) | 100,000 | 25,000 | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 99,950 | 25,050 | |
| 72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance | | 95,637 | 79,687 |
| 74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance | -95,637 | -79,687 | -44,687 |
| 90.00 Outlays | 4,313 | 41,000 | 35,000 |

Section 2 of the HUD Demonstration Act of 1993 authorizes assistance for projects intended to provide a continuum of care for homeless persons and for innovative programs to assist homeless persons. Eligible recipients include States, units of local government, Indian tribes and nonprofit organizations.

In 1995, demonstration activities were funded by appropriations to the Homeless Assistance Grants account. Beginning in fiscal year 1996, funding for these types of activities will be provided under the Homeless Assistance Performance Funds program.

[HOMELESS ASSISTANCE GRANTS]

[For the emergency shelter grants program (as authorized under subtitle B of title IV of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77), as amended); the supportive housing program (as authorized under subtitle C of title IV of such Act); the section 8 moderate rehabilitation single room occupancy program (as authorized under the United States Housing Act of 1937, as amended) to assist homeless individuals pursuant to section 441 of the Stewart B. McKinney Homeless Assistance Act; the shelter plus care program (as authorized under subtitle F of title IV of such Act); and the innovative homeless initiatives demonstration program (as authorized under section 2 of the HUD Demonstration Act of 1993 (Public Law 103-120)), \$1,120,000,000, to remain available until expended.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

Program and Financing (in thousands of dollars)

| Identification code 86-0192-0-1-604 | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 10.00 Total obligations (object class 41.0) | | 904,600 | |
| Financing: | | | |
| 40.00 Budget authority (appropriation) | | 904,600 | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | | 904,600 | |
| 72.40 Obligated balance, start of year: Unpaid obligations: | | | |
| Treasury balance | | | 859,370 |
| 74.40 Obligated balance, end of year: Unpaid obligations: | | | |
| Treasury balance | | -859,370 | -768,910 |
| 90.00 Outlays | | 45,230 | 90,460 |

This appropriation provided support to States, local governments, nonprofit organizations, and Indian tribes for a wide range of activities to assist homeless persons and prevent future homelessness. Beginning in fiscal year 1996, funding for these types of activities will be provided under the Homeless Assistance Performance Funds program.

[YOUTHBUILD PROGRAM]

[(INCLUDING TRANSFER OF FUNDS)]

[For youthbuild program activities authorized by subtitle D of title IV of the Crantson-Gonzalez National Affordable Housing Act, as amended, \$50,000,000, to remain available until expended. In addition, the unexpended balances from the \$28,000,000 made available for subtitle D of title IV of such Act under the head "Homeownership and opportunity for people everywhere grants (HOPE Grants)" in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994 shall be transferred to and merged with this appropriation.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

Program and Financing (in thousands of dollars)

| Identification code 86-0219-0-1-604 | 1994 actual | 1995 est. | 1996 est. |
|----------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 10.00 Total obligations (object class 41.0) | 36,080 | 79,520 | |
| Financing: | | | |
| 21.40 Unobligated balance available, start of year: Treasury balance | -40,000 | -3,920 | |
| 22.00 Unobligated balance transferred, net | | -25,600 | |
| 24.40 Unobligated balance available, end of year: Treasury balance | 3,920 | | |
| 40.00 Budget authority (appropriation) | | 50,000 | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 36,080 | 79,520 | |
| 72.40 Obligated balance, start of year: Unpaid obligations: | | | |
| Treasury balance | | 35,727 | 102,047 |
| 73.00 Obligated balance transferred, net | | 2,400 | |
| 74.40 Obligated balance, end of year: Unpaid obligations: | | | |
| Treasury balance | -35,727 | -102,047 | -77,047 |

| | | | |
|---------------|-----|--------|--------|
| 90.00 Outlays | 353 | 15,600 | 25,000 |
|---------------|-----|--------|--------|

This program provided resources to educate, train and provide stipends for economically disadvantaged young adults to construct and rehabilitate housing for low-income and homeless persons. The program expanded the supply of affordable housing, while at the same time, enabling high school dropouts to obtain the education and employment skills necessary to achieve self-sufficiency.

This program will be terminated at the end of fiscal year 1995. Beginning in fiscal year 1996, funding for these types of activities will be provided as part of the Administration's GI Bill for America's workers.

NATIONAL CITIES IN SCHOOLS COMMUNITY DEVELOPMENT PROGRAM

Program and Financing (in thousands of dollars)

| Identification code 86-0220-0-1-451 | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 10.00 Total obligations (object class 41.0) | 10,000 | | |
| Financing: | | | |
| 40.00 Budget authority (appropriation) | 10,000 | | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 10,000 | | |
| 72.40 Obligated balance, start of year: Unpaid obligations: | | | |
| Treasury balance | | 8,700 | 1,700 |
| 74.40 Obligated balance, end of year: Unpaid obligations: | | | |
| Treasury balance | -8,700 | -1,700 | |
| 90.00 Outlays | 1,300 | 7,000 | 1,700 |

This program provided grants for community-wide programs designed to assist at-risk youth and their families. The program was terminated at the end of fiscal year 1994. Funding for such activities will be provided in the future under the Community Opportunity Performance Funds program.

Public enterprise funds:

REVOLVING FUND (LIQUIDATING PROGRAMS)

Program and Financing (in thousands of dollars)

| Identification code 86-4015-0-3-451 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 00.01 Operating expenses | | 441 | |
| 00.02 Public facility loan expenses | 34 | 60 | 50 |
| 00.03 Loan servicing and other expenses | 6,015 | 7,500 | 6,000 |
| 00.04 Maintenance of acquired security and collateral | 7,044 | 17,500 | 8,000 |
| 00.05 Administrative expenses | 1,254 | 1,290 | 1,290 |
| 10.00 Total obligations (object class 25.2) | 14,347 | 26,791 | 15,340 |
| Financing: | | | |
| 17.00 Recovery of prior year obligations | -2,242 | | |
| 21.90 Unobligated balance available, start of year: Fund balance | -105,890 | -91,870 | -83,925 |
| 22.00 Unobligated balance transferred, net | -4,041 | | |
| 24.90 Unobligated balance available, end of year: Fund balance | 91,870 | 83,925 | 71,585 |
| 25.00 Unobligated balance expiring | | | |
| 27.00 Capital transfer to general fund | 84,041 | 55,000 | 70,000 |
| 39.00 Budget authority (gross) | 78,085 | 73,846 | 73,000 |
| Budget authority: | | | |
| 68.00 Spending authority from offsetting collections | 78,085 | 74,000 | 73,000 |
| 68.75 Procurement reduction pursuant to P.L. 103-327 | | -154 | |
| 68.90 Spending authority from offsetting collections (total) | 78,085 | 73,846 | 73,000 |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 14,347 | 26,791 | 15,340 |

Public enterprise funds—Continued

REVOLVING FUND (LIQUIDATING PROGRAMS)—Continued

Program and Financing (in thousands of dollars)—Continued

| Identification code 86-4015-0-3-451 | 1994 actual | 1995 est. | 1996 est. |
|--------------------------------------------------------------|-------------|-----------|-----------|
| 72.90 Obligated balance, start of year: Unpaid obligations: | | | |
| Fund balance | 106,416 | 71,421 | 24,421 |
| 74.90 Obligated balance, end of year: Unpaid obligations: | | | |
| Fund balance | -71,421 | -24,421 | -4,754 |
| 78.00 Adjustments in unexpired accounts | -2,242 | | |
| 87.00 Outlays (gross) | 47,100 | 73,791 | 35,007 |
| Adjustments to gross budget authority and outlays: | | | |
| 88.40 Offsetting collections from: Non-Federal sources | -78,085 | -74,000 | -73,000 |
| 89.00 Budget authority (net) | | -154 | |
| 90.00 Outlays (net) | -30,985 | -209 | -37,993 |

Status of Direct Loans (in thousands of dollars)

| Identification code 86-4015-0-3-451 | 1994 actual | 1995 est. | 1996 est. |
|-----------------------------------------------------|-------------|-----------|-----------|
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 504,462 | 449,607 | 398,607 |
| 1231 Disbursements: Direct loan disbursements | | | |
| 1251 Repayments: Repayments and prepayments | -53,659 | -51,000 | -49,000 |
| Write-offs for default: | | | |
| 1263 Direct loans | -651 | | |
| 1264 Other adjustments, net | -545 | | |
| 1290 Outstanding, end of year | 449,607 | 398,607 | 349,607 |

Status of Guaranteed Loans (in thousands of dollars)

| Identification code 86-4015-0-3-451 | 1994 actual | 1995 est. | 1996 est. |
|---------------------------------------------------------------------------|-------------|-----------|-----------|
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 11,126 | 8,337 | 4,145 |
| 2251 Repayments and prepayments | -2,789 | -4,192 | -682 |
| 2290 Outstanding, end of year | 8,337 | 4,145 | 3,463 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 8,337 | 4,145 | 3,463 |

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

Statement of Operations (in thousands of dollars)

| Identification code 86-4015-0-3-451 | 1993 actual | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------|-------------|-------------|-----------|-----------|
| 0101 Revenue | 22,314 | 21,426 | 23,000 | 24,000 |
| 0102 Expense | -28,921 | -26,158 | -12,652 | -2,110 |
| 0109 Net income or loss (-) | -6,607 | -4,732 | 10,348 | 21,890 |

Balance Sheet (in thousands of dollars)

| Identification code 86-4015-0-3-451 | 1993 actual | 1994 actual | 1995 est. | 1996 est. |
|---------------------------------------------------------------------------------------------------------------------|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | 212,528 | 163,292 | 155,501 | 143,161 |
| Non-Federal assets: | | | | |
| 1201 Investments in non-Federal securities, net | 6 | 3 | 3 | 3 |
| 1206 Receivables, net | 6,032 | 2,530 | 2,530 | 2,530 |
| 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 | 504,462 | 449,607 | 398,607 | 349,607 |
| 1602 Interest receivable | | 19,720 | 19,720 | 19,720 |
| 1603 Allowance for estimated uncollectible loans and interest (-) | -74,250 | -121,762 | -107,623 | -94,393 |

| | | | | |
|------------------------------------------------------|---------|---------|---------|---------|
| 1604 Direct loans and interest receivable, net | 430,212 | 347,565 | 310,704 | 274,934 |
| 1606 Foreclosed property | 2,219 | 1,335 | 1,335 | 1,335 |
| 1699 Value of assets related to direct loans | 432,431 | 348,900 | 312,039 | 276,269 |
| Other Federal assets: | | | | |
| 1801 Cash and other monetary assets | | 189 | 189 | 189 |
| 1803 Property, plant and equipment, net | | | | |
| 1901 Other assets | 1,018 | 293 | 293 | 293 |
| 1999 Total assets | 652,015 | 515,207 | 470,555 | 422,445 |
| LIABILITIES: | | | | |
| Non-Federal liabilities: | | | | |
| 2201 Accounts payable | 4,983 | 758 | 757 | 757 |
| 2207 Other | 15,609 | 13,430 | 13,430 | 13,430 |
| 2999 Total liabilities | 20,592 | 14,188 | 14,187 | 14,187 |
| NET POSITION: | | | | |
| 3300 Cumulative results of operations | 631,423 | 501,019 | 456,368 | 408,258 |
| 3999 Total net position | 631,423 | 501,019 | 456,368 | 408,258 |
| 4999 Total liabilities and net position | 652,015 | 515,207 | 470,555 | 422,445 |

Credit accounts:

COMMUNITY OPPORTUNITY PERFORMANCE FUNDS PROGRAM ACCOUNT

For the cost of guaranteed loans, \$21,000,000, as authorized by section 108 of the Housing and Community Development Act of 1974: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$2,000,000,000. In addition, for administrative expenses to carry out the guaranteed loan program, \$900,000, which shall be transferred to and merged with the appropriation for Salaries and Expenses. (Additional authorizing legislation required.)

Program and Financing (in thousands of dollars)

| Identification code 86-0198-0-1-451 | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 00.02 Guaranteed loan subsidy | | 23,000 | 21,000 |
| 00.09 Administrative expenses | | | 900 |
| 10.00 Total obligations (object class 33.0) | | 23,000 | 21,900 |
| Financing: | | | |
| 40.00 Budget authority (appropriation) | | 23,000 | 21,900 |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | | 23,000 | 21,900 |
| 72.40 Obligated balance, start of year: Unpaid obligations: | | | |
| Treasury balance | | | 11,500 |
| 74.40 Obligated balance, end of year: Unpaid obligations: | | | |
| Treasury balance | | -11,500 | -10,500 |
| 90.00 Outlays | | 11,500 | 22,900 |

Guaranteed loans.—The Community Opportunity Performance Funds (COPF) program will include a loan guarantee mechanism similar in nature and use to the existing Community Development Block Grant (CDBG) guaranteed loan provision (Section 108). A commitment level of \$2 billion is proposed for the COPF guarantee program for 1996. The credit subsidy estimate for the COPF guaranteed loans is \$21 million for the estimated use of this authority in 1996.

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

| Identification code 86-0198-0-1-451 | 1994 actual | 1995 est. | 1996 est. |
|-----------------------------------------------------------------|-------------|-----------|-----------|
| Guaranteed loan levels supportable by subsidy budget authority: | | | |
| 2150 Loan guarantee levels | 2,054,000 | 500,000 | 456,522 |

| | | | | |
|------------------------------|-------------------------------------------|-----------|---------|---------|
| 2159 | Total guarantee loan levels | 2,054,000 | 500,000 | 456,522 |
| | Guaranteed loan subsidy (in percent): | | | |
| 2329 | Weighted average subsidy rate | 0.00 | 4.60 | 4.60 |
| | Guaranteed loan subsidy budget authority: | | | |
| 2330 | Subsidy budget authority | | 23,000 | 21,000 |
| 2339 | Total subsidy budget authority | | 23,000 | 21,000 |
| | Guaranteed loan subsidy outlays: | | | |
| 2340 | Subsidy outlays | | 11,500 | 22,000 |
| 2349 | Total subsidy outlays | | 11,500 | 22,000 |
| Administrative expense data: | | | | |
| 3510 | Budget authority | | | 900 |
| 3590 | Outlays | | | 900 |

COMMUNITY OPPORTUNITY PERFORMANCE FUND PROGRAM ACCOUNT

(Legislative proposal, not subject to PAYGO)

The COPF guaranteed loan provision will enable local governments receiving COPF funds to obtain loan guarantees by pledging current and future COPF funds as security for the loan. In order to obtain the guarantee, borrowers will be required to provide additional security, such as pledges of existing grant balances and program income, liens on assets financed with the guaranteed loans funds, or the establishment of loss reserves. In all cases, HUD will structure additional security requirements to ensure that each guaranteed loan is adequately collateralized with existing assets and credit enhancements. Adopting these reforms will reduce the amount of credit subsidy required to support expected loan guarantee activity.

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

| | | | |
|-----------------------------------------------------------------|-------------|-----------|-----------|
| Identification code 86-0198-2-1-451 | 1994 actual | 1995 est. | 1996 est. |
| Guaranteed loan levels supportable by subsidy budget authority: | | | |
| 2150 Loan guarantee levels | | | 543,478 |
| 2159 Total guarantee loan levels | | | 543,478 |
| Guaranteed loan subsidy (in percent): | | | |
| 2329 Weighted average subsidy rate | | | -2.50 |

COMMUNITY OPPORTUNITY PERFORMANCE FUNDS FINANCING ACCOUNT

Program and Financing (in thousands of dollars)

| | | | |
|------------------------------------------------------------------------------------|-------------|-----------|-----------|
| Identification code 86-4096-0-3-451 | 1994 actual | 1995 est. | 1996 est. |
| Financing: | | | |
| 21.90 Unobligated balance available, start of year: Fund balance | | | -23,468 |
| 24.90 Unobligated balance available, end of year: Fund balance | | 23,468 | 46,282 |
| 68.00 Financing authority (gross): Spending authority from offsetting collections | | 23,468 | 22,814 |
| Relation of obligations to financing disbursements: | | | |
| 71.00 Total obligations | | | |
| 72.10 Obligated balance, start of year: Receivables from other government accounts | | | -11,500 |
| 74.10 Obligated balance, end of year: Receivables from other government accounts | | 11,500 | 10,500 |
| 87.00 Financing disbursements (gross) | | 11,500 | -1,000 |
| Adjustments to financing authority and financing disbursements: | | | |
| Offsetting collections from: | | | |
| 88.00 Federal sources | | -23,000 | -21,000 |
| 88.25 Interest on uninvested funds | | -468 | -1,814 |
| 88.90 Total, offsetting collections | | -23,468 | -22,814 |
| 89.00 Financing authority (net) | | | |
| 90.00 Financing disbursements (net) | | -11,968 | -23,814 |

Status of Guaranteed Loans (in thousands of dollars)

| | | | |
|------------------------------------------------------------------------|-------------|------------|------------|
| Identification code 86-4096-0-3-451 | 1994 actual | 1995 est. | 1996 est. |
| Position with respect to appropriations act limitation on commitments: | | | |
| 2111 Limitation on guaranteed loans made by private lenders | 2,054,000 | 2,054,000 | 2,000,000 |
| 2112 Uncommitted loan guarantee limitation | -1,703,480 | -1,554,000 | -1,543,487 |
| 2150 Total guaranteed loan commitments | 350,520 | 500,000 | 456,513 |
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 88,605 | 218,570 | 629,570 |
| 2231 Disbursements of new guaranteed loans | 139,115 | 425,000 | 750,000 |
| 2251 Repayments and prepayments | -9,150 | -14,000 | -30,000 |
| 2290 Outstanding, end of year | 218,570 | 629,570 | 1,349,570 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 218,570 | 629,570 | 1,349,570 |

Guaranteed loans.—As part of the Community Opportunity Performance Funds program, the budget provides a mechanism for Federal guarantees of private loans. There is an accompanying liquidating account which shows activity for Federal Financing Bank direct loan activity, obligated prior to July 1, 1986. Also following is a status of privately financed guaranteed loan commitments made prior to 1992.

The Department will add a balance sheet to this account in the FY 1997 budget.

COMMUNITY OPPORTUNITY PERFORMANCE FUNDS FINANCING ACCOUNT

(Legislative proposal, not subject to PAYGO)

Status of Guaranteed Loans (in thousands of dollars)

| | | | |
|------------------------------------------------------------------------|-------------|-----------|-----------|
| Identification code 86-4096-2-3-451 | 1994 actual | 1995 est. | 1996 est. |
| Position with respect to appropriations act limitation on commitments: | | | |
| 2112 Uncommitted loan guarantee limitation | | | 543,478 |
| 2150 Total guaranteed loan commitments | | | 543,478 |

COMMUNITY OPPORTUNITY PERFORMANCE FUNDS LIQUIDATING ACCOUNT

Program and Financing (in thousands of dollars)

| | | | |
|--------------------------------------------------------------|-------------|-----------|-----------|
| Identification code 86-4097-0-3-451 | 1994 actual | 1995 est. | 1996 est. |
| Financing: | | | |
| 39.00 Budget authority (gross) | | | |
| Budget authority: | | | |
| 68.00 Spending authority from offsetting collections | -27,271 | -23,000 | -20,000 |
| 68.47 Portion applied to debt reduction | 27,271 | 23,000 | 20,000 |
| 68.90 Spending authority from offsetting collections (total) | | | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | | | |
| 72.47 Obligated balance, start of year: Authority to borrow | 151,937 | 151,937 | 151,937 |
| 74.47 Obligated balance, end of year: Authority to borrow | -151,937 | -151,937 | -151,937 |
| 87.00 Outlays (gross) | | | |
| Adjustments to gross budget authority and outlays: | | | |
| 88.40 Offsetting collections from: Non-Federal sources | -27,271 | -23,000 | -20,000 |
| 89.00 Budget authority (net) | -27,271 | -23,000 | -20,000 |
| 90.00 Outlays (net) | -27,271 | -23,000 | -20,000 |

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 Federal Financing Bank

Credit accounts—Continued**COMMUNITY OPPORTUNITY PERFORMANCE FUNDS LIQUIDATING
ACCOUNT—Continued**

direct loans for which loan guarantees were committed prior to 1992. This account is shown on a cash basis.

Status of Direct Loans (in thousands of dollars)

| Identification code 86-4097-0-3-451 | 1994 actual | 1995 est. | 1996 est. |
|---------------------------------------------------|-------------|-----------|-----------|
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 131,384 | 109,902 | 86,902 |
| 1251 Repayments: Repayments and prepayments | -21,482 | -23,000 | -20,000 |
| 1290 Outstanding, end of year | 109,902 | 86,902 | 66,902 |

Status of Guaranteed Loans (in thousands of dollars)

| Identification code 86-4097-0-3-451 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------------------------------|-------------|-----------|-----------|
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 309,700 | 297,055 | 254,055 |
| 2231 Disbursements of new guaranteed loans | 42,075 | 30,000 | 15,000 |
| 2251 Repayments and prepayments | -54,720 | -73,000 | -53,000 |
| 2290 Outstanding, end of year | 297,055 | 254,055 | 216,055 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 297,055 | 254,055 | 216,055 |

Guaranteed loans.—Guaranteed loan assistance under the Community Opportunity Performance Funds program is provided to eligible communities to finance acquisition of real property, rehabilitation of publicly owned real property, and certain related expenses. In the past the Federal Financing Bank (FFB) financed these guaranteed loans. The Consolidated Omnibus Budget Reconciliation Act of 1985 requires 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:****[ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING]****[(INCLUDING RESCISSION AND TRANSFERS OF FUNDS)]**

[For assistance under the United States Housing Act of 1937, as amended ("the Act" herein) (42 U.S.C. 1437), not otherwise provided for, \$11,083,000,000, to remain available until expended: *Provided*, That to be added to and merged with the foregoing amounts there shall be up to \$400,000,000 of amounts of budget authority (and contract authority) reserved or obligated in prior years for the development or acquisition costs of public housing (including public housing for Indian families), for modernization of existing public housing projects (including such projects for Indian families), and, except as herein provided, for programs under section 8 of the Act (42 U.S.C. 1437f), which are recaptured during fiscal year 1995 or are unobligated as of September 30, 1994; and up to \$100,000,000 of transfers of unobligated balances from the Urban Development Action Grants program: *Provided further*, That of the total amount provided under this head, \$282,000,000 shall be for the development or acquisition cost of public housing for Indian families, including amounts for housing under the mutual help homeownership opportunity program under section 202 of the Act (42 U.S.C. 1437bb); and \$598,000,000 shall be for the development or acquisition cost of public housing, of which up to .67 per centum shall be available for technical assistance and inspection of public housing agencies by the Secretary: *Provided further*, That of the total amount provided under this head, \$3,700,000,000 shall be for modernization of existing public housing projects pursuant to section 14 of the Act (42 U.S.C. 1437l), including

up to \$15,000,000 for the inspection of modernization units and provision of technical assistance by the Secretary and contract expertise to assist in the oversight and management of the public and Indian housing modernization program, including an annual resident survey: *Provided further*, That of the amounts provided under this head for modernization of existing public housing projects, \$25,000,000 may be used for the Tenant Opportunity Program: *Provided further*, That of the total amount provided under this head, \$2,785,582,000 shall be for rental assistance under the section 8 existing housing certificate program (42 U.S.C. 1437f) and the housing voucher program under section 8(o) of the Act (42 U.S.C. 1437f(o)): *Provided further*, That of the total amount provided for rental assistance, a total of up to \$400,000,000 may be made available for new programs subject to enactment into law of applicable authorizing legislation: *Provided further*, That those portions of the fees for the costs incurred in administering incremental units assisted in the certificate and housing voucher programs under sections 8(b), 8(o), and 8(e)(2) shall be established or increased in accordance with the authorization for such fees in section 8(q) of the Act: *Provided further*, That of the total amount provided under this head, \$17,300,000 shall be available for fees for coordinators under section 23(h)(1) for the family self-sufficiency program (42 U.S.C. 1437u): *Provided further*, That of the total amount provided under this head, \$735,000,000 shall be for amendments to section 8 contracts other than contracts for projects developed under section 202 of the Housing Act of 1959, as amended, and \$555,000,000 shall be for section 8 assistance for property disposition, and \$175,000,000 shall be for assistance for State or local units of government, tenant and nonprofit organizations to purchase projects where owners have indicated an intention to prepay mortgages and for assistance to be used as an incentive to prevent prepayment or for vouchers to aid eligible tenants adversely affected by mortgage prepayment, as authorized in the Emergency Low-Income Housing Preservation Act of 1987, as amended: *Provided further*, That 50 per centum of the amounts of budget authority, or in lieu thereof 50 per centum of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Public Law 100-628, 102 Stat. 3224, 3268) shall be rescinded, or in the case of cash, shall be remitted to the Treasury, and such amounts of budget authority or cash recaptured and not rescinded or remitted to the Treasury shall be used by State housing finance agencies or local governments or local housing agencies with projects approved by the Secretary of Housing and Urban Development for which settlement occurred after January 1, 1992, in accordance with such section: *Provided further*, That of the total amount provided under this head, \$186,000,000 shall be for housing opportunities for persons with AIDS under title VIII, subtitle D of the Cranston-Gonzalez National Affordable Housing Act; \$100,000,000 shall be for the lead-based paint hazard reduction program as authorized under sections 1011 and 1053 of the Residential Lead-Based Hazard Reduction Act of 1992; and \$30,000,000 shall be for service coordinators in public housing pursuant to section 9(a)(1)(B)(ii) of the United States Housing Act of 1937; and \$30,000,000 shall be for service coordinators in project-based section 8 housing, pursuant to section 8(d)(2)(F)(1) of the Act, tenant-based section 8 housing, pursuant to section 8(q) of the Act and, for service coordinators in multifamily housing assisted under the National Housing Act, pursuant to section 676 of the Housing and Community Development Act of 1992: *Provided further*, That notwithstanding the language preceding the first proviso of this paragraph, \$289,500,000 shall be used for special purpose grants in accordance with the terms and conditions specified for such grants in the committee of conference report and statement of the managers (H. Rept. 103-715) accompanying H.R. 4624, except for the grant of \$500,000 for the Earth Conservatory for the acquisition of land near Wilkes-Barre, Pennsylvania.]

[Of the total amount provided under this head, \$1,279,000,000 shall be for capital advances, including amendments to capital advance contracts, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for the elderly under section 202(c)(2) of the Housing Act of 1959: *Provided*, That \$22,000,000 shall be for service coordinators pursuant to section 202(q) of the Housing Act of 1959 and subtitle E of title VI of the Housing and Community Development Act of 1992, other than section 676 of such Act and section 8(d)(2)(F)(i) of the Act.]

[Of the total amount provided under this head, \$387,000,000 shall be for capital advances, including amendments to capital advance contracts, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act; and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for persons with disabilities as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act.] (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)

| Program and Financing (in thousands of dollars) | | | |
|-------------------------------------------------------------|--------------|-------------|-------------|
| Identification code 86-0164-0-1-604 | 1994 actual | 1995 est. | 1996 est. |
| Program by activities: | | | |
| Assistance contracts: | | | |
| 00.01 Lower income housing (section 8) | 4,316,325 | 4,647,955 | 4,415,814 |
| 00.02 Public and Indian housing | 3,615,377 | 3,893,152 | 2,837,969 |
| 00.03 Elderly/Disabled Grants | 1,331,660 | 1,623,692 | 1,217,769 |
| 10.00 Total obligations (object class 41.0) | 9,263,362 | 10,164,799 | 8,471,552 |
| Financing: | | | |
| 17.00 Recovery of prior year obligations | -2,435,736 | -2,012,420 | -2,000,000 |
| Unobligated balance available, start of year: | | | |
| Treasury balance: | | | |
| 21.40 Grants (available) | -2,205,166 | -2,089,715 | -90,296 |
| 21.40 Administrative commitments (reserved) | -17,280,624 | -17,711,683 | -20,818,551 |
| 21.49 Administrative commitments (reserved) .. | -73,167 | -89,248 | |
| 22.00 Unobligated balance transferred, net | -11,037 | | -740,621 |
| Unobligated balance available, end of year: | | | |
| Treasury balance: | | | |
| 24.40 Available | 2,089,715 | 90,296 | 90,296 |
| 24.40 Reserved | 17,711,683 | 20,818,551 | 13,087,620 |
| 24.49 Administrative commitments | 89,248 | | |
| Unobligated balance expiring: | | | |
| 25.00 Unobligated balance expiring | 19,814 | | |
| 25.00 Unobligated balance expiring | 2,160,741 | 2,000,000 | 2,000,000 |
| 39.00 Budget authority | 9,328,833 | 11,170,580 | |
| Budget authority: | | | |
| Current: | | | |
| 40.00 Appropriation | 9,437,900 | 11,083,000 | |
| 40.35 Appropriation rescinded | -45,515 | | |
| 41.00 Transferred to other accounts | -68,552 | -12,420 | |
| 42.00 Transferred from other accounts | 5,000 | 100,000 | |
| 43.00 Appropriation (total) | 9,328,833 | 11,170,580 | |
| Permanent: | | | |
| 60.00 Appropriation | 28,932 | 15,330,754 | 15,943,587 |
| 60.05 Appropriation (indefinite) | | | |
| 60.49 Portion applied to liquidate contract authority | -28,932 | -15,330,754 | -15,943,587 |
| 63.00 Appropriation (total) | | | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 9,263,362 | 10,164,799 | 8,471,552 |
| Obligated balance, start of year: | | | |
| 72.40 Appropriation | 28,831,392 | 22,517,436 | 31,247,456 |
| 72.49 Contract authority | 105,005,567 | 103,021,778 | 86,031,403 |
| 73.00 Obligated balance transferred, net | | | 18,938,637 |
| Obligated balance, end of year: | | | |
| 74.40 Appropriation | -22,517,436 | -31,247,456 | -37,304,989 |
| 74.49 Contract authority | -103,021,778 | -86,031,403 | -85,545,396 |
| 77.00 Adjustments in expired accounts | -11,154 | | |
| 78.00 Adjustments in unexpired accounts | -2,435,736 | -2,012,420 | -2,000,000 |
| 90.00 Outlays | 15,114,217 | 16,412,734 | 19,838,663 |

Summary of Budget Authority and Outlays

(in thousands of dollars)

| | 1994 actual | 1995 est. | 1996 est. |
|-----------------------------|-------------|------------|------------|
| Enacted/requested: | | | |
| Budget Authority | 9,328,833 | 11,170,580 | |
| Outlays | 15,114,217 | 16,412,734 | 19,838,663 |
| Rescission proposal: | | | |
| Budget Authority | | -439,200 | |
| Outlays | | -53,600 | -112,700 |
| Total: | | | |
| Budget Authority | 9,328,833 | 10,731,380 | |

| | | | |
|---------------|------------|------------|------------|
| Outlays | 15,114,217 | 16,359,134 | 19,725,963 |
|---------------|------------|------------|------------|

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

Status of Contract Authority (in thousands of dollars)—Continued

| | 1994 actual | 1995 est. | 1996 est. |
|-----------------------------------------------|-------------|-------------|-------------|
| Total unfunded balance, start of year | 105,106,916 | 103,203,669 | 85,872,915 |
| Unfunded balances rescinded: | | | |
| Debt forgiveness | -2,160,741 | -2,000,000 | -2,000,000 |
| Total, unobligated balance lapsing | | | |
| | 286,426 | | |
| Unfunded balances transferred for liquidation | | | |
| | -28,932 | -15,330,754 | -15,943,587 |
| Unfunded balance, end of year | 103,203,669 | 85,872,915 | 67,929,328 |

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

Summary of Administrative Commitments—Continued

(In thousands of dollars)

| Program by activities: | 1994 actual | 1995 est. | 1996 est. |
|-----------------------------------------------------------|-------------|-------------|-------------|
| Assistance contracts: | | | |
| Lower income housing (section 8) | 3,967,179 | 6,662,352 | |
| Public and Indian housing | 4,130,247 | 4,849,438 | |
| Sec. 202/811 | 1,596,995 | 1,758,256 | |
| Subtotal | 9,694,179 | 13,270,046 | |
| Administrative commitments, start of year | 17,369,825 | 17,800,884 | 20,906,131 |
| Administrative commitments transferred ¹ | | | 1,027,621 |
| Administrative commitments, end of year | -17,800,884 | -20,906,131 | -13,462,200 |
| Total obligations | 9,263,362 | 10,164,799 | 8,471,552 |

¹ Reflects transfer from Contract Renewals to Annual Contributions account.

The Annual Contributions for Assisted Housing account provided assistance under three major categories.

Low-income housing (section 8).—Included within the section 8 category were incremental rental assistance in the form of housing certificates and housing vouchers; Public Housing and Housing Relocation/Replacement opt-out units; Housing Opportunities for Persons with AIDS; Section 23 Conversions; and Loan Management and Property Disposition activities.

Housing for the elderly and disabled (section 801 and 811).—The Cranston-Gonzales National Affordable Housing Act authorized a grant program to make new construction assistance available to elderly and disabled persons. Both the Grant funding and the Rental Assistance—or operating subsidy—needed to aid these low-income tenants was provided under the annual contributions account.

Public and Indian housing.—New development funding was provided for both Public Housing and for Indian Housing within this account. In addition, funding was provided for Public and Indian Housing Modernization activities and Public/Indian Housing amendments and lease adjustments. Also, funding was provided for Public Housing Service Coordinators.

Funding for the Annual Contributions for Assisted Housing account will be terminated at the end of fiscal year 1995. Beginning in fiscal year 1996, the funding for the assistance once provided under this program will be provided under the Housing Certificates for Families and Individuals Performance Funds program, the Affordable Housing Performance Funds program, the Public and Indian Housing Capital Performance Funds program, and the Housing Opportunities for Persons with AIDS program.

General and special funds—Continued

OTHER ASSISTED HOUSING PROGRAMS
RENTAL HOUSING ASSISTANCE
(RESCISSION)

The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 236 of the National Housing Act (12 U.S.C. 1715z-1) is reduced in fiscal year [1995] 1996 by not more than \$2,000,000 in uncommitted balances of authorizations provided for this purpose in appropriations Acts: *Provided*, That up to [\$66,000,000] \$163,000,000 of recaptured section 236 budget authority resulting from the prepayment of mortgages subsidized under section 236 of the National Housing Act (12 U.S.C. 1715z-1) shall be rescinded in fiscal year [1995] 1996. (*Departments of Veterans Affairs, and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

【HOMEOWNERSHIP ASSISTANCE】

【(INCLUDING RESCISSION OF FUNDS)】

【For payments under section 235(r) of the National Housing Act, as amended (12 U.S.C. 1715z), for incentives to mortgagors to refinance mortgages that are insured under such section 235 and for closing and other costs in connection with such refinancing, \$6,875,000, to remain available until expended; *Provided*, That up to \$50,000,000 of recaptured section 235 budget authority resulting from reducing the interest rate on such refinanced mortgages shall be reused for payments under this heading: *Provided further*, That up to \$184,000,000 of additional recaptured section 235 budget authority from refinancing section 235 mortgages shall be rescinded in fiscal year 1995.】 (*Departments of Veterans Affairs, and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

Program and Financing (in thousands of dollars)

| Identification code: 86-0206-0-1-999 | 1994 actual | 1995 est. | 1996 est. |
|--------------------------------------------------------------------------------|-------------|-------------|-------------|
| Program by activities: | | | |
| 00.01 Rent supplement | 28,950 | 43,966 | 41,652 |
| 00.02 Homeownership and rental housing assistance (Sections 235 and 236) | 82,520 | 132,875 | 72,000 |
| 10.00 Total obligations (object class 41.0) | 111,470 | 176,841 | 113,652 |
| Financing: | | | |
| 17.00 Recovery of prior year obligations | -630,618 | -372,466 | -230,771 |
| Unobligated balance available, start of year: | | | |
| Contract authority: | | | |
| 21.49 Administrative commitments (reserved) | -16,034 | | |
| 21.49 Contract authority (available) | -1,175,207 | -1,042,833 | -950,829 |
| 22.00 Unobligated balance transferred, net | 20,180 | 9,738 | 9,824 |
| Unobligated balance available, end of year: | | | |
| Contract authority: | | | |
| 24.49 Administrative commitments (reserved) | | | |
| 24.49 Contract authority (available) | 1,042,833 | 950,829 | 817,739 |
| 25.00 Unobligated balance expiring | 647,376 | 46,766 | 42,266 |
| 39.00 Budget authority | | -231,125 | -198,119 |
| Budget authority: | | | |
| Current: | | | |
| 40.00 Appropriation | | 56,875 | |
| 40.36 Unobligated balance rescinded | | -288,000 | -198,119 |
| 43.00 Appropriation (total) | | -231,125 | -198,119 |
| Permanent: | | | |
| 60.00 Appropriation | 764,792 | 828,537 | 762,182 |
| 60.49 Portion applied to liquidate contract authority | -764,792 | -828,537 | -762,182 |
| 63.00 Appropriation (total) | | | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 111,470 | 176,841 | 113,652 |
| Obligated balance, start of year: | | | |
| 72.40 Administrative commitment (reserved) | 192,661 | 128,483 | 128,483 |
| 72.49 Contract authority | 24,960,744 | 23,725,861 | 22,701,699 |
| Obligated balance, end of year: | | | |
| 74.40 Administrative commitment reserved | -128,483 | -128,483 | -128,483 |
| 74.49 Contract authority | -23,725,861 | -22,701,699 | -21,822,398 |

| | | | | |
|-------|-----------------------------------------|----------|----------|----------|
| 78.00 | Adjustments in unexpired accounts | -630,618 | -372,466 | -230,771 |
| 90.00 | Outlays | 779,913 | 828,537 | 762,182 |

OTHER ASSISTED HOUSING (In thousands of dollars)

| | 1994 actual | 1995 est. | 1996 est. |
|-----------------------------------------------------|-------------|------------|------------|
| Unfunded balance, start of year: | | | |
| Homeownership and rental housing assistance | 24,006,213 | 22,759,095 | 21,754,935 |
| Rent supplement | 1,894,926 | 1,836,943 | 1,755,675 |
| College housing grants | 221,322 | 192,838 | 171,838 |
| Total unfunded balance, start of year | 26,122,461 | 24,788,876 | 23,682,448 |
| New Budget Authority Sec. 523 | | | |
| Recaptures Sec. 235 | | 6,875 | |
| Unfunded balances rescinded: | | 50,000 | |
| Rental and homeownership assistance | | -288,000 | -198,119 |
| Total, unfunded balances rescinded | | -288,000 | -198,119 |
| Unobligated balance expiring or restored: | | | |
| Homeownership and rental housing assistance | -639,982 | -23,292 | -20,292 |
| Rent supplement | | -23,474 | -21,974 |
| College housing | -7,484 | | |
| Total, unobligated balance lapsing | -647,376 | -46,766 | -42,266 |
| Unfunded balances transferred for liquidation | -764,792 | -828,537 | -762,182 |
| Other transfers | 23,976 | | |
| Prior year adjustment | 54,607 | | |
| Unfunded balance, end of year: | | | |
| Homeownership and rental housing assistance | 22,759,095 | 21,754,933 | 20,409,768 |
| Rent supplement | 1,836,943 | 1,755,675 | 2,119,275 |
| College housing grants | 192,838 | 171,838 | 150,838 |
| Total unfunded balance, end of year | 24,788,876 | 23,682,448 | 22,679,881 |

OTHER ASSISTED HOUSING

Summary of Administrative Commitments—Continued

| | [In thousands of dollars] | | |
|--------------------------------------------------------------------------|---------------------------|-----------|-----------|
| Program by activities: | 1994 actual | 1995 est. | 1996 est. |
| Assistance contracts: | | | |
| Rent supplement | 28,950 | 43,966 | 41,652 |
| Homeownership and rental housing assistance (sections 235 and 236) | 82,520 | 132,875 | 72,000 |
| Administrative commitments, start of year | 16,034 | 16,034 | 16,034 |
| Administrative commitments, end of year | -16,034 | -16,034 | -16,034 |
| Total obligations | 111,470 | 176,841 | 113,652 |

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 18,000 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 program based on a 10-year interest reduction subsidy. A total of \$150 million of budget authority was provided in the Second Supplemental Appropriations Act of 1984 (Public Law 98-396) to fund the program. Recaptures of budget authority from terminations must be transferred into the Homeownership Assistance Fund account established pursuant to Public Law 98-181. Amounts deposited will be available for use to assist program beneficiaries still in need of assistance at the expiration of their present ten-year assistance contracts.

In addition, appropriations were enacted in 1995 in the amount of \$6.9 million, to fund closing costs, discount points, and incentives needed to encourage mortgagors subsidized under the Section 235 program to refinance at lower, prevailing market interest rates. The subsidy savings from refinancing these loans substantially exceed the costs involved and will produce a net savings to the Treasury over time. Up to \$184 million in budget authority may be rescinded in 1995.

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

The Rental Housing Assistance Rescission allows the rescission of not more than \$2,000,000 in uncommitted balances of contract authority.

In addition, up to \$163 million in budget authority may be rescinded as a result of mortgage prepayments by section 236 project owners.

The table below reflects the consolidated outlay total for both the Annual Contributions for Assisted Housing account and the Other Assisted Housing account, for fiscal years 1994, 1995, and 1996.

SUMMARY OF OUTLAYS

(In thousands of dollars)
(Annual contributions for Assisted Housing and Other Assisted Housing)¹

| | 1994 actual | 1995 est. | 1996 est. ² |
|----------------------------------------------|-------------|------------|------------------------|
| Subsidized Housing Programs, total | 21,381,876 | 21,155,401 | 20,600,845 |
| Low income housing assistance (Sec. 8) | 16,576,233 | 15,877,757 | 15,128,347 |
| Public housing | 4,025,730 | 4,449,107 | 4,710,316 |
| Rent supplement | 56,293 | 57,793 | 59,293 |
| Homeownership assistance (Sec. 235) | 45,948 | 89,171 | 31,269 |
| Rental housing assistance (Sec. 236) | 659,310 | 660,573 | 650,620 |
| College housing grants | 18,362 | 21,000 | 21,000 |

¹ Excludes outlays for contract renewals.
² Reflects spendout from old programs.

[ASSISTANCE FOR THE RENEWAL OF EXPIRING SECTION 8 SUBSIDY CONTRACTS]

[(INCLUDING TRANSFER OF FUNDS)]

[For assistance under the United States Housing Act of 1937 (42 U.S.C. 1437) not otherwise provided for, for use in connection with expiring section 8 subsidy contracts, \$2,536,000,000, to remain available until expended: *Provided*, That to the extent the amount in this appropriation is insufficient to fund all expiring section 8 contracts, the Secretary may transfer to and merge with this appropriation such amounts from the "Annual contributions for assisted housing" appropriation as the Secretary shall determine, and amounts earmarked in the foregoing account may be reduced accordingly, at the Secretary's discretion: *Provided further*, That the Secretary may maintain consolidated accounting data for funds disbursed at the public housing agency or Indian housing authority or project level for subsidy assistance regardless of the source of the disbursement so as to minimize the administrative burden of multiple accounts.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

Program and Financing (in thousands of dollars)

| Identification code 86-0194-0-1-604 | 1994 actual | 1995 est. | 1996 est. |
|---------------------------------------------------|-------------|------------|------------|
| Program by activities: | | | |
| 10.00 Total obligations (object class 41.0) | 5,099,793 | 3,395,224 | ..... |
| Financing: | | | |
| Unobligated balance available, start of year: | | | |
| 21.40 Treasury balance | -30,266 | -59,224 | -1,027,621 |
| 21.49 Administrative commitments | -885,714 | -1,027,621 | ..... |
| 22.00 Unobligated balance transferred, net ..... | ..... | ..... | 1,027,621 |
| Unobligated balance available, end of year: | | | |
| 24.40 Treasury balance | 59,224 | 1,027,621 | ..... |
| 24.49 Administrative commitments | 1,027,621 | ..... | ..... |
| 39.00 Budget authority | 5,270,658 | 3,336,000 | ..... |
| Budget authority: | | | |
| Current: | | | |
| 40.00 Appropriation | 4,482,106 | 2,536,000 | ..... |
| 42.00 Transferred from other accounts | 68,552 | ..... | ..... |
| 43.00 Appropriation (total) | 4,550,658 | 2,536,000 | ..... |
| Permanent: | | | |
| 65.00 Advance appropriation (definite) | 720,000 | 800,000 | ..... |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 5,099,793 | 3,395,224 | ..... |

| | | | | |
|-------|------------------------------------------------------------------------------|-------------|-------------|-------------|
| 72.40 | Obligated balance, start of year: Unpaid obligations: Treasury balance | 18,218,497 | 19,830,544 | 19,311,637 |
| 73.00 | Obligated balance transferred, net ..... | ..... | ..... | -19,311,637 |
| 74.40 | Obligated balance, end of year: Unpaid obligations: Treasury balance | -19,830,544 | -19,311,637 | ..... |
| 90.00 | Outlays | 3,487,746 | 3,914,130 | ..... |

STATUS OF ADMINISTRATIVE COMMITMENTS

| Program by activities: | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------------------|-------------|------------|-----------|
| Section 8 Contract Renewals | 5,252,533 | 3,395,224 | ..... |
| Net Recaptures | -10,832 | ..... | ..... |
| Administrative commitments, start of year | 885,714 | 1,027,621 | ..... |
| Administrative commitments transferred ..... | ..... | -1,027,621 | ..... |
| Administrative commitments, end of year | -1,027,621 | ..... | ..... |
| Total obligations | 5,099,793 | 3,395,224 | ..... |

¹ Reflects transfer from Contract Renewals account.

The Assistance for the Renewal of Expiring Section 8 Contracts account provided funding to renew existing section 8 loan management, property disposition, new construction, substantial rehabilitation, moderate rehabilitation, voucher and certificate contracts.

This account will be terminated at the end of fiscal year 1995. Beginning in fiscal year 1996, the funding for this assistance will be provided under the Housing Certificates for Families and Individuals Performance Funds program.

Multifamily Debt Restructuring.—The contract renewal requirements for project-based assistance contracts (LMSA, PD and New Construction/Sub Rehab projects) have been reduced in this budget to reflect the Administration's proposal to lower or "mark-to-market" Section 8 rents to reflect comparable prevailing market rents for assisted projects.

A principal objective of the "mark-to-market" proposal is to balance market-determined rental income against project costs including: debt service, operating costs, reserve requirements and profit margin. This will permit projects to operate over the long run on a sound financial basis without the need for permanent project-based assistance. Projects will have affordable, market priced units which will be able to compete for tenants with comparable projects in the locality. Renters with certificates or vouchers (tenant based assistance), as well as non-assisted tenants, will be attracted to projects with an affordable, market-determined rent structure.

Marking down of rents will be accomplished at or near the point of Section 8 contract renewal. In order to make operations feasible under a lower total rent structure, FHA will restructure the mortgage debt of the project by paying partial claim payments against the outstanding mortgage on the property. This will lower the debt service portion of total project costs. Thus lower Section 8 rental income will service lower project costs. The amount of the debt restructuring will be determined by how much total costs the market rents can support.

A new Housing Resolution Fund, shown under a separate schedule, would make available resources to repair, secure and provide tenant services in multifamily projects, as well as property disposition assistance in connection with the sale of projects.

All contract renewal obligations will occur in the proposed "Housing Certificates for Families and Individuals Performance Fund" beginning in 1996. A two year transition period, during which renewal vouchers may be tied to projects, is also proposed to facilitate a gradual changeover to a market driven basis.

[NATIONAL HOMEOWNERSHIP TRUST DEMONSTRATION PROGRAM]

[For the National Homeownership Trust Demonstration program, as authorized by title III of the National Affordable Housing Act, as amended by section 182 of the Housing and Community Development Act of 1992, \$50,000,000, to remain available until expended.]

General and special funds—Continued

**【NATIONAL HOMEOWNERSHIP TRUST DEMONSTRATION PROGRAM】—
Continued**

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

| Identification code 86-0301-0-1-371 | 1994 actual | 1995 est. | 1996 est. |
|-----------------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 10.00 Total obligations (object class 41.0) | | 50,000 | |
| Financing: | | | |
| 40.00 Budget authority (appropriation) | | 50,000 | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | | 50,000 | |
| 72.90 Obligated balance, start of year: Unpaid obligations: Fund balance | | | 50,000 |
| 74.90 Obligated balance, end of year: Unpaid obligations: Fund balance | | -50,000 | -33,000 |
| 90.00 Outlays | | | 17,000 |

The National Homeownership Demonstration Program was authorized to provide resources to revolving funds established by public agencies to assist eligible first-time buyers to become homeowners. In addition, certain forms of mortgage assistance were authorized.

This account reflects an appropriation of \$50 million for the National Homeownership Demonstration in 1995. Beginning in 1996, funding for this type of activity will be provided under the Affordable Housing Performance Funds program.

【HOMEOWNERSHIP AND OPPORTUNITY FOR PEOPLE EVERYWHERE GRANTS (HOPE GRANTS)】

【For the homeownership and opportunity for people everywhere (HOPE grants) program as authorized under title III of the United States Housing Act of 1937 (42 U.S.C. 1437aaa et seq.) and subtitles A, B, and C, of title IV of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101-625), \$50,000,000, to remain available until expended, of which up to one and one-half percent may be made available for technical assistance to potential applicants, applicants and recipients of assistance under this head as authorized under subtitle E of title I of the Housing and Community Development Act of 1992.】 *(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)*

Program and Financing (in thousands of dollars)

| Identification code 86-0196-0-1-604 | 1994 actual | 1995 est. | 1996 est. |
|-----------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 00.01 Hope I | 11,504 | 63,775 | |
| 00.02 Hope II | 38,191 | 12,146 | 50,213 |
| 00.03 Hope III | 93,537 | 3,864 | 1,000 |
| 00.04 Elderly independence | 8,686 | 1,716 | 2,416 |
| 00.05 Youthbuild | 2,400 | | |
| 10.00 Total obligations (object class 41.0) | 154,318 | 81,501 | 53,629 |
| Financing: | | | |
| 17.00 Recovery of prior year obligations | -1,634 | -1,000 | |
| Unobligated balance available, start of year: | | | |
| Treasury balance: | | | |
| 21.40 Uncommitted | -423,839 | -34,069 | -1,000 |
| 21.40 Administratively committed | -32,965 | -63,241 | -52,629 |
| 22.00 Unobligated balance transferred | | 25,600 | |
| Unobligated balance available, end of year: | | | |
| Treasury balance: | | | |
| 24.40 Uncommitted | 34,069 | 1,000 | |
| 24.40 Administratively committed | 63,241 | 52,629 | |
| 39.00 Budget authority | -206,810 | 62,420 | |
| Budget authority: | | | |
| 40.00 Appropriation | 109,190 | 50,000 | |
| 40.35 Appropriation rescinded | -66,000 | | |

| | | | |
|---------------------------------------------------------------------------------|----------|----------|----------|
| 40.36 Unobligated balance rescinded | -250,000 | | |
| 42.00 Transferred from other accounts | | 12,420 | |
| 43.00 Appropriation (total) | -206,810 | 62,420 | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 154,318 | 81,501 | 53,629 |
| 72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance | 140,170 | 228,037 | 218,856 |
| 73.00 Obligated balance transferred, net | | -2,400 | |
| 74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance | -228,037 | -218,856 | -208,998 |
| 78.00 Adjustments in unexpired accounts | -1,634 | -1,000 | |
| 90.00 Outlays | 64,817 | 87,282 | 63,487 |

The Homeownership and Opportunity for People Everywhere Program provided homeownership opportunities which were affordable 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.

Funding for the HOPE program will be terminated at the end of fiscal year 1995. Beginning in fiscal year 1996, funding for this type of assistance will be provided under the Affordable Housing Performance Funds program.

【CONGREGATE SERVICES】

【For contracts with payments to public housing agencies and non-profit corporations for congregate services programs, \$25,000,000, to remain available until September 30, 1995, of which \$6,267,000 shall be for entities operating such programs in accordance with the provisions of the Congregate Services Act of 1978, as amended, and the balance shall be for programs under section 802 of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101-625).】 *(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)*

Program and Financing (in thousands of dollars)

| Identification code 86-0178-0-1-604 | 1994 actual | 1995 est. | 1996 est. |
|---------------------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 10.00 Total obligations (object class 41.0) | 22,089 | 44,747 | |
| Financing: | | | |
| 17.00 Recovery of prior year obligations | -48 | | |
| 21.40 Unobligated balance available, start of year: Treasury balance | -19,880 | -19,747 | |
| 24.40 Unobligated balance available, end of year: Treasury balance | 19,747 | | |
| 25.00 Unobligated balance expiring | 3,092 | | |
| 40.00 Budget authority (appropriation) | 25,000 | 25,000 | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 22,089 | 44,747 | |
| 72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance | 22,478 | 38,355 | 77,002 |
| 74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance | -38,355 | -77,002 | -63,002 |
| 77.00 Adjustments in expired accounts | -104 | | |
| 78.00 Adjustments in unexpired accounts | -48 | | |
| 90.00 Outlays | 6,060 | 6,100 | 14,000 |

Summary of Budget Authority and Outlays

[in thousands of dollars]

| | 1994 actual | 1995 est. | 1996 est. |
|-----------------------------|-------------|-----------|-----------|
| Enacted/requested: | | | |
| Budget Authority | 25,000 | 25,000 | |
| Outlays | 6,060 | 6,100 | 14,000 |
| Rescission proposal: | | | |
| Budget Authority | | -37,000 | |

| | | | |
|------------------------|--------|---------|--------|
| Outlays | | | -5,088 |
| Total: | | | |
| Budget Authority | 25,000 | -12,000 | |
| Outlays | 6,060 | 6,100 | 8,912 |

Under the Congregate Services program, the Department contracted directly with local public housing agencies and section 202 housing for the elderly or disabled sponsors to supply support services, including meals and other services.

This program will be terminated at the end of fiscal year 1995. Beginning in fiscal year 1996 funding for this type of activity will be provided under the Housing Certificates for Families and Individuals Performance Funds program.

As identified in a separate section of this budget, \$37 million of the funding available for this program in fiscal year 1995 is proposed for rescission.

[HOUSING COUNSELING ASSISTANCE]

[For contracts, grants, and other assistance, other than loans, not otherwise provided for, 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 as authorized by section 106 of the Housing and Urban Development Act of 1968, as amended, \$50,000,000.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

Program and Financing (in thousands of dollars)

| Identification code 86-0156-0-1-506 | 1994 actual | 1995 est. | 1996 est. |
|---------------------------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 10.00 Total obligations (object class 41.0) | 10,846 | 50,000 | |
| Financing: | | | |
| 25.00 Unobligated balance expiring | 1,154 | | |
| 40.00 Budget authority (appropriation) | 12,000 | 50,000 | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 10,846 | 50,000 | |
| 72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance | 7,498 | 12,679 | 49,580 |
| 74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance | -12,679 | -49,580 | -11,580 |
| 77.00 Adjustments in expired accounts | -273 | | |
| 90.00 Outlays | 5,392 | 13,100 | 38,000 |

The Housing Counseling Assistance program provided comprehensive housing counseling services to eligible homeowners and tenants, including default and renter counseling. This program will be terminated at the end of fiscal year 1995. Beginning in fiscal year 1996, funding for this type of activity will be provided under the Affordable Housing Performance Funds program.

SECTION 8 MODERATE REHABILITATION

SINGLE ROOM OCCUPANCY

Program and Financing (in thousands of dollars)

| Identification code 86-0195-0-1-604 | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 10.00 Total obligations (object class 41.0) | 57,192 | 286,353 | |
| Financing: | | | |
| 21.40 Unobligated balance available, start of year: Treasury balance | -193,545 | -286,353 | |
| 24.40 Unobligated balance available, end of year: Treasury balance | 286,353 | | |

| | | | |
|---------------------------------------------------------------------------------------|----------|----------|----------|
| 40.00 Budget authority (appropriation) | 150,000 | | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 57,192 | 286,353 | |
| 72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance | 190,619 | 240,029 | 490,144 |
| 74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance | -240,029 | -490,144 | -446,728 |
| 90.00 Outlays | 7,783 | 36,238 | 43,416 |

Section 8 assistance for single room occupancy dwellings is authorized by Title IV, subtitle E, of the Stewart B. McKinney Homeless Assistance Act, as amended by the Housing and Community Development Act of 1992. Beginning in fiscal year 1996, funding for this type of activity will be provided under the Homeless Assistance Performance Funds program.

MANUFACTURED HOME INSPECTION AND MONITORING

Program and Financing (in thousands of dollars)

| Identification code 86-5271-0-2-376 | 1994 actual | 1995 est. | 1996 est. |
|---------------------------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 00.01 Transfer to salaries and expenses | 835 | 1,009 | 1,035 |
| 00.02 Other program costs | 7,791 | 7,938 | 8,038 |
| 10.00 Total obligations (object class 25.2) | 8,626 | 8,947 | 9,073 |
| Financing: | | | |
| 21.40 Unobligated balance available, start of year: Treasury balance | -3,523 | -5,662 | -7,260 |
| 24.40 Unobligated balance available, end of year: Treasury balance | 5,662 | 7,260 | 8,731 |
| 60.25 Budget authority (appropriation) (special fund, in- definite) | 10,766 | 10,544 | 10,544 |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 8,626 | 8,947 | 9,073 |
| 72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance | 1,741 | 1,654 | 1,718 |
| 74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance | -1,654 | -1,718 | -1,744 |
| 90.00 Outlays | 8,713 | 8,883 | 9,047 |

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

A fee is charged to the manufacturers for each manufactured home produced to cover the costs of the monitoring and enforcement activities by HUD contract agents. Fees are deposited in a special fund administered by the Department, and a portion of the fee receipts are transferred to the salaries and expenses account to defray the direct administrative expenses of the program.

INTERSTATE LAND SALES

Program and Financing (in thousands of dollars)

| Identification code 86-5270-0-2-376 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 10.00 Total obligations (object class 25.2) | 349 | 550 | 550 |
| Financing: | | | |
| 60.25 Budget authority (appropriation) (special fund, in- definite) | 349 | 550 | 550 |

General and special funds—Continued

INTERSTATE LAND SALES—Continued

Program and Financing (in thousands of dollars)—Continued

| Identification code 86-5270-0-2-376 | 1994 actual | 1995 est. | 1996 est. |
|--------------------------------------------|-------------|-----------|-----------|
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 349 | 550 | 550 |
| 90.00 Outlays | 349 | 550 | 550 |

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.

Public enterprise funds:

TITLE IV—CORPORATIONS

Corporations and agencies of the Department of Housing and Urban Development which are subject to the Government Corporation Control Act, as amended, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Act as may be necessary in carrying out the programs set forth in the budget for [1995] 1996 for such corporation or agency except as hereinafter provided: *Provided*, That collections of these corporations and agencies may be used for new loan or mortgage purchase commitments only to the extent expressly provided for in this Act (unless such loans are in support of other forms of assistance provided for in this or prior appropriations Acts), except that this proviso shall not apply to the mortgage insurance or guaranty operations of these corporations, or where loans or mortgage purchases are necessary to protect the financial interest of the United States Government. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

RENTAL HOUSING ASSISTANCE FUND

Program and Financing (in thousands of dollars)

| Identification code 86-4041-0-3-604 | 1994 actual | 1995 est. | 1996 est. |
|--------------------------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 10.00 Total obligations (object class 25.2) | 64,200 | 66,126 | 68,176 |
| Financing: | | | |
| 17.00 Recovery of prior year obligations | -3 | | |
| 21.90 Unobligated balance available, start of year: Fund balance | -503 | -506 | -506 |
| 24.90 Unobligated balance available, end of year: Fund balance | 506 | 506 | 506 |
| 68.00 Budget authority (gross): Spending authority from offsetting collections | 64,200 | 66,126 | 68,176 |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 64,200 | 66,126 | 68,176 |
| 72.90 Obligated balance, start of year: Unpaid obligations: Fund balance | 1,320 | 2,525 | |
| 74.90 Obligated balance, end of year: Unpaid obligations: Fund balance | -2,525 | | |
| 78.00 Adjustments in unexpired accounts | -3 | | |
| 87.00 Outlays (gross) | 62,992 | 68,651 | 68,176 |
| Adjustments to gross budget authority and outlays: | | | |
| 88.40 Offsetting collections from: Non-Federal sources | -64,200 | -66,126 | -68,176 |

| | | | |
|------------------------------------|--------|-------|--|
| 89.00 Budget authority (net) | | | |
| 90.00 Outlays (net) | -1,208 | 2,525 | |

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.

Statement of Operations (in thousands of dollars)

| Identification code 86-4041-0-3-604 | 1993 actual | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------|-------------|-------------|-----------|-----------|
| 0101 Revenue | 68,230 | 64,863 | 66,126 | 68,176 |
| 0102 Expense | -70,056 | -60,330 | -66,126 | -68,176 |
| 0109 Net income or loss (-) | -1,826 | 4,533 | | |

Balance Sheet (in thousands of dollars)

| Identification code 86-4041-0-3-604 | 1993 actual | 1994 actual | 1995 est. | 1996 est. |
|--------------------------------------------------------|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | 1,823 | 3,031 | 506 | 506 |
| 1206 Non-Federal assets: Receivables, net | 2,269 | 6,800 | | |
| 1999 Total assets | 4,092 | 9,831 | 506 | 506 |
| LIABILITIES: | | | | |
| 2101 Federal liabilities: Accounts payable | 1,270 | 2,496 | | |
| 2207 Non-Federal liabilities: Other | 50 | 29 | | |
| 2999 Total liabilities | 1,320 | 2,525 | | |
| NET POSITION: | | | | |
| 3300 Cumulative results of operations | 2,772 | 7,305 | 506 | 506 |
| 3999 Total net position | 2,772 | 7,305 | 506 | 506 |
| 4999 Total liabilities and net position | 4,092 | 9,830 | 506 | 506 |

FLEXIBLE SUBSIDY FUND

[For assistance to owners of eligible multifamily housing projects insured, or formerly insured, and under] *From the fund established by section 236(g) of the National Housing Act, as amended, [or which are otherwise eligible for assistance under section 201(c) of the Housing and Community Development Amendments of 1978, as amended (12 U.S.C. 1715z-1a), in the program of assistance for troubled multifamily housing projects under the Housing and Community Development Amendments of 1978, as amended, \$50,000,000, and]* all uncommitted balances of excess rental charges as of September 30, [1994] 1995, and any collections [and other amounts in the fund authorized under section 201(j) of the Housing and Community Development Amendments of 1978, as amended,] during fiscal year [1995, to remain available until expended: *Provided*, That assistance to an owner of a multifamily housing project assisted, but not insured, under the National Housing Act may be made if the project owner and the mortgagee have provided or agreed to provide assistance to the project in a manner as determined by the Secretary of Housing and Urban Development] 1996 shall be transferred, as authorized under such section, to the fund authorized under Section 201 (j) of the Housing and Community Development Amendments of 1978, as amended. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriation Act, 1995.*)

Program and Financing (in thousands of dollars)

| Identification code 86-4044-0-3-604 | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 10.00 Total obligations (object class 41.0) | 126,044 | 124,351 | 198,724 |
| Financing: | | | |
| 17.00 Recovery of prior year obligations | -619 | | |
| Unobligated balance available, start of year: | | | |
| 21.90 Treasury balance: Uncommitted | -7,840 | -77,496 | |
| 21.91 U.S. Securities: Par Value—Administratively Committed | -114,532 | -124,351 | -198,724 |
| Unobligated balance available, end of year: | | | |
| 24.90 Treasury balance: Uncommitted | 77,496 | | 68,176 |
| 24.91 U.S. Securities: Par Value—Administratively Committed | 124,351 | 198,724 | 5,255 |
| 39.00 Budget authority (gross) | 204,900 | 121,228 | 73,431 |
| Budget authority: | | | |
| Current: | | | |
| 40.00 Appropriation | 135,747 | 50,000 | |
| Permanent: | | | |
| 68.00 Spending authority from offsetting collections | 69,153 | 71,228 | 73,431 |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 126,044 | 124,351 | 198,724 |
| Obligated balance, start of year: | | | |
| 72.10 Receivables from other government accounts | -1,270 | -2,496 | |
| 72.90 Unpaid obligations: Fund balance | 36,493 | 75,750 | 24,159 |
| 72.91 U.S. Securities: Par value | 35,468 | 25,649 | |
| Obligated balance, end of year: | | | |
| 74.10 Receivables from other government accounts | 2,496 | | |
| 74.90 Unpaid obligations: Fund balance | -75,750 | -24,159 | -132,883 |
| 74.91 U.S. Securities: Par value | -25,649 | | |
| 78.00 Adjustments in unexpired accounts | -619 | | |
| 87.00 Outlays (gross) | 97,213 | 199,095 | 90,000 |
| Adjustments to gross budget authority and outlays: | | | |
| Offsetting collections from: | | | |
| 88.00 Federal sources | -64,200 | -66,126 | -68,176 |
| 88.20 Interest on U.S. securities | -4,435 | -4,568 | -4,705 |
| 88.40 Non-Federal sources | -518 | -534 | -550 |
| 88.90 Total, offsetting collections | -69,153 | -71,228 | -73,431 |
| 89.00 Budget authority (net) | 135,747 | 50,000 | |
| 90.00 Outlays (net) | 28,060 | 127,867 | 16,569 |

Status of Direct Loans (in thousands of dollars)

| Identification code 86-4044-0-3-604 | 1994 actual | 1995 est. | 1996 est. |
|--------------------------------------------------------|-------------|-----------|-----------|
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 366,584 | 459,114 | 656,117 |
| 1231 Disbursements: Direct loan disbursements | 97,941 | 199,095 | 90,000 |
| 1251 Repayments: Repayments and prepayments | -1,670 | -2,092 | -2,705 |
| 1264 Write-offs for default: Other adjustments, net | -3,741 | | |
| 1290 Outstanding, end of year | 459,114 | 656,117 | 743,412 |

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.

A portion of Flexible Subsidy capital improvement loans were used, along with incentives available in the Emergency Low-Income Housing Preservation program, to extend affordability requirements for projects eligible to prepay mortgages.

Funding for this program will be terminated at the end of fiscal year 1995. Beginning in fiscal year 1996, funding for this type of activity will be provided under the Housing Certificates for Families and Individuals Performance Funds program or carried out under the proposed Housing Resolution Fund which appears elsewhere in this appendix.

Although new activity will not be carried out in this account, the budget assumes that the account will continue to serve as a repository of excess rental charges appropriated from the Rental Housing Assistance Fund.

Summary of Administrative Commitments

| [In thousands of dollars] | | | | |
|-------------------------------------------|-------------|-----------|-----------|--|
| Program by activities: | 1994 actual | 1995 est. | 1996 est. | |
| Capital investments: | | | | |
| Flexible subsidy reservations | 136,531 | 198,724 | 5,255 | |
| Administrative commitments, start of year | 114,532 | 124,351 | 198,724 | |
| Cancellation of prior year commitments | -668 | | | |
| Administrative commitments, end of year | -124,351 | -198,724 | -5,255 | |
| Capital investment—obligations | 126,044 | 124,351 | 198,724 | |

Statement of Operations (in thousands of dollars)

| Identification code 86-4044-0-3-604 | 1993 actual | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------|-------------|-------------|-----------|-----------|
| 0101 Revenue | 75,490 | 69,779 | 69,136 | 71,056 |
| 0102 Expense | -66,411 | -67,172 | -117,461 | -148,102 |
| 0109 Net income or loss (-) | 9,079 | 2,607 | -48,325 | -77,046 |

Balance Sheet (in thousands of dollars)

| Identification code 86-4044-0-3-604 | 1993 actual | 1994 actual | 1995 est. | 1996 est. |
|---------------------------------------------------------------------------------------------------------------------|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | 43,062 | 150,749 | 24,259 | 132,883 |
| Investments in US securities: | | | | |
| 1102 Treasury securities, par .. | 150,000 | 150,000 | 198,724 | 73,431 |
| 1106 Receivables, net | 1,270 | 2,495 | | |
| Non-Federal assets: | | | | |
| 1206 Receivables, net | 1,575 | 2,014 | | |
| 1207 Advances and prepayments | 273 | | | |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | |
| 1601 Direct loans, gross | 366,584 | 459,114 | 656,117 | 743,412 |
| 1603 Allowance for estimated uncollectible loans and interest (-) | -321,188 | -413,203 | -590,503 | -669,071 |
| 1699 Value of assets related to direct loans | 45,396 | 45,911 | 65,614 | 74,341 |
| 1901 Other Federal assets: Other assets | | 28,868 | | |
| 1999 Total assets | 241,576 | 380,037 | 288,597 | 280,655 |
| LIABILITIES: | | | | |
| 2201 Non-Federal liabilities: Accounts payable | 241 | 348 | | |
| 2999 Total liabilities | 241 | 348 | | |
| NET POSITION: | | | | |
| 3100 Appropriated capital | 39,200 | 174,947 | 224,947 | 224,947 |
| 3300 Cumulative results of operations | 202,135 | 204,742 | 63,650 | 55,708 |
| 3999 Total net position | 241,335 | 379,689 | 288,597 | 280,655 |
| 4999 Total liabilities and net position | 241,576 | 380,037 | 288,597 | 280,655 |

COMMUNITY DISPOSAL OPERATIONS FUND

Program and Financing (in thousands of dollars)

| Identification code 86-4040-0-3-451 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------------------|-------------|-----------|-----------|
| Financing: | | | |
| 21.90 Unobligated balance available, start of year: Fund balance | | -22 | |
| 27.00 Capital transfer to general fund | 7 | | |

Public enterprise funds—Continued

COMMUNITY DISPOSAL OPERATIONS FUND—Continued

Program and Financing (in thousands of dollars)—Continued

| Identification code 86-4040-0-3-451 | 1994 actual | 1995 est. | 1996 est. |
|---------------------------------------------------------------------------------------------------------|-------------|-----------|-----------|
| 68.00 Budget authority (gross): Spending authority from offsetting collections | -15 | | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | | | |
| 72.10 Obligated balance, start of year: Receivables from other government accounts, start of year | -19 | | |
| 87.00 Outlays (gross) | -19 | | |
| Adjustments to gross budget authority and outlays: | | | |
| 88.40 Offsetting collections from: Non-Federal sources | 15 | | |
| 89.00 Budget authority (net) | | | |
| 90.00 Outlays (net) | -4 | | |

Status of Direct Loans (in thousands of dollars)

| Identification code 86-4040-0-3-451 | 1994 actual | 1995 est. | 1996 est. |
|--------------------------------------------------------|-------------|-----------|-----------|
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 5 | | |
| 1251 Repayments: Repayments and prepayments | -5 | | |
| 1290 Outstanding, end of year | | | |

The community disposition program was established by the Atomic Energy Community Act of 1955 to dispose of federally owned properties.

Budget program.—All sales under the program have been completed. All loans have been repaid to the Department.

Operating results.—Total funds recovered and transferred to the Treasury over the life of the program reached \$88 million by the end of 1994. The mortgages were liquidated at the end of 1994 and there will be no additional activity thereafter.

Statement of Operations (in thousands of dollars)

| Identification code 86-4040-0-3-451 | 1993 actual | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------|-------------|-------------|-----------|-----------|
| 0101 Revenue | 1 | | | |
| 0102 Expense | | | | |
| 0109 Net income or loss (-) | 1 | | | |

Balance Sheet (in thousands of dollars)

| Identification code 86-4040-0-3-451 | 1993 actual | 1994 actual | 1995 est. | 1996 est. |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | 22 | | | |
| Investments in US securities: | | | | |
| 1106 Receivables, net | 18 | | | |
| 1601 Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Direct loans, gross | 8 | | | |
| 1999 Total assets | 48 | | | |
| LIABILITIES: | | | | |
| 2104 Federal liabilities: Resources payable to Treasury | 1 | | | |
| 2999 Total liabilities | 1 | | | |
| NET POSITION: | | | | |
| 3300 Cumulative results of operations | 47 | | | |
| 3999 Total net position | 47 | | | |

| | | | |
|-----------------------------------------------|----|--|--|
| 4999 Total liabilities and net position | 48 | | |
|-----------------------------------------------|----|--|--|

HOMEOWNERSHIP ASSISTANCE FUND

Unavailable Collections (in thousands of dollars)

| Identification code 86-4043-0-3-376 | 1994 actual | 1995 est. | 1996 est. |
|---------------------------------------------|-------------|-----------|-----------|
| Balance, start of year: | | | |
| 01.99 Balance, start of year | 57,255 | 61,354 | 65,092 |
| 03.00 Offsetting Collections | 4,099 | 3,738 | 3,824 |
| 04.00 Total: Balances and collections | 61,354 | 65,092 | 68,916 |
| 07.99 Total balance, end of year | 61,354 | 65,092 | 68,916 |

Program and Financing (in thousands of dollars)

| Identification code 86-4043-0-3-376 | 1994 actual | 1995 est. | 1996 est. |
|---------------------------------------------------------------------------------------------------------|-------------|-----------|-----------|
| Financing: | | | |
| Unobligated balance available, start of year: | | | |
| 21.49 Contract authority | -50,457 | -55,501 | -61,501 |
| 21.90 Treasury balance | -1,505 | -4,357 | -4,357 |
| U.S. Securities: | | | |
| 21.91 Par value | -40,830 | -42,692 | -46,430 |
| 21.92 Unrealized discounts | -615 | | |
| 22.00 Unobligated balance transferred, net | -9,143 | -9,738 | -9,824 |
| Unobligated balance available, end of year: | | | |
| 24.49 Contract authority | 55,501 | 61,501 | 67,501 |
| 24.90 Treasury balance | 4,357 | 4,357 | 7,357 |
| 24.91 U.S. Securities: Par value | 42,692 | 46,430 | 47,254 |
| 39.00 Budget authority (gross) | | | |
| Budget authority: | | | |
| 68.00 Spending authority from offsetting collections | 4,099 | 3,738 | 3,824 |
| 68.45 Portion not available for obligation (limitation on obligations) | -4,099 | -3,738 | -3,824 |
| 68.90 Spending authority from offsetting collections (total) | | | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | | | |
| 72.10 Obligated balance, start of year: Receivables from other government accounts, start of year | -1,753 | -1,656 | |
| 74.10 Obligated balance, end of year: Receivables from other government accounts, end of year | 1,656 | | |
| 87.00 Outlays (gross) | -97 | -1,655 | |
| Adjustments to gross budget authority and outlays: | | | |
| Offsetting collections from: | | | |
| 88.00 Federal sources: Interest on U.S. securities | -2,845 | -2,738 | -2,824 |
| 88.40 Non-Federal sources | -1,254 | -1,000 | -1,000 |
| 88.90 Total, offsetting collections | -4,099 | -3,738 | -3,824 |
| 89.00 Budget authority (net) | -4,099 | -3,738 | -3,824 |
| 90.00 Outlays (net) | -4,196 | -5,393 | -3,824 |

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.

Statement of Operations (in thousands of dollars)

| Identification code 86-4043-0-3-376 | 1993 actual | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------|-------------|-------------|-----------|-----------|
| 0101 Revenue | 6,798 | 4,099 | 3,738 | 3,824 |
| 0102 Expense | | | | |
| 0109 Net income or loss (-) | 6,798 | 4,099 | 3,738 | 3,824 |

Balance Sheet (in thousands of dollars)

| Identification code 86-4043-0-3-376 | 1993 actual | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | 8,918 | 2,701 | 4,357 | 7,357 |
| Investments in US securities: | | | | |
| 1102 Treasury securities, par .. | 40,830 | 42,692 | 46,430 | 47,254 |
| 1103 Treasury securities, unamortized discount | | 465 | | |
| (-) | | | | |
| 1106 Receivables, net | 1,753 | 1,190 | | |
| 1999 Total assets | 51,501 | 47,048 | 50,787 | 54,611 |
| NET POSITION: | | | | |
| 3300 Cumulative results of operations | 51,501 | 47,048 | 50,787 | 54,611 |
| 3999 Total net position | 51,501 | 47,048 | 50,787 | 54,611 |

NEHEMIAH HOUSING OPPORTUNITY FUND

Program and Financing (in thousands of dollars)

| Identification code 86-4071-0-3-604 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 10.00 Total obligations (object class 33.0) | | 18,877 | |
| Financing: | | | |
| 17.00 Recovery of prior year obligations | -2,325 | | |
| 21.40 Unobligated balance available, start of year: Treasury balance | -16,552 | -18,877 | |
| 24.40 Unobligated balance available, end of year: Treasury balance | 18,877 | | |
| 41.00 Budget authority (transferred to other accounts) | | | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | | 18,877 | |
| 72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance | 36,782 | 31,928 | 18,877 |
| 74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance | -31,928 | -18,877 | |
| 78.00 Adjustments in unexpired accounts | -2,325 | | |
| 90.00 Outlays | 2,528 | 31,928 | 18,877 |

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 obligated balances.

Credit accounts:

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

During fiscal year [1995] 1996, 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 [\$100,000,000,000] \$110,000,000,000.

During fiscal year [1995] 1996, obligations to make direct loans to carry out the purposes of Section 204(g) of the National Housing Act, as amended, shall not exceed [\$180,000,000] \$200,000,000: 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 Section 203 of such Act.

For administrative expenses necessary to carry out the guaranteed and direct loan program, [\$308,846,000] \$341,595,000, to be derived from the FHA-mutual mortgage insurance guaranteed loans receipt account, of which not to exceed [\$302,056,000] \$334,483,000 shall be transferred to the appropriation for salaries and expenses; and of which not to exceed [\$6,790,000] \$7,112,000 shall be transferred to the appropriation for the Office of Inspector General. (Departments

of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriation Act, 1995.)

Unavailable Collections (in thousands of dollars)

| Identification code 86-0183-0-1-371 | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------------------------------------------|-------------|-----------|-----------|
| Receipts: | | | |
| 02.01 FHA Mutual Mortgage Insurance Guaranteed Loan, negative subsidies | 262,810 | 308,846 | 525,595 |
| 04.00 Total: Balances and collections | 262,810 | 308,846 | 525,595 |
| Appropriation: | | | |
| 05.01 FHA mutual mortgage insurance program account | -262,810 | -308,846 | -341,595 |
| 07.99 Total balance, end of year | | | 184,000 |

Program and Financing (in thousands of dollars)

| Identification code 86-0183-0-1-371 | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 00.09 Administrative expenses | 262,810 | 308,846 | 341,595 |
| 10.00 Total obligations (object class 25.2) | 262,810 | 308,846 | 341,595 |
| Financing: | | | |
| 40.25 Budget authority (appropriation) (special fund, indefinite) | 262,810 | 308,846 | 341,595 |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 262,810 | 308,846 | 341,595 |
| 90.00 Outlays | 262,810 | 308,846 | 341,595 |

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

| Identification code 86-0183-0-1-371 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------------------------|-------------|-------------|---------------|
| Direct loan levels supportable by subsidy budget authority: | | | |
| 1159 Total direct loan levels | | 180,000 | 200,000 |
| Direct loan subsidy (in percent): | | | |
| 1329 Weighted average subsidy rate | 0.00 | 0.00 | 0.00 |
| Direct loan subsidy budget authority: | | | |
| 1339 Total subsidy budget authority | | | |
| Guaranteed loan levels supportable by subsidy budget authority: | | | |
| 2150 MMI Fund, Section 203(b) | 89,143,140 | 81,815,961 | 83,861,360 |
| 2150 Other products | | | 11,354,378 |
| 2150 Standby commitment authority | | 18,184,039 | 14,784,262 |
| 2150 Actual portion of loans guaranteed | | | (104,322,811) |
| 2159 Guaranteed loan levels supportable by subsidy budget authority | 89,143,140 | 100,000,000 | 110,000,000 |
| Guaranteed loan subsidy (in percent): | | | |
| 2320 MMI Fund, Section 203(b) | -2.79 | -1.95 | -2.77 |
| 2320 Other products | 0.00 | 0.00 | -2.77 |
| 2329 Weighted average subsidy rate | -2.79 | -1.95 | -2.77 |
| Guaranteed loan subsidy budget authority: | | | |
| 2330 MMI Section 203(b) negative subsidy | -2,518,066 | -1,298,039 | -1,468,391 |
| 2330 Other products, negative subsidy | | | -156,829 |
| 2339 Guaranteed loan subsidy budget authority | -2,518,066 | -1,298,039 | -1,625,220 |
| Guaranteed loan subsidy outlays: | | | |
| 2340 MMI Section 203(b) negative subsidy | -2,518,066 | -1,298,039 | -1,468,391 |
| 2340 Other products | | | -156,829 |
| 2349 Guaranteed loan subsidy outlays | -2,518,066 | -1,298,039 | -1,466,257 |

Reorganization of FHA.—HUD proposes to dramatically reinvent FHA as a wholly-owned government corporation that would use public-private partnerships and market mechanisms to achieve public purposes. The potential savings and efficiencies of a new FHA corporation are significant. Modernization of both the single family and multifamily operations and new origination partnerships will reduce the number of staff required while at the same time increasing the number of Americans assisted. The new corporation will also "mark-to-market" the multifamily insurance portfolio of Section 8 assisted properties, reflecting on its books the true

Credit accounts—Continued

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT—
Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

value of the portfolio. Reducing the debt permits significant rent reductions and generates Section 8 savings.

FHA Business Plan.—FHA is currently developing a business plan to identify its markets, relationships with participants in the housing market, partnership opportunities, and potential product mix. The business plan will also define the resource requirements necessary to support FHA's new entity, including the size of its work-force, systems needs, and contracting requirements. This document will be completed by April 1995. Therefore, budget numbers related to the MMI and GI funds are preliminary, computed prior to completing the business plan. HUD will review and revise these figures after completion of the planning process.

Single Family Product Mix.—Increasingly, the single family program will rely on third party partners to deliver a portion of its product. These partnerships could involve risk sharing, reinsurance, pool insurance, and other forms of credit enhancement. However, essential current products and delivery systems will be retained to ensure that all markets are served. FHA's mix of single family products within the MMI Fund will become increasingly diverse over the next five years. It is estimated that about 12 percent of FHA's business in 1996 will involve "non-traditional" products, while risk sharing and other non-traditional products will make up 50 percent of its volume by 2000.

Staffing Impact.—Streamlining and reliance on risk sharing and other credit enhancement vehicles will reduce FTE requirements. Initially, some freed-up staff will be redeployed to address critical needs. Given the changes in product mix and planned redeployments, significant staff reductions in 1996 are not anticipated.

Claims and Acquisitions.—Generally, the new corporation will seek to transfer responsibility for servicing and disposition of assets to partners. As a result, it is expected that future default claims, assignment of defaulted mortgages, and property acquisitions will decrease as the new corporation makes increasing use of partnerships. A higher proportion of claims are also estimated to be recovered under the new partnership arrangements.

Credit Subsidy and Administrative Expenses.—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 thereafter, 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. Total insurance commitments are estimated at \$95.2 billion in 1996. The total credit limitation proposed of \$110 billion includes \$14.8 billion in standby authority in case the demand for insurance exceeds the estimated level. Because the net present value of future income for the 1996 book of business is expected to exceed the net present value of expenses, no credit subsidy appropriation is required. Negative subsidies are recorded in the MMI guaranteed loan financing and receipt accounts. The appropriation requested, \$341.6 million, is to be transferred to the consolidated Salaries and Expenses and Office of Inspector General accounts.

FHA—MUTUAL MORTGAGE INSURANCE DIRECT LOAN FINANCING
ACCOUNT

Program and Financing (in thousands of dollars)

| Identification code 86-4242-0-3-371 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 00.01 Direct loans | | 180,000 | 200,000 |
| 00.02 Interest paid to Treasury | | 4,644 | 13,932 |
| 10.00 Total obligations | | 184,644 | 213,932 |
| Financing: | | | |
| 39.00 Financing authority (gross) | | 184,644 | 213,932 |
| Financing authority: | | | |
| 67.15 Authority to borrow (indefinite) | | 177,995 | 191,882 |
| 68.00 Spending authority from offsetting collections | | 6,649 | 22,050 |
| Relation of obligations to financing disbursements: | | | |
| 71.00 Total obligations | | 184,644 | 213,932 |
| 87.00 Financing disbursements (gross) | | 184,644 | 213,932 |
| Adjustments to financing authority and financing disbursements: | | | |
| Offsetting collections from: | | | |
| Non-Federal sources: | | | |
| 88.40 Repayments of principal | | -1,054 | -3,750 |
| 88.40 Other collections from non-Federal sources | | -5,595 | -18,300 |
| 88.90 Total, offsetting collections | | -6,649 | -22,050 |
| 89.00 Financing authority (net) | | 177,995 | 191,882 |
| 90.00 Financing disbursements (net) | | 177,995 | 191,882 |

The \$200 million in FY 1996 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 medium-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 thousands of dollars)

| Identification code 86-4242-0-3-371 | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------------------------------------------------|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on obligations: | | | |
| 1111 Limitation on direct loans | | 180,000 | 200,000 |
| 1150 Total direct loan obligations | | 180,000 | 200,000 |
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | | | 178,946 |
| 1231 Disbursements: Direct loan disbursements | | 180,000 | 200,000 |
| 1251 Repayments: Repayments and prepayments | | -1,054 | -3,752 |
| 1290 Outstanding, end of year | | 178,946 | 375,194 |

Balance Sheet (in thousands of dollars)

| Identification code 86-4242-0-3-371 | 1993 actual | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------------------------------------------------------------------------------|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1401 Net value of assets related to post-1991 direct loans receivable: Direct loans receivable, gross | | | 178,946 | 375,194 |
| 1999 Total assets | | | 178,946 | 375,194 |
| LIABILITIES: | | | | |

2999 Total liabilities

FHA—MUTUAL MORTGAGE INSURANCE GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in thousands of dollars)

| Identification code 86-4587-0-3-371 | 1994 actual | 1995 est. | 1996 est. |
|-----------------------------------------------------------------------------------------------------------|-------------|------------|------------|
| Program by activities: | | | |
| 00.01 Default claims and other | 438,310 | 1,796,814 | 2,635,082 |
| 00.04 Working capital fund reimbursements | | | 19,000 |
| 00.05 Payment of negative subsidy to receipt account | 262,810 | 308,846 | 525,595 |
| 00.06 Payment of negative subsidy to liquidating account | 2,255,256 | 989,193 | 1,099,625 |
| 00.07 Subsidy reestimate paid to liquidating account | | 1,352,577 | |
| 00.08 Interest payments to Treasury | 17,763 | 39,712 | 78,345 |
| 00.09 Payment to liquidating account for asset sale | | | 1,946,000 |
| 10.00 Total obligations | 2,974,139 | 4,487,142 | 6,303,647 |
| Financing: | | | |
| 21.90 Unobligated balance available, start of year: Fund balance | -701,562 | -1,128,003 | -82,999 |
| 24.90 Unobligated balance available, end of year: Fund balance | 1,128,003 | 82,999 | 52,756 |
| 39.00 Financing authority (gross) | 3,400,580 | 3,442,138 | 6,273,404 |
| Financing authority: | | | |
| 67.15 Authority to borrow (indefinite) | 286,038 | 510,000 | 381,000 |
| 68.00 Spending authority from offsetting collections | 3,114,542 | 2,932,138 | 5,892,404 |
| Relation of obligations to financing disbursements: | | | |
| 71.00 Total obligations | 2,974,139 | 4,487,142 | 6,303,647 |
| 72.10 Obligated balance, start of year: Receivables, in excess of unpaid obligations, start of year | -5,440 | -60,657 | -60,657 |
| 74.10 Obligated balance, end of year: Receivables in excess of unpaid obligations, end of year | 60,657 | 60,657 | 60,657 |
| 87.00 Financing disbursements (gross) | 3,029,356 | 4,487,142 | 6,303,647 |
| Adjustments to financing authority and financing disbursements: | | | |
| Offsetting collections from: | | | |
| 88.25 Interest on uninvested funds | -52,170 | | |
| Non-Federal sources: | | | |
| 88.40 Fees and premiums | -1,917,695 | -2,173,302 | -2,394,420 |
| 88.40 Premium prior year adjustment | -1,028,990 | | |
| 88.40 Recovery on defaulted notes | -115,687 | -758,836 | -1,367,984 |
| 88.40 Gross proceeds from asset sales | | | -2,130,000 |
| 88.90 Total, offsetting collections | -3,114,542 | -2,932,138 | -5,892,404 |
| 89.00 Financing authority (net) | 286,038 | 510,000 | 381,000 |
| 90.00 Financing disbursements (net) | -85,186 | 1,555,004 | 411,243 |

Status of Guaranteed Loans (in thousands of dollars)

| Identification code 86-4587-0-3-371 | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------------------------------------------------|-------------|-------------|-------------|
| Position with respect to appropriations act limitation on commitments: | | | |
| 2111 Limitation on guaranteed loans made by private lenders | 119,564,645 | 100,000,000 | 110,000,000 |
| 2112 Uncommitted loan guarantee limitation | -30,421,505 | -18,184,039 | -14,784,263 |
| 2150 Total guaranteed loan commitments | 89,143,140 | 81,815,961 | 95,215,737 |
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 94,330,868 | 184,189,690 | 234,091,660 |
| 2231 Disbursements of new guaranteed loans | 91,813,074 | 59,194,972 | 62,824,827 |
| 2251 Repayments and prepayments | -1,565,616 | -7,622,120 | -5,265,287 |
| Adjustments: | | | |
| 2261 Terminations for default that result in loans receivable | -124,961 | -417,143 | -594,384 |
| 2262 Terminations for default that result in acquisition of property | -261,335 | -1,214,013 | -1,783,615 |
| 2263 Terminations for default that result in claim payments | -2,340 | -39,726 | -65,515 |
| 2264 Other adjustments, net | | | |
| 2290 Outstanding, end of year | 184,189,690 | 234,091,660 | 289,207,686 |

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

| | 184,189,690 | 234,091,660 | 284,996,059 |
|-----------------------------------------------------------------------------------|-------------|-------------|-------------|
| Addendum: | | | |
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: | | | |
| 2310 Outstanding, start of year | 27,315 | 152,242 | 561,925 |
| 2331 Disbursements for guaranteed loan claims | 124,961 | 417,143 | 594,384 |
| 2351 Repayments of loans receivable | -34 | -7,460 | -67,534 |
| 2390 Outstanding, end of year | 152,242 | 561,925 | 1,088,775 |

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. The amounts in this account are considered a means of financing and are not included in the budget totals.

Balance Sheet (in thousands of dollars)

| Identification code 86-4587-0-3-371 | 1993 actual | 1994 actual ¹ | 1995 est. | 1996 est. |
|-----------------------------------------------------------------------------------------------|-------------|--------------------------|------------|------------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | 696,122 | 1,067,346 | 22,342 | 11,099 |
| Investments in US securities: | | | | |
| 1106 Receivables, net | | | | |
| 1107 Advances and prepayments | 10,202 | 97,443 | 97,443 | 97,443 |
| Non-Federal assets: Receivables, net | | | | |
| 1206 Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable: | 35,303 | 32,792 | 32,792 | 32,792 |
| 1501 Defaulted guaranteed loans receivable, gross | 27,315 | 152,242 | 561,925 | 1,088,775 |
| 1504 Foreclosed property | | 100,788 | 270,045 | 432,442 |
| 1599 Net value of assets related to defaulted guaranteed loan | 27,315 | 253,030 | 831,970 | 1,521,217 |
| 1901 Other Federal assets: Other assets | 30,019 | | | |
| 1999 Total assets | 798,961 | 1,450,611 | 984,547 | 1,662,551 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2101 Accounts payable | 10 | | | |
| 2102 Interest payable | | 17,763 | 17,763 | 17,763 |
| 2103 Debt | | 286,038 | 796,038 | 1,361,038 |
| Non-Federal liabilities: | | | | |
| 2201 Accounts payable | 10 | 19 | 19 | 19 |
| 2207 Unearned revenue and advances | 2,574,288 | 4,404,966 | 5,000,563 | 5,538,395 |
| 2999 Total liabilities | 2,574,308 | 4,708,786 | 5,814,383 | 6,917,215 |
| NET POSITION: | | | | |
| 3300 Cumulative results of operations | -1,775,338 | -3,258,175 | -4,829,837 | -5,254,664 |
| 3999 Total net position | -1,775,338 | -3,258,175 | -4,829,837 | -5,254,664 |
| 4999 Total liabilities and net position | 798,970 | 1,450,611 | 984,546 | 1,662,551 |

¹Preliminary results pending final audit.

Object Classification (in thousands of dollars)

| Identification code 86-4587-0-3-371 | 1994 actual | 1995 est. | 1996 est. |
|---------------------------------------------------------------|-------------|-----------|-----------|
| Other services: | | | |
| 25.2 Payment of negative subsidy to receipt account | 262,810 | 308,846 | 525,595 |
| 25.2 Payment of negative subsidy to liquidating account | 2,255,256 | 2,341,770 | 3,045,625 |
| 25.2 Other services | 33,195 | 30,630 | 49,630 |
| 32.0 Land and structures | 277,814 | 1,309,315 | 1,944,553 |
| 33.0 Investments and loans | 124,961 | 417,143 | 594,384 |
| 42.0 Insurance claims and indemnities | 2,340 | 39,726 | 65,515 |
| 43.0 Interest and dividends | 17,763 | 39,712 | 78,345 |
| 99.9 Total obligations | 2,974,139 | 4,487,142 | 6,303,647 |

Credit accounts—Continued

FHA—MUTUAL MORTGAGE AND COOPERATIVE HOUSING INSURANCE FUNDS

Program and Financing (in thousands of dollars)

| Identification code 86-4070-0-3-371 | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------------------------------|-------------|------------|------------|
| Program by activities: | | | |
| Operating expenses: | | | |
| 00.03 Other operating costs | 66,256 | 69,070 | 69,070 |
| 00.04 Working Capital Fund reimbursements | | | 24,000 |
| 00.05 Participation payments | 1,828 | 1,900 | 1,900 |
| 00.91 Total operating expenses | 68,084 | 70,970 | 94,970 |
| Capital investment: | | | |
| 01.02 Assignment of defaulted mortgages | 832,704 | 666,118 | 477,112 |
| 01.03 Acquisition of real properties | 3,073,089 | 2,148,084 | 1,515,615 |
| 01.05 Acquisition of other assets | 33,532 | 33,532 | 33,532 |
| 01.07 Capitalized property expenses | 434,122 | 348,181 | 250,417 |
| 01.08 Loss on defaulted guaranteed loans | 3,162 | 2,469 | 1,786 |
| 01.09 Preforeclosure claims | 21,045 | 60,141 | 48,612 |
| 01.91 Total capital investment | 4,397,654 | 3,258,525 | 2,327,074 |
| 10.00 Total obligations | 4,465,738 | 3,329,495 | 2,422,044 |
| Financing: | | | |
| 17.00 Recovery of prior year obligations | -5,587 | | |
| Unobligated balance available, start of year: | | | |
| 21.90 Treasury balance | 100,201 | 415,957 | 630,904 |
| U.S. Securities: | | | |
| 21.91 Par value | -5,194,580 | -5,726,317 | -8,516,317 |
| 21.92 Unrealized discounts | 39,279 | 35,758 | 45,965 |
| Unobligated balance available, end of year: | | | |
| 24.90 Treasury balance | -415,957 | -630,904 | 314,571 |
| U.S. Securities: | | | |
| 24.91 Par value | 5,726,317 | 8,516,317 | 10,916,317 |
| 24.92 Unrealized discounts | -35,758 | -45,965 | -45,965 |
| 31.00 Redemption of debt | 650 | | |
| 39.00 Budget authority (gross) | 4,680,303 | 5,894,341 | 5,767,519 |
| Budget authority: | | | |
| Current: | | | |
| 40.75 Procurement reduction pursuant to P.L. 103-327 | | -669 | |
| Permanent: | | | |
| 68.00 Spending authority from offsetting collections | 4,680,303 | 5,895,010 | 5,767,519 |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 4,465,738 | 3,329,495 | 2,422,044 |
| 72.90 Obligated balance, start of year: Unpaid obligations: | | | |
| Fund balance | 632,959 | 660,538 | 660,538 |
| 74.90 Obligated balance, end of year: Unpaid obligations: | | | |
| Fund balance | -660,538 | -660,538 | -660,538 |
| 78.00 Adjustments in unexpired accounts | -5,587 | | |
| 87.00 Outlays (gross) | 4,432,572 | 3,329,495 | 2,422,044 |
| Adjustments to gross budget authority and outlays: | | | |
| Offsetting collections from: | | | |
| 88.20 Interest on U.S. securities | -411,589 | -554,785 | -704,737 |
| Non-Federal sources: | | | |
| 88.40 Fees and premiums | -164,884 | -156,469 | -151,918 |
| 88.40 Rebate of unearned prepaid premiums collected | 1,236,834 | 137,362 | 70,836 |
| 88.40 Proceeds from sale of real property | -2,636,344 | -2,144,447 | -1,555,434 |
| 88.40 Proceeds from sale of mortgage notes | -13,352 | -355,000 | -1,946,000 |
| 88.40 Cost of mortgage note sales | | 13,500 | 13,500 |
| 88.40 Repayment of mortgage notes and sales contracts | -179,582 | -196,515 | -186,103 |
| 88.40 Interest and operating income | -21,231 | -21,797 | -21,769 |
| 88.40 Recoveries on defaulted mortgages | -173,294 | -175,721 | -86,901 |
| 88.40 Other interest, dividends and revenues | -595 | -595 | -595 |
| 88.40 Prior year adjustment | 32,763 | | |
| 88.40 Payment from financing account | -2,255,256 | -2,341,770 | -1,099,625 |
| 88.40 Miscellaneous collections | | -5,000 | -5,000 |
| 88.40 Other income | -93,773 | -93,773 | -93,773 |
| 88.90 Total, offsetting collections | -4,680,303 | -5,895,010 | -5,767,519 |
| 89.00 Budget authority (net) | | -669 | |
| 90.00 Outlays (net) | -247,731 | -2,565,515 | -3,345,475 |

Status of Direct Loans (in thousands of dollars)

| Identification code 86-4070-0-3-371 | 1994 actual | 1995 est. | 1996 est. |
|-----------------------------------------------------------|-------------|-----------|-----------|
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 20,731 | 17,224 | 12,840 |
| 1251 Repayments: Repayments and prepayments | -2,269 | -2,850 | -838 |
| 1264 Write-offs for default: Other adjustments, net | -1,238 | -1,534 | -451 |
| 1290 Outstanding, end of year | 17,224 | 12,840 | 11,551 |

Status of Guaranteed Loans (in thousands of dollars)

| Identification code 86-4070-0-3-371 | 1994 actual ¹ | 1995 est. | 1996 est. |
|-----------------------------------------------------------------------------------|--------------------------|-------------|-------------|
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 191,155,783 | 118,688,458 | 113,712,156 |
| 2251 Repayments and prepayments | -68,537,325 | -2,099,490 | -1,300,012 |
| Adjustments: | | | |
| 2261 Terminations for default that result in loans receivable | -832,704 | -666,118 | -477,112 |
| 2262 Terminations for default that result in acquisition of property | -3,073,089 | -2,148,084 | -1,515,615 |
| 2263 Terminations for default that result in claim payments | -24,207 | -62,610 | -50,398 |
| 2290 Outstanding, end of year | 118,688,458 | 113,712,156 | 110,369,019 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 118,688,458 | 113,712,156 | 110,369,019 |
| Addendum: | | | |
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: | | | |
| 2310 Outstanding, start of year | 3,269,961 | 3,642,385 | 3,365,933 |
| 2331 Disbursements for guaranteed loan claims | 832,704 | 666,118 | 477,112 |
| 2351 Repayments of loans receivable | -307,769 | -791,829 | -2,329,814 |
| 2361 Write-offs of loans receivable | -152,511 | -150,741 | -1,146,923 |
| 2390 Outstanding, end of year | 3,642,385 | 3,365,933 | 366,308 |

¹ Unaudited preliminary results.

The Federal Housing Administration (FHA) Fund currently consists of four separate insurance funds. Prior to 1992, all budget transactions for the four funds were reflected in a single consolidated budget account (86-4070). Beginning in 1992, the transactions of the Fund appear in six separate accounts. (However, financial data for each individual insurance fund are continuing to be maintained for control and reporting purposes.)

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

The Federal Credit Reform Act of 1990 creates a structure of three accounts for existing credit programs. 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 loan guarantees committed prior to fiscal year 1992. This account is shown on a cash basis. All new activity in this program in 1992 and thereafter (including modifications of loan guarantees that resulted from commitments in any year)

is recorded in corresponding program (86-0183) and financing (86-4587 and 86-4242) accounts.

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

PROGRAM HIGHLIGHTS

[In millions of dollars]

| | 1994 actual ¹ | 1995 est. | 1996 est. |
|--------------------------------------------------------------------------------|--------------------------|-----------|-----------|
| Insurance initiation: | | | |
| Mortgage insurance applications (units) | 1,228,108 | 1,083,128 | 1,229,777 |
| Mortgage insurance written: | | | |
| Units | 1,259,875 | 784,698 | 826,661 |
| Amount | 91,813 | 59,195 | 62,824 |
| Insurance maintenance: Outstanding balance of insurance in force, end of year: | | | |
| Mortgage insurance | 302,878 | 347,804 | 399,576 |
| Properties acquired (units): ² | | | |
| Homes | 49,606 | 52,981 | 50,247 |
| Property sales during year (units): | | | |
| Homes | 57,427 | 54,993 | 50,406 |
| Property on hand, end of year (units): | | | |
| Homes | 25,120 | 23,108 | 22,949 |
| Defaulted mortgage assignments during year (units): | | | |
| Homes | 15,392 | 16,804 | 16,340 |
| Purchase money mortgages during year: | | | |
| Units | | 4,500 | 5,000 |
| Amount | | 180,000 | 200,000 |
| Assigned mortgages on hand, end of year (units): | | | |
| Homes | 74,907 | 71,712 | 53,052 |
| Inventory of property and assigned mortgages on hand, end of year (units): | | | |
| Homes | 100,027 | 94,820 | 76,001 |
| Claims with no acquisition (units): ³ | | | |
| Homes | 1,815 | 6,599 | 6,889 |
| Multifamily | 0 | 0 | 0 |
| Total claims with no acquisition | 1,815 | 6,599 | 6,889 |

¹ Unaudited preliminary results.

² Includes direct acquisition from mortgagee and foreclosure of HUD-held mortgage notes.

³ Includes coinsurance claims and preforeclosure claims.

Insurance reserves from operations at the end of 1994 are estimated to be in a surplus position for the Mutual mortgage insurance and Cooperative management housing insurance funds. The status of estimated insurance reserves from operations (retained income or deficit) through 1996 for the MMI/CMHI account follows:

STATUS OF INSURANCE RESERVES FROM OPERATIONS

[In millions of dollars]

| | 1994 est. ¹ | 1995 est. | 1996 est. |
|----------------------------------------|------------------------|-----------|-----------|
| Insurance fund: | | | |
| Mutual mortgage/CMHI: | | | |
| Liquidating account ² | 6,083 | 8,737 | 9,877 |
| Financing account ² | -3,258 | -4,830 | -5,255 |
| Total MMI/CMHI | 2,825 | 3,907 | 4,622 |

¹ Preliminary results pending final audit.

² Reflects impact from transfer of negative subsidy from the Financing account to the Liquidating account.

Financial condition.—The following tables reflect the revenues and financial condition of the MMI/CMHI funds based on Generally Accepted Accounting Principles (GAAP).

Statement of Operations (in thousands of dollars)

| Identification code | 1993 actual | 1994 actual ¹ | 1995 est. | 1996 est. |
|---------------------|-------------|--------------------------|-----------|-----------|
| 0101 Revenue | 5,572,765 | 4,530,691 | 3,680,185 | 2,404,618 |

| | | | | |
|-----------------------------------|------------|------------|------------|------------|
| 0102 Expense | -4,509,898 | -1,392,130 | -1,024,615 | -1,261,967 |
| 0109 Net income or loss (-) | 1,062,867 | 3,138,561 | 2,655,570 | 1,142,651 |

¹ Estimated result on GAAP basis pending final audit.

Balance Sheet (in thousands of dollars)

| Identification code | 1993 actual | 1994 actual ¹ | 1995 est. | 1996 est. |
|---------------------------------------------------------------------------------------------------------------------|-------------|--------------------------|------------|------------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | 497,379 | 244,582 | 32,401 | 39,438 |
| Investments in US securities: | | | | |
| 1102 Treasury securities, par .. | 5,194,580 | 5,726,317 | 8,516,317 | 10,916,317 |
| 1103 Treasury securities, unamortized net discount/premium | -39,279 | -45,965 | -45,965 | -45,965 |
| 1106 Receivables, net | 109,106 | 97,406 | 97,406 | 97,406 |
| 1107 Advances and prepayments | 45,289 | | | |
| Non-Federal assets: | | | | |
| 1206 Receivables, net | 156,613 | 171,779 | 171,779 | 171,779 |
| 1207 Advances and prepayments | 5,992 | 6,985 | 6,985 | 6,985 |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | |
| 1601 Direct loans, gross | 20,371 | 17,224 | 12,840 | 11,551 |
| 1603 Allowance for estimated uncollectible loans and interest (-) | -3,886 | -3,286 | -2,450 | -2,204 |
| 1604 Direct loans and interest receivable, net | 16,485 | 13,938 | 10,390 | 9,347 |
| 1699 Value of assets related to direct loans | 16,485 | 13,938 | 10,390 | 9,347 |
| 1701 Defaulted guaranteed loans, gross | 3,270,321 | 3,642,386 | 3,365,933 | 1,895,200 |
| 1703 Allowance for estimated uncollectible loans and interest (-) | -815,276 | -685,595 | -633,559 | -356,728 |
| 1704 Defaulted guaranteed loans and interest receivable, net | 2,455,045 | 2,956,791 | 2,732,374 | 1,538,472 |
| 1706 Foreclosed property | 1,250,288 | 1,102,343 | 1,159,113 | 840,740 |
| 1799 Value of assets related to loan guarantees | 3,705,333 | 4,059,134 | 3,891,487 | 2,379,212 |
| 1901 Other Federal assets: Other assets | 17 | 60 | 13,192 | 26,324 |
| 1999 Total assets | 9,691,515 | 10,274,236 | 12,693,992 | 13,600,843 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2101 Accounts payable | 79 | 13,868 | 13,868 | 13,868 |
| 2102 Interest payable | 4 | | | |
| 2104 Resources payable to Treasury | 16 | | | |
| Non-Federal liabilities: | | | | |
| 2201 Accounts payable | 716,205 | 578,084 | 578,084 | 578,084 |
| 2202 Interest payable | | | | |
| 2203 Debt | 1,008 | 359 | 359 | 359 |
| 2206 Pension and other actuarial liabilities | 2,170,600 | 2,176,600 | 2,176,600 | 2,176,600 |
| 2207 Unearned revenue and advances | 3,940,648 | 1,403,440 | 1,169,533 | 935,627 |
| 2999 Total liabilities | 6,828,560 | 4,172,351 | 3,938,444 | 3,704,538 |
| NET POSITION: | | | | |
| 3100 Appropriated capital | 18,809 | 18,809 | 18,809 | 18,809 |
| 3300 Cumulative results of operations ² | 2,844,147 | 6,083,076 | 8,736,747 | 9,877,497 |
| 3999 Total net position | 2,862,956 | 6,101,885 | 8,755,556 | 9,896,306 |
| 4999 Total liabilities and net position | 9,691,516 | 10,274,236 | 12,694,000 | 13,600,844 |

¹ Preliminary results pending final audit.

² Includes negative subsidy disbursements from the Financing account.

Credit accounts—Continued

FHA—MUTUAL MORTGAGE AND COOPERATIVE HOUSING INSURANCE FUNDS—Continued

| Object Classification (in thousands of dollars) | | | | |
|-------------------------------------------------|----------------------------------------|-------------|-----------|-----------|
| Identification code 86-4070-0-3-371 | | 1994 actual | 1995 est. | 1996 est. |
| 25.2 | Other services | 66,256 | 69,070 | 93,070 |
| 32.0 | Land and structures | 3,507,211 | 2,496,265 | 1,766,032 |
| 33.0 | Investments and loans | 866,236 | 699,650 | 510,644 |
| 42.0 | Insurance claims and indemnities | 24,207 | 62,610 | 50,398 |
| 44.0 | Refunds | 1,828 | 1,900 | 1,900 |
| 99.9 | Total obligations | 4,465,738 | 3,329,495 | 2,422,044 |

FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the cost of guaranteed loans, as authorized by sections 238 and 519 of the National Housing Act, as amended (12 U.S.C. 1715z-3(b) and 1735c(f)), \$188,395,000, to remain available until September 30, [1996] 1997, of which up to [\$132,903,000] \$188,395,000 is to be derived from the FHA—general and special risk, negative subsidies receipt account: *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: *Provided further*, That these funds are available to subsidize total loan principal any part of which is to be guaranteed of not to exceed [\$20,885,072,000] \$17,400,000,000 *Provided further*, That of the foregoing amount provided to subsidize program costs, not more than \$47,098,750 may be obligated by January 1, 1995, not more than \$94,197,500 may be obligated by April 1, 1995, not more than \$160,135,750 may be obligated by July 1, 1995 *Provided further*, That during fiscal year 1996, the Secretary shall sell assigned mortgage notes having an unpaid principal balance of up to \$2,600,000,000, which notes were originally insured under said sections 238 and 519: *Provided further*, That of the amount appropriated herein, an amount equal to the lesser of \$52,000,000 or the excess of net proceeds above the value of holding the loans to maturity, such value established using assumptions specified in the President's fiscal year 1996 Budget adjusted for interest rates at the time of the sale, shall become available only after such sale has been completed.

Gross obligations for the principal amount of direct loans, as authorized by sections 204(g), 207(l), 238(a), and 519(d) of the National Housing Act, shall not exceed [\$220,000,000] \$120,000,000; of which not to exceed [\$200,000,000] \$100,000,000 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, \$197,470,000, of which \$193,299,000 shall be transferred to the appropriation for salaries and expenses; and of which \$4,171,000 shall be transferred to the appropriation for the Office of Inspector General. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriation Act, 1995.*)

Unavailable Collections (in thousands of dollars)

| Identification code 86-0200-0-1-371 | | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------|-----------------------------------------------------|-------------|-----------|-----------|
| Balance, start of year: | | | | |
| 01.99 | Balance, subsidy downward reestimate, start of year | 242,070 | 1,011,720 | 1,092,289 |
| Receipts: | | | | |
| 02.01 | Negative Subsidies | 595,048 | 198,988 | 244,272 |
| 02.02 | Downward reestimates of subsidies | 174,602 | | |
| 02.99 | Total receipts | 769,650 | 198,988 | 244,272 |
| 04.00 | Total: Balances and collections | 1,011,720 | 1,210,708 | 1,336,561 |
| Appropriation: | | | | |
| 05.01 | General and special risk program account | | -118,419 | -193,688 |
| 07.99 | Total balance, end of year | 1,011,720 | 1,092,289 | 1,142,873 |

Program and Financing (in thousands of dollars)

| Identification code 86-0200-0-1-371 | | 1994 actual | 1995 est. | 1996 est. |
|--------------------------------------------|-------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | | |
| 00.02 | Guaranteed loan subsidy | 155,451 | 188,395 | 188,395 |
| 00.09 | Administrative expenses | 192,252 | 197,470 | 197,470 |
| 10.00 | Total obligations | 347,703 | 385,865 | 385,865 |
| Financing: | | | | |
| 39.00 | Budget authority | 347,703 | 385,865 | 385,865 |
| Budget authority: | | | | |
| 40.00 | Appropriation | 347,703 | 267,446 | 192,177 |
| 40.25 | Appropriation (special fund, indefinite) | | 118,419 | 193,688 |
| 43.00 | Appropriation (total) | 347,703 | 385,865 | 385,865 |
| Relation of obligations to outlays: | | | | |
| 71.00 | Total obligations | 347,703 | 385,865 | 385,865 |
| 72.40 | Obligated balance, start of year: Unpaid obligations: | | | |
| | Treasury balance | 8,413 | 58,714 | 42,911 |
| 74.40 | Obligated balance, end of year: Unpaid obligations: | | | |
| | Treasury balance | -58,714 | -42,911 | -35,616 |
| 90.00 | Outlays | 297,402 | 401,668 | 393,160 |

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

| Identification code 86-0200-0-1-371 | | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------------------------|--------------------------------------------|--------------|--------------|--------------|
| Direct loan levels supportable by subsidy budget authority: | | | | |
| 1150 | Single-family PMMs | | 20,000 | 20,000 |
| 1150 | Multifamily bridge loans | | 200,000 | 100,000 |
| 1159 | Total direct loan levels | | 220,000 | 120,000 |
| Guaranteed loan levels supportable by subsidy budget authority: | | | | |
| 2150 | Multifamily development | | | 431,165 |
| 2150 | Refinance of FHA-insured mortgages | | | 300,000 |
| 2150 | Risk sharing programs | 252,906 | 461,305 | 811,875 |
| 2150 | Nursing homes and Hospitals | 1,166,600 | 1,900,000 | 1,745,000 |
| 2150 | Other multifamily, positive | 2,298,448 | 1,838,668 | 922,700 |
| 2150 | Other multifamily, negative | 254,738 | 1,100,000 | 300,000 |
| 2150 | Single family, negative | 7,145,089 | 9,104,734 | 8,031,676 |
| 2150 | Single family, prior year adjustment | 2,114,270 | | |
| 2150 | Title I guarantees | 806,494 | 1,289,200 | 1,397,000 |
| 2150 | Standby commitment authority | | 5,191,165 | 3,460,584 |
| 2150 | Actual portion of loans guaranteed | (13,981,800) | (20,715,535) | (17,069,313) |
| 2159 | Total loan guarantee levels | 14,038,545 | 20,885,072 | 17,400,000 |
| Guaranteed loan subsidy (in percent): | | | | |
| 2320 | Multifamily development | 0.00 | 0.00 | 11.76 |
| 2320 | Refinance of FHA-insured mortgages | 0.00 | 0.00 | 7.04 |
| 2320 | Risk sharing programs | 5.78 | 5.45 | 3.97 |
| 2320 | Nursing homes and hospitals | -2.88 | -2.23 | -2.56 |
| 2320 | Other multifamily, positive | 6.13 | 8.88 | 5.73 |
| 2320 | Other multifamily, negative | -1.64 | -1.71 | -1.96 |
| 2320 | Single family, negative | -1.27 | -1.28 | -1.34 |
| 2320 | Title I | -1.40 | -2.10 | -2.02 |
| Guaranteed loan subsidy budget authority: | | | | |
| 2330 | Multifamily development | | | 50,704 |
| 2330 | Refinance of FHA-insured projects | | | 21,105 |
| 2330 | Risk sharing programs | 14,621 | 25,163 | 32,256 |
| 2330 | Other multifamily, positive | 140,830 | 163,232 | 84,330 |
| 2330 | Single family | | | |
| 2330 | Title I | | | |
| 2339 | Total subsidy budget authority | 155,451 | 188,395 | 188,395 |
| Guaranteed loan subsidy outlays: | | | | |
| 2340 | Multifamily development | | | 38,029 |
| 2340 | Refinance of FHA-insured projects | | | 15,829 |
| 2340 | Risk sharing | | 33,493 | 30,482 |
| 2340 | Other, multifamily, positive | 114,394 | 170,705 | 111,349 |
| 2340 | Single family, positive | 9,276 | | |
| 2340 | Title I | | | |
| 2340 | Outlay adjustment | -18,520 | | |
| 2349 | Total subsidy outlays | 105,150 | 204,198 | 195,689 |

Multifamily Product Mix.—Significant changes related to delivery of multifamily insurance and the use of credit sub-

sidy are envisioned. FHA will increasingly rely on third party partners to deliver products and will explore a range of partnership types. The business plan for the new FHA corporation will set forth the product mix and partnership types over the next five years, as well as credit subsidy needs. The plan will be completed in April 1995.

In general, it is expected that most of FHA's traditional multifamily business will be completed by the end of 1996. From 1997 forward, FHA's retail component will be limited to new product design, nursing homes and hospitals, and refinancing of projects with FHA-insured loans. Preliminary projections of product mix are shown below:

FHA Multifamily Product Mix

| | (Units) | | | | |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|
| | 1996 est. | 1997 est. | 1998 est. | 1999 est. | 2000 est. |
| Traditional products | 12,700 | | | | |
| Partnerships/Risk Sharing | 25,675 | 43,960 | 52,901 | 60,975 | 68,100 |
| New Product Design | 10,000 | 16,490 | 14,591 | 11,575 | 8,822 |
| FHA-Insured Refinancing | 33,500 | 24,032 | 16,716 | 12,716 | 10,886 |
| Nursing Homes and Hospitals | 18,000 | 18,000 | 18,000 | 18,000 | 18,000 |
| Total MF Units | 99,275 | 102,482 | 102,208 | 103,266 | 105,808 |

Subsidy Costs and Administrative Expenses.—As required by the Federal Credit Reform Act of 1990, this account records, for the single family, multifamily and Title I insurance programs of FHA's General and Special Risk Insurance Funds, the subsidy costs associated with the loan guarantees committed or direct loans obligated in 1992 and thereafter (including modifications of loan guarantees or direct loans that resulted from obligations or commitments in any year), as well as administrative expenses of these programs. The subsidy amounts are estimated on a present value basis; the administrative expenses are accounted for on a cash basis.

Object Classification (in thousands of dollars)

| Identification code 86-0200-0-1-371 | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------------------|-------------|-----------|-----------|
| 25.2 Other services | 192,252 | 197,470 | 197,470 |
| 41.0 Grants, subsidies, and contributions | 155,451 | 188,395 | 188,395 |
| 99.9 Total obligations | 347,703 | 385,865 | 385,865 |

FHA—GENERAL AND SPECIAL RISK GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in thousands of dollars)

| Identification code 86-4077-0-3-371 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| Capital investment, claims and other: | | | |
| 00.01 Default claims and other | 79,859 | 379,474 | 634,757 |
| 00.02 Default claims, new programs | | | 7,773 |
| 00.03 Working Capital Fund reimbursements | | | 4,000 |
| 00.04 Payment of negative subsidy to receipt account | 119,048 | 193,688 | 192,272 |
| 00.05 Interest paid to Treasury | 1,296 | 37,746 | 34,780 |
| 00.06 Downward subsidy reestimate paid to receipt account | 174,602 | | |
| 00.08 Asset sale negative subsidy payment to receipt account | | 5,300 | 52,000 |
| 00.09 Asset sale payment to liquidating account | | 1,658,200 | 2,279,600 |
| 00.10 Cost of mortgage note sales | | 71,700 | 36,300 |
| 00.11 Indirect modification payment to receipt account | 476,000 | | |
| 10.00 Total obligations | 850,805 | 2,346,108 | 3,241,482 |
| Financing: | | | |
| 21.90 Unobligated balance available, start of year: Fund balance | -260,693 | -271,734 | -505,125 |
| 24.90 Unobligated balance available, end of year: Fund balance | 271,734 | 505,125 | 700,330 |
| 39.00 Financing authority (gross) | 861,846 | 2,579,499 | 3,436,687 |
| Financing authority: | | | |
| 67.15 Authority to borrow (indefinite) | 496,867 | | |

| | | | | |
|------------------------------------------------------------------------|--------------------------------------------------------------------|------------|------------|------------|
| 68.00 | Spending authority from offsetting collections | 364,979 | 2,612,620 | 3,451,906 |
| 68.47 | Portion applied to debt reduction | | -33,121 | -15,219 |
| 68.90 | Spending authority from offsetting collections (total) | 364,979 | 2,579,499 | 3,436,687 |
| Relation of obligations to financing disbursements: | | | | |
| 71.00 | Total obligations | 850,805 | 2,346,108 | 3,241,482 |
| Obligated balance, start of year: | | | | |
| 72.10 | Receivables from program account, start of year | -45,765 | -58,714 | -42,911 |
| 72.40 | Unpaid obligations: Treasury balance | 30,150 | 7,705 | |
| Obligated balance, end of year: | | | | |
| 74.10 | Receivables from program account, end of year | 58,714 | 42,911 | 35,617 |
| 74.40 | Unpaid obligations: Treasury balance | -7,705 | | -8,409 |
| 87.00 | Financing disbursements (gross) | 886,199 | 2,338,010 | 3,225,779 |
| Adjustments to financing authority and financing disbursements: | | | | |
| Offsetting collections from: | | | | |
| 88.00 | Payments from program account | -155,451 | -188,395 | -188,395 |
| 88.25 | Interest on uninvested funds | -13,343 | -41,065 | -51,738 |
| Non-Federal sources: | | | | |
| 88.40 | Fees and premiums | -182,781 | -383,387 | -453,168 |
| 88.40 | Recoveries on defaulted mortgages | -13,404 | -250,173 | -367,031 |
| 88.40 | New program premiums and recoveries | | | -10,374 |
| 88.40 | Proceeds from sale of mortgage notes | -1,699,600 | | -2,331,200 |
| 88.40 | Repayment of principal and interest from liquidating account | | -50,000 | -50,000 |
| 88.90 | Total, offsetting collections | -364,979 | -2,612,620 | -3,451,906 |
| 89.00 | Financing authority (net) | 496,867 | -33,121 | -15,219 |
| 90.00 | Financing disbursements (net) | 521,220 | -274,610 | -226,127 |

Status of Guaranteed Loans (in thousands of dollars)

| Identification code 86-4077-0-3-371 | 1994 actual ¹ | 1995 est. | 1996 est. | |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------|------------|------------|------------|
| Position with respect to appropriations act limitation on commitments: | | | | |
| Limitation on guaranteed loans made by private lenders: | | | | |
| 2111 | Limitation on guaranteed loans made by private lenders | 18,436,205 | 20,885,072 | 17,400,000 |
| 2111 | Prior-year adjustment | 2,114,270 | | |
| 2112 | Uncommitted loan guarantee limitation | -6,511,929 | -5,191,165 | -3,057,300 |
| 2150 | Total guaranteed loan commitments | 14,038,546 | 15,693,907 | 14,342,700 |
| Cumulative balance of guaranteed loans outstanding: | | | | |
| 2210 | Outstanding, start of year | 14,754,605 | 26,227,561 | 38,459,773 |
| 2231 | Disbursements of new guaranteed loans | 11,857,317 | 14,172,984 | 12,307,416 |
| 2251 | Repayments and prepayments | -310,503 | -1,609,629 | -521,789 |
| Adjustments: | | | | |
| 2261 | Terminations for default that result in loans receivable | -34,927 | -227,070 | -399,283 |
| 2262 | Terminations for default that result in acquisition of property | -38,799 | -103,207 | -191,534 |
| 2263 | Terminations for default that result in claim payments | -132 | -866 | -3,383 |
| 2264 | Other adjustments, net | | | -5,077 |
| 2290 | Outstanding, end of year | 26,227,561 | 38,459,773 | 49,646,123 |
| Memorandum: | | | | |
| 2299 | Guaranteed amount of guaranteed loans outstanding, end of year | 26,227,561 | 38,459,773 | 49,143,723 |
| Addendum: | | | | |
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: | | | | |
| 2310 | Outstanding, start of year | 6,608 | 38,194 | 132,335 |
| 2331 | Disbursements for guaranteed loan claims | 34,927 | 227,070 | 399,283 |
| 2351 | Repayments of loans receivable | -522 | -132,929 | -121,326 |
| 2361 | Write-offs of loans receivable | -2,819 | | |
| 2390 | Outstanding, end of year | 38,194 | 132,335 | 410,292 |

¹ Preliminary results pending final audit.

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 FY 1992 and thereafter (including modifications of loan guarantees that resulted from commitments in any year) for

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

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.

Balance Sheet (in thousands of dollars)

| Identification code 86-4077-0-3-371 | 1993 actual | 1994 actual ¹ | 1995 est. | 1996 est. |
|------------------------------------------------------------------------------------------|-------------|--------------------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | 260,693 | 220,726 | 420,553 | 725,362 |
| Investments in US securities: | | | | |
| Receivables, net: | | | | |
| 1106 Receivables, net | 45,765 | 61,125 | 61,125 | 61,125 |
| 1106 Receivables, net | 476,000 | 463,746 | 463,746 | 448,527 |
| 1206 Non-Federal assets: Receivables, net | 5,678 | 2,446 | 2,446 | 2,446 |
| Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable: | | | | |
| 1501 Defaulted guaranteed loans receivable, gross | 6,608 | 38,194 | 132,335 | 410,292 |
| 1504 Foreclosed property | 4,059 | 16,168 | 51,770 | 110,917 |
| 1505 Allowance for uncollectible loans | -5,097 | -21,265 | -73,679 | -224,107 |
| 1599 Net value of assets related to defaulted guaranteed loan | 5,570 | 33,097 | 110,426 | 297,102 |
| 1901 Other Federal assets: Other assets | | | | |
| 1999 Total assets | 317,706 | 793,394 | 1,058,296 | 1,534,562 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2101 Accounts payable | 30,149 | 4,468 | 4,468 | 4,468 |
| 2102 Interest payable | | 1,296 | 1,296 | 1,296 |
| 2103 Debt | | 496,867 | 463,746 | 448,527 |
| Non-Federal liabilities: | | | | |
| Accounts payable: | | | | |
| 2201 Accounts payable | 1 | 1,641 | 1,641 | 1,641 |
| 2201 Other | | 74 | 74 | 74 |
| 2207 Unearned revenue and advances | 14,856 | 18,705 | 18,705 | |
| 2999 Total liabilities | 45,006 | 523,051 | 489,930 | 456,006 |
| NET POSITION: | | | | |
| 3100 Appropriated subsidy capital | 158,743 | 20,544 | 15,251 | 16,667 |
| 3300 Cumulative results of operations | 113,957 | 249,799 | 553,115 | 1,061,889 |
| 3999 Total net position | 272,700 | 270,343 | 568,366 | 1,078,556 |
| 4999 Total liabilities and net position | 317,706 | 793,394 | 1,058,296 | 1,534,562 |

¹ Preliminary results pending final audit.

Object Classification (in thousands of dollars)

| Identification code 86-4077-0-3-371 | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------------------------------------|-------------|-----------|-----------|
| 25.2 Other services | 4,041 | 48,330 | 52,330 |
| Land and structures: | | | |
| 32.0 Downward subsidy reestimate | 174,602 | | |
| 32.0 Payment of negative subsidy | 119,048 | 248,988 | 244,272 |
| 32.0 Indirect modification payment | 476,000 | | |
| Investments and loans: | | | |
| 33.0 Investments and loans | 75,818 | 352,844 | 630,500 |
| 33.0 Reimbursement to liquidating account for mortgage note sales | | 1,658,200 | 2,279,600 |
| 43.0 Interest and dividends | 1,296 | 37,746 | 34,780 |
| 99.9 Total obligations | 850,805 | 2,346,108 | 3,241,482 |

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

| Identification code 86-4105-0-3-371 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 00.01 Direct Loans | | 220,000 | 120,000 |
| 00.02 Interest paid to Treasury | | 5,676 | 13,000 |
| 10.00 Total obligations | | 225,676 | 133,000 |
| Financing: | | | |
| 39.00 Financing authority (gross) | | 225,676 | 133,000 |
| Financing authority: | | | |
| 67.15 Authority to borrow (indefinite) | | 217,550 | 112,000 |
| 68.00 Spending authority from offsetting collections | | 8,126 | 21,000 |
| Relation of obligations to financing disbursements: | | | |
| 71.00 Total obligations | | 225,676 | 133,000 |
| 87.00 Financing disbursements (gross) | | 225,676 | 133,000 |
| Adjustments to financing authority and financing disbursements: | | | |
| Offsetting collections from: | | | |
| Non-Federal sources: | | | |
| 88.40 Repayment of principal | | -1,288 | -3,000 |
| 88.40 Interest received on loans | | -6,838 | -18,000 |
| 88.90 Total, offsetting collections | | -8,126 | -21,000 |
| 89.00 Financing authority (net) | | 217,550 | 112,000 |
| 90.00 Financing disbursements (net) | | 217,550 | 112,000 |

Status of Direct Loans (in thousands of dollars)

| Identification code 86-4105-0-3-371 | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------------------------------------------------|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on obligations: | | | |
| 1111 Limitation on direct loans | | 220,000 | 120,000 |
| 1150 Total direct loan obligations | | 220,000 | 120,000 |
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | | | 218,712 |
| 1231 Disbursements: Direct loan disbursements | | 220,000 | 120,000 |
| 1251 Repayments: Repayments and prepayments | | -1,288 | -3,000 |
| 1290 Outstanding, end of year | | 218,712 | 335,712 |

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 FY 1992 and thereafter (including loan modifications) 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.

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 thousands of dollars)

| Identification code 86-4105-0-3-371 | 1993 actual | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------------------------------------------------------------------------|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1401 Net value of assets related to post-1991 direct loans receivable: Direct loans receivable, gross | | | 218,712 | 335,712 |
| 1999 Total assets | | | 218,712 | 335,712 |
| LIABILITIES: | | | | |
| 2999 Total liabilities | | | | |

NET POSITION:

| | | | |
|------|----------------------------------------|-------|-------|
| 3300 | Cumulative results of operations | 1,162 | 6,162 |
| 3999 | Total net position | 1,162 | 6,162 |

Object Classification (in thousands of dollars)

| Identification code 86-4105-0-3-371 | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------|------------------------------|-----------|-----------|
| 33.0 | Investments and loans | 220,000 | 120,000 |
| 43.0 | Interest and dividends | 5,676 | 13,000 |
| 99.9 | Total obligations | 225,676 | 133,000 |

FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS

Program and Financing (in thousands of dollars)

| Identification code 86-4072-0-3-371 | 1994 actual | 1995 est. | 1996 est. |
|-----------------------------------------------------------|--------------------------------------------------------------------------|-----------|------------|
| Program by activities: | | | |
| Operating expenses: | | | |
| 00.03 | Interest on debentures | 28,772 | 28,772 |
| 00.04 | Other operating costs | 61,014 | 44,357 |
| 00.04 | Working capital fund reimbursements | | 8,000 |
| 00.05 | Repayment to financing account | 50,000 | 50,000 |
| 00.91 | Total operating expenses | 89,786 | 123,129 |
| Capital investment: Claims and other: | | | |
| 01.01 | Acquisition of defaulted Title I notes | 41,108 | 57,210 |
| 01.02 | Assignment of defaulted mortgages | 274,488 | 668,843 |
| 01.03 | Acquisition of real properties | 409,249 | 321,173 |
| 01.06 | Assignment of current mortgages | 1,801 | 35,000 |
| 01.07 | Capitalized property expenses | 270,545 | 222,808 |
| 01.08 | Loss on defaulted guaranteed loans | 19,116 | 25,728 |
| 01.09 | Interest subsidy on auctioned mortgages | 472 | 871 |
| 01.10 | Tax advances on held mortgages | 89,979 | 89,979 |
| 01.91 | Total capital investment | 1,106,758 | 1,421,612 |
| 10.00 | Total obligations | 1,196,544 | 1,544,741 |
| Financing: | | | |
| 17.00 | Recovery of prior year obligations | -124,167 | |
| Unobligated balance available, start of year: | | | |
| 21.40 | Treasury balance | -588,302 | -1,039,993 |
| 21.91 | U.S. Securities: Par value | -19,426 | -15,236 |
| Unobligated balance available, end of year: | | | |
| 24.40 | Treasury balance | 1,039,993 | 2,386,780 |
| 24.91 | U.S. Securities: Par value | 15,236 | 14,950 |
| 31.00 | Redemption of debt | 250,150 | 93,200 |
| 39.00 | Budget authority (gross) | 1,770,028 | 2,984,442 |
| Budget authority: | | | |
| Current: | | | |
| 40.75 | Procurement reduction pursuant to P.L. 103-327 | | -638 |
| Permanent: | | | |
| 60.05 | Appropriation (indefinite) | | |
| 64.00 | Proceeds of loan asset sales with recourse | 99,700 | 537,600 |
| 67.15 | Authority to borrow (indefinite) | 149,761 | 93,200 |
| 68.00 | Spending authority from offsetting collections | 1,620,267 | 2,792,180 |
| Relation of obligations to outlays: | | | |
| 71.00 | Total obligations | 1,196,544 | 1,544,741 |
| 72.90 | Obligated balance, start of year: Unpaid obligations: Fund balance | 613,916 | 408,091 |
| 74.90 | Obligated balance, end of year: Unpaid obligations: Fund balance | -408,091 | -408,091 |
| 78.00 | Adjustments in unexpired accounts | -124,167 | |
| 87.00 | Outlays (gross) | 1,278,202 | 1,544,741 |
| Adjustments to gross budget authority and outlays: | | | |
| Offsetting collections from: | | | |
| Non-Federal sources: | | | |
| 88.40 | Fees and premiums | -262,061 | -287,280 |
| 88.40 | Rebates of insurance premiums | 4,997 | 8,000 |
| 88.40 | Multifamily foreclosure sales | | -72,915 |
| 88.40 | Proceeds from sale of real property | -357,058 | -266,366 |

| | | | | |
|-------|-------------------------------------------------------|------------|------------|------------|
| 88.40 | Proceeds from sale of mortgage notes | -141,145 | -1,558,500 | -1,760,000 |
| 88.40 | Repayment of mortgage notes and sales contracts | -6,243 | -5,131 | -5,096 |
| 88.40 | Interest and operating income | -240,517 | -215,430 | -174,358 |
| 88.40 | Recoveries on defaulted mortgages | -459,565 | -255,052 | -153,792 |
| 88.40 | Recoveries on defaulted Title I mortgages | -23,161 | -23,161 | -21,059 |
| 88.40 | Other interest, dividends and revenue | -71,419 | -52,250 | -33,318 |
| 88.40 | Prior year adjustment | | | |
| 88.40 | Miscellaneous collections | -64,095 | -64,095 | -64,095 |
| 88.90 | Total, offsetting collections | -1,620,267 | -2,792,180 | -2,870,193 |
| 89.00 | Budget authority (net) | 149,761 | 192,262 | 605,700 |
| 90.00 | Outlays (net) | -342,065 | -1,247,439 | -1,610,280 |

Status of Direct Loans (in thousands of dollars)

| Identification code 86-4072-0-3-371 | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------------------|------------------------------------------------------|-----------|-----------|
| Cumulative balance of direct loans outstanding: | | | |
| 1210 | Outstanding, start of year | 121,050 | 111,886 |
| 1251 | Repayments: Repayments and prepayments | -6,244 | -3,078 |
| 1264 | Write-offs for default: Other adjustments, net | -2,920 | -2,053 |
| 1290 | Outstanding, end of year | 111,886 | 106,755 |

Status of Guaranteed Loans (in thousands of dollars)

| Identification code 86-4072-0-3-371 | 1994 actual | 1995 est. | 1996 est. |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------|------------|------------|
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 | Outstanding, start of year | 63,130,562 | 52,754,369 |
| 2251 | Repayments and prepayments | -9,631,747 | -775,405 |
| Adjustments: | | | |
| 2261 | Terminations for default that result in loans receivable | -317,397 | -761,053 |
| 2262 | Terminations for default that result in acquisition of property | -409,249 | -321,173 |
| 2263 | Terminations for default that result in claim payments | -17,800 | -25,728 |
| 2290 | Outstanding, end of year | 52,754,369 | 50,871,010 |
| Memorandum: | | | |
| 2299 | Guaranteed amount of guaranteed loans outstanding, end of year | 52,754,369 | 50,871,010 |
| Addendum: | | | |
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: | | | |
| 2310 | Outstanding, start of year | 7,791,961 | 6,821,744 |
| 2331 | Disbursements for guaranteed loan claims | 317,397 | 951,324 |
| 2351 | Repayments of loans receivable | -1,112,680 | -2,893,470 |
| 2361 | Write-offs of loans receivable ¹ | -174,934 | -122,002 |
| 2390 | Outstanding, end of year | 6,821,744 | 4,757,596 |

¹Includes foreclosures of HUD-held mortgage notes.

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

The *Special risk insurance fund* provides mortgage insurance on behalf of mortgagors eligible for interest reduction payments 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 is not observed. Also provided is insurance for high-risk mortgagors who normally would not be eligible for mortgage insurance.

Budget program.—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. All new activity in this program in 1992 and thereafter (including modifications of loan guarantees that resulted from obligations, direct loans or commitments in any year and direct loans) is re-

Credit accounts—Continued**FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS—Continued**

corded in corresponding program (86-0200) and financing (86-4077 and 86-4105) accounts.

The detailed program activities in the "Program Highlights" table shown below reflect the consolidated activity of the GI/SRI accounts.

PROGRAM HIGHLIGHTS

[In millions of dollars]

| | 1994 actual ¹ | 1995 est. | 1996 est. |
|---------------------------------------------------------------------------------------|-----------------------------|-----------|-----------|
| Insurance initiation: | | | |
| Mortgage insurance applications (units) | 223,048 | 327,987 | 289,707 |
| Mortgage insurance written: | | | |
| Units | 201,823 | 263,139 | 246,042 |
| Amount | \$11,051 | \$12,996 | \$10,190 |
| Title I property improvement loans insured: | | | |
| Notes | 72,148 | 86,500 | 97,000 |
| Amount | \$806 | \$1,177 | \$1,397 |
| Insurance maintenance: Outstanding balance of insurance in force, end of year: | | | |
| Mortgage insurance | 73,911 | 83,620 | 92,182 |
| Title I property improvement loan insurance | 5,070 | 5,710 | 5,995 |
| Total outstanding balance of insurance in force, end of year | 78,981 | 89,330 | 98,177 |
| Property acquired during year (units): ² | | | |
| Homes | 7,987 | 7,214 | 6,867 |
| Multifamily | 4,747 | 2,564 | 4,569 |
| Total property acquired during year (units) | 12,734 | 9,778 | 11,436 |
| Property sales during year (units): | | | |
| Homes | 8,213 | 6,433 | 5,799 |
| Multifamily | 13,767 | 8,860 | 10,336 |
| Total property sales during year (units) | 21,980 | 15,293 | 16,135 |
| Property on hand, end of year (units): | | | |
| Homes | 3,902 | 4,683 | 5,751 |
| Multifamily | 23,104 | 16,808 | 11,041 |
| Total property on hand (units) | 27,006 | 21,491 | 16,792 |
| Defaulted mortgage assignments during year (units): | | | |
| Homes | 1,466 | 1,381 | 1,253 |
| Multifamily | 9,799 | 26,800 | 25,050 |
| Total mortgage assignments during year (units) | 11,265 | 28,181 | 26,303 |
| Claims on current mortgages during year (units): | | | |
| Homes | 241 | 4,516 | 4,245 |
| Multifamily | | | |
| Total claims on current mortgages during year (units) | 241 | 4,516 | 4,245 |
| Purchase Money Mortgages during year: | | | |
| Units | | 1,333 | 1,333 |
| Amount | | 120,000 | 120,000 |
| Assigned mortgages on hand, end of year (units): | | | |
| Homes | 29,633 | 34,365 | 39,197 |
| Multifamily | 300,040 | 195,019 | 67,074 |
| Total assigned mortgages on hand, end of year (units) | 329,673 | 229,384 | 106,271 |
| Inventory of property and assigned mortgages on hand, end of year (units): | | | |
| Homes | 33,535 | 39,048 | 44,948 |
| Multifamily | 323,144 | 211,827 | 78,115 |
| Total inventory of property and assigned mortgages on hand, end of year (units) | 356,679 | 250,875 | 123,063 |
| Claims with no acquisition (units): ³ | | | |
| Homes | 120 | 330 | 559 |
| Multifamily | 1,410 | 697 | 465 |
| Total claims with no acquisition | 1,530 | 1,027 | 1,024 |

Defaulted title I property acquisition:

| | 7,602 | 7,700 | 8,000 |
|--------------|-------|-------|-------|
| Number | | | |
| Amount | \$61 | \$72 | \$79 |

¹ Unaudited preliminary results.² Includes direct acquisition from mortgage and foreclosure of HUD-held mortgage notes.³ Includes coinsurance claims.

Insurance reserves from operations at the end of 1994 are estimated to be in a deficit status of about \$22 billion for the GI and SRI funds. The status of estimated insurance reserves from operations (retained income or deficit) through 1996 is as follows:

STATUS OF INSURANCE RESERVES FROM OPERATIONS

[In millions of dollars]

| | 1994 actual ¹ | 1995 est. | 1996 est. |
|-------------------------------------|-----------------------------|-----------|-----------|
| Insurance fund: | | | |
| General and special risk insurance: | | | |
| Liquidating account | -22,291 | -21,975 | -21,113 |
| Financing account | 250 | 553 | 1,062 |
| Total GI/SRI ² | -22,041 | -21,422 | -20,051 |

¹ Preliminary results pending final audit.² Excludes GI/SRI Program account resources payable to the Financing account.**Statement of Operations (in thousands of dollars)**

| Identification code | 1993 actual ¹ | 1994 actual ¹ | 1995 est. | 1996 est. |
|-----------------------------------|--------------------------|--------------------------|-----------|-----------|
| 86-4072-0-3-371 | | | | |
| 0101 Revenue | 886,440 | 452,948 | 377,641 | 348,508 |
| 0102 Expense | -857,774 | -230,865 | -62,197 | 513,793 |
| 0109 Net income or loss (-) | 28,666 | 222,083 | 315,444 | 862,301 |

¹ Preliminary results pending final audit.**Balance Sheet (in thousands of dollars)**

| Identification code | 1993 actual ¹ | 1994 actual ¹ | 1995 est. | 1996 est. |
|---------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|------------|-----------|
| 86-4072-0-3-371 | | | | |
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | 333,098 | 578,964 | 1,895,772 | 4,065,956 |
| Investments in US securities: | | | | |
| 1102 Treasury securities, par .. | 19,426 | 15,236 | 14,950 | 14,664 |
| 1103 Treasury securities, unamortized premium | 142 | -203 | -203 | -203 |
| 1106 Receivables, net | 6,309 | 3,528 | 3,528 | 3,528 |
| 1107 Advances and prepayments | 20,000 | 20,000 | 20,000 | 20,000 |
| Non-Federal assets: | | | | |
| 1206 Receivables, net | 115,542 | 140,348 | 140,348 | 140,348 |
| 1207 Advances and prepayments | 78,133 | 547,332 | 547,332 | 547,332 |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | |
| 1601 Direct loans, gross | | 111,886 | 106,755 | 101,659 |
| 1603 Allowance for estimated uncollectible loans and interest (-) | | -24,208 | -24,208 | -24,208 |
| 1604 Direct loans and interest receivable, net | | 87,678 | 82,547 | 77,451 |
| 1699 Value of assets related to direct loans | | 87,678 | 82,547 | 77,451 |
| 1701 Defaulted guaranteed loans, gross | 7,791,961 | 6,821,744 | 4,527,106 | 1,514,883 |
| 1703 Allowance for estimated uncollectible loans and interest (-) | -4,618,410 | -4,025,599 | -2,671,504 | -893,952 |
| 1704 Defaulted guaranteed loans and interest receivable, net | 12,694,204 | 11,184,580 | 7,422,408 | 2,483,724 |
| 1706 Foreclosed property | 307,357 | 287,607 | 258,156 | 190,227 |
| 1799 Value of assets related to loan guarantees | 3,480,908 | 3,083,752 | 2,113,758 | 811,158 |
| 1901 Other Federal assets: Other assets | 4 | 4 | -15,412 | -15,412 |
| 1999 Total assets | 4,053,562 | 4,476,639 | 4,802,620 | 5,664,822 |

| LIABILITIES: | | | | | |
|--------------------------|-----------------------------------------------|-------------|-------------|-------------|-------------|
| Federal liabilities: | | | | | |
| 2101 | Accounts payable | 141,929 | 560,615 | 560,615 | 560,615 |
| 2102 | Interest payable | 25,048 | 7,115 | 7,115 | 7,115 |
| 2104 | Resources payable to Treasury | 67,639 | 62,238 | 62,238 | 62,238 |
| Non-Federal liabilities: | | | | | |
| 2201 | Accounts payable | 263,620 | 129,547 | 129,547 | 129,547 |
| 2202 | Interest payable | 44,338 | 18,235 | 28,772 | 28,772 |
| 2203 | Debt | 212,163 | 111,774 | 111,774 | 111,674 |
| 2206 | Pension and other actuarial liabilities | 12,351,200 | 10,701,700 | 10,701,700 | 10,701,700 |
| 2207 | Unearned revenue and advances | 398,348 | 418,322 | 418,322 | 418,322 |
| 2999 | Total liabilities | 13,504,285 | 12,009,546 | 12,020,083 | 12,019,983 |
| NET POSITION: | | | | | |
| 3100 | Appropriated capital | 7,286,557 | 7,286,557 | 7,286,557 | 7,286,557 |
| 3300 | Cumulative results of operations | -24,208,736 | -22,290,919 | -21,975,476 | -21,113,173 |
| 3600 | Other | 7,471,455 | 7,471,455 | 7,471,455 | 7,471,455 |
| 3999 | Total net position | -9,450,724 | -7,532,907 | -7,217,464 | -6,355,161 |
| 4999 | Total liabilities and net position | 4,053,561 | 4,476,639 | 4,802,619 | 5,664,822 |

¹ Preliminary results pending final audit.

Object Classification (in thousands of dollars)

| Identification code 86-4072-0-3-371 | | | | |
|-------------------------------------|------------------------------------------------------------|-------------|-----------|-----------|
| | | 1994 actual | 1995 est. | 1996 est. |
| 25.2 | Other services | 61,014 | 44,357 | 173,357 |
| 32.0 | Land and structures | 409,249 | 321,173 | 221,426 |
| 33.0 | Investments and loans | 407,376 | 851,032 | 643,589 |
| 41.0 | Grants, subsidies, and contributions | 472 | 871 | 1,438 |
| 42.0 | Insurance claims and indemnities | 289,661 | 248,536 | 141,331 |
| 43.0 | Interest and dividends | 28,772 | 28,772 | 28,772 |
| 44.0 | Indirect modification repayment to financing account | 50,000 | 50,000 | 50,000 |
| 99.9 | Total obligations | 1,196,544 | 1,544,741 | 1,259,913 |

FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS LIQUIDATING ACCOUNT

(HOUSING RESOLUTION FUND)

(Legislative proposal, subject to PAYGO)

Program and Financing (in thousands of dollars)

| Identification code 86-4072-4-3-371 | | | | |
|--------------------------------------------|-------------------------------------------------------------|-------------|-----------|------------|
| | | 1994 actual | 1995 est. | 1996 est. |
| Program by activities: | | | | |
| 00.01 | Partial claim payments: restructuring | | | 643,000 |
| 00.02 | Rehabilitation, security, and other expenses | | | 250,000 |
| Operating expenses: | | | | |
| 00.03 | Section 8 multifamily property disposition activities | | | 763,200 |
| 00.04 | Program reforms | | | -1,656,200 |
| 10.00 | Total obligations | | | |
| Financing: | | | | |
| 39.00 | Budget authority | | | |
| Relation of obligations to outlays: | | | | |
| 71.00 | Total obligations | | | |
| 90.00 | Outlays | | | |

This account summarizes the impact on the General and Special Risk Insurance Funds Liquidating Account of transactions associated with the proposed Housing Resolution Fund. This account includes partial claim payments associated with the multifamily debt restructuring proposal. These payments will allow Section 8 rents to be lowered to comparable market rents "marked-to-market" without jeopardizing the financial viability of affected projects. The account also includes expenditures for necessary repair, rehabilitation, crime and anti-drug costs. Also included are Sec. 8 Property Disposition costs associated with the rehabilitation and sale of acquired properties. Finally, the account reflects reductions

in costs which otherwise would be incurred by the GI/SRI Liquidating Account without the investment of these resources.

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND

Program and Financing (in thousands of dollars)

| Identification code 86-4115-0-3-371 | | | | |
|-----------------------------------------------------------|--------------------------------------------------------|-------------|-----------|-----------|
| | | 1994 actual | 1995 est. | 1996 est. |
| Program by activities: | | | | |
| Capital investment: | | | | |
| 00.01 | Housing for the elderly or handicapped loans | 646 | 20,101 | |
| 00.02 | Maintenance security and collateral | 1,179 | 3,500 | 3,500 |
| 00.91 | Total capital investment | 1,825 | 23,601 | 3,500 |
| Operating expenses: | | | | |
| 01.01 | Interest on borrowings | 689,174 | 633,704 | 571,653 |
| 01.02 | Other expenses | 9 | 200 | 200 |
| 01.91 | Total operating expenses | 689,183 | 633,904 | 571,853 |
| 10.00 | Total obligations | 691,008 | 657,505 | 575,353 |
| Financing: | | | | |
| 17.00 | Recovery of prior year obligations | -3,355 | | |
| Unobligated balance available, start of year: | | | | |
| 21.47 | Authority to borrow | -25,197 | -20,104 | |
| 21.90 | Fund balance | -8,154 | -27,594 | -140,794 |
| Unobligated balance available, end of year: | | | | |
| 24.47 | Authority to borrow | 20,104 | | |
| 24.90 | Fund balance | 27,594 | 140,794 | 315,725 |
| 32.47 | Balance of authority to borrow withdrawn | 513,042 | | |
| 39.00 | Budget authority (gross) | 1,215,042 | 750,601 | 750,282 |
| Budget authority: | | | | |
| 60.05 | Appropriation (indefinite) | 989,934 | 770,000 | 804,830 |
| 60.47 | Portion applied to debt reduction | -475,000 | -770,000 | -804,830 |
| 63.00 | Appropriation (total) | 514,934 | | |
| 68.00 | Spending authority from offsetting collections | 700,108 | 750,601 | 750,282 |
| Relation of obligations to outlays: | | | | |
| 71.00 | Total obligations | 691,008 | 657,505 | 575,353 |
| Obligated balance, start of year: | | | | |
| 72.47 | Authority to borrow | 12,845 | | |
| 72.90 | Unpaid obligations: Fund balance | 423,283 | 448,768 | 319,714 |
| Obligated balance, end of year: | | | | |
| 74.47 | Authority to borrow | | | |
| 74.90 | Unpaid obligations: Fund balance | -448,768 | -319,714 | -258,674 |
| 78.00 | Adjustments in unexpired accounts | -3,355 | | |
| 87.00 | Outlays (gross) | 675,013 | 786,559 | 636,393 |
| Adjustments to gross budget authority and outlays: | | | | |
| 88.40 | Offsetting collections from: Non-Federal sources | -700,108 | -750,601 | -750,282 |
| 89.00 | Budget authority (net) | 514,934 | | |
| 90.00 | Outlays (net) | -25,095 | 35,958 | -113,891 |

Status of Direct Loans (in thousands of dollars)

| Identification code 86-4115-0-3-371 | | | | |
|-------------------------------------------------|------------------------------------------------------|-------------|-----------|-----------|
| | | 1994 actual | 1995 est. | 1996 est. |
| Cumulative balance of direct loans outstanding: | | | | |
| 1210 | Outstanding, start of year | 8,497,196 | 8,461,582 | 8,604,876 |
| 1231 | Disbursements: Direct loan disbursements | 15,372 | 204,217 | |
| 1251 | Repayments: Repayments and prepayments | -50,756 | -60,923 | -62,816 |
| 1264 | Write-offs for default: Other adjustments, net | -230 | | |
| 1290 | Outstanding, end of year | 8,461,582 | 8,604,876 | 8,542,060 |

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 provides direct loans to nonprofit organizations building and managing housing projects for lower income persons who are elderly or disabled.

Projects must include an assured range of necessary services for the occupants of such projects. In addition, the section 8 lower income housing assistance payments program has

Credit accounts—Continued

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND—Continued

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. The amounts reflected in the following summary of administrative commitments reflect outstanding section 202 fund reservations, whereas, the obligations portion of the program and financing schedule reflects commitments which have reached the initial loan closing stage of processing.

SUMMARY OF ADMINISTRATIVE COMMITMENTS

[In thousands of dollars]

| Program by activities: | 1994 actual | 1995 est. | 1996 est. |
|-----------------------------------------------|-------------|-----------|-----------|
| Capital investment: | | | |
| Administrative commitments, start of year | 25,157 | 20,101 | |
| Recovery of prior year obligations | -4,410 | | |
| Administrative commitments, end of year | -20,101 | | |
| Subtotal, capital investment-loan obligations | 646 | 20,101 | |
| Other expenses (Fee inspection) | 9 | | |
| Capital investment: | | | |
| Loan obligations | 646 | 20,101 | |
| Maintenance security and collateral | 1,179 | 3,500 | 3,500 |
| Total capital investment | 1,825 | 23,601 | 3,500 |

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

Statement of Operations (in thousands of dollars)

| Identification code 86-4115-0-3-371 | 1993 actual | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------|-------------|-------------|-----------|-----------|
| 0101 Revenue | 712,680 | 708,962 | 704,798 | 687,467 |
| 0102 Expense | -729,285 | -690,219 | -745,716 | -575,353 |
| 0109 Net income or loss (-) | -16,605 | 18,743 | -40,918 | 112,114 |

Balance Sheet (in thousands of dollars)

| Identification code 86-4115-0-3-371 | 1993 actual | 1994 actual | 1995 est. | 1996 est. |
|---------------------------------------------------------------------------------------------------------------------|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | 431,436 | 496,566 | 460,508 | 574,399 |
| Investments in US securities: | | | | |
| 1106 Receivables, net | 5 | -817 | | |
| 1206 Non-Federal assets: Receivables, net | 88,867 | 242,123 | | |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | |
| 1601 Direct loans, gross | 8,497,196 | 8,461,582 | 8,604,876 | 8,542,060 |
| 1603 Allowance for estimated uncollectible loans and interest (-) | -21,248 | -21,151 | -21,512 | -21,355 |
| 1699 Value of assets related to direct loans | 8,475,948 | 8,440,431 | 8,583,364 | 8,520,705 |
| 1999 Total assets | 8,996,256 | 9,178,303 | 9,043,872 | 9,095,104 |

| LIABILITIES: | | | | |
|-----------------------------------------|-----------|-----------|-----------|-----------|
| Federal liabilities: | | | | |
| 2102 Interest payable | 326,524 | 334,711 | 307,771 | 277,635 |
| 2104 Resources payable to Treasury | 896 | 174,711 | 174,711 | 174,711 |
| Non-Federal liabilities: | | | | |
| 2201 Accounts payable | 31 | | | |
| 2207 Other | 8,958,974 | 8,484,149 | 7,713,830 | 6,909,000 |
| 2999 Total liabilities | 9,286,425 | 8,993,571 | 8,196,312 | 7,361,346 |
| NET POSITION: | | | | |
| 3100 Appropriated capital | -76,652 | 455,693 | 455,693 | 455,693 |
| 3300 Cumulative results of operations | -212,976 | -270,936 | 391,865 | 1,278,064 |
| 3999 Total net position | -289,628 | 184,757 | 847,558 | 1,733,757 |
| 4999 Total liabilities and net position | 8,996,797 | 9,178,328 | 9,043,870 | 9,095,103 |

Object Classification (in thousands of dollars)

| Identification code 86-4115-0-3-371 | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------|-------------|-----------|-----------|
| 22.0 Transportation of things | 9 | 200 | 200 |
| 32.0 Land and structures | 1,179 | 3,500 | 3,500 |
| 33.0 Investments and loans | 646 | 20,101 | |
| 43.0 Interest and dividends | 689,174 | 633,704 | 571,653 |
| 99.9 Total obligations | 691,008 | 657,505 | 575,353 |

NONPROFIT SPONSOR ASSISTANCE

Program and Financing (in thousands of dollars)

| Identification code 86-4042-0-3-604 | 1994 actual | 1995 est. | 1996 est. |
|--------------------------------------------------------------------------------|-------------|-----------|-----------|
| Financing: | | | |
| 17.00 Recovery of prior year obligations | 19 | | |
| 21.90 Unobligated balance available, start of year: Fund balance | -3,588 | -3,691 | -4,091 |
| 24.90 Unobligated balance available, end of year: Fund balance | 3,691 | 4,091 | 4,491 |
| 68.00 Budget authority (gross): Spending authority from offsetting collections | 122 | 400 | 400 |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | | | |
| 72.90 Obligated balance, start of year: Unpaid obligations: Fund balance | 2,768 | 2,787 | 2,787 |
| 74.90 Obligated balance, end of year: Unpaid obligations: Fund balance | -2,787 | -2,787 | -2,787 |
| 78.00 Adjustments in unexpired accounts | 19 | | |
| 87.00 Outlays (gross) | | | |
| Adjustments to gross budget authority and outlays: | | | |
| 88.40 Offsetting collections from: Non-Federal sources | -122 | -400 | -400 |
| 89.00 Budget authority (net) | | | |
| 90.00 Outlays (net) | -122 | -400 | -400 |

Status of Direct Loans (in thousands of dollars)

| Identification code 86-4042-0-3-604 | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------------------|-------------|-----------|-----------|
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 1,538 | 1,416 | 1,016 |
| 1231 Disbursements: Direct loan disbursements | | | |
| 1251 Repayments: Repayments and prepayments | -122 | -400 | -400 |
| 1290 Outstanding, end of year | 1,416 | 1,016 | 616 |

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. The Department will add a statement of operations schedule in the Fiscal Year 1997 budget.

Balance Sheet (in thousands of dollars)

| Identification code 86-4042-0-3-604 | 1993 actual | 1994 actual | 1995 est. | 1996 est. |
|---------------------------------------------------------------------------------------------------------------------|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | 6,356 | 6,859 | 7,259 | 7,659 |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | |
| 1601 Direct loans, gross | 1,538 | 1,416 | 1,016 | 616 |
| 1603 Allowance for estimated uncollectible loans and interest (-) | -607 | -1,416 | -1,016 | -616 |
| 1699 Value of assets related to direct loans | 931 | | | |
| 1999 Total assets | 7,287 | 6,859 | 7,259 | 7,659 |
| NET POSITION: | | | | |
| 3100 Appropriated capital | | | | |
| 3300 Cumulative results of operations | 7,112 | 6,859 | 7,259 | 7,659 |
| 3999 Total net position | 7,112 | 6,859 | 7,259 | 7,659 |
| 4999 Total liabilities and net position | 7,112 | 6,859 | 7,259 | 7,659 |

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

Federal Funds

Public enterprise funds:

LOANS TO FEDERAL NATIONAL MORTGAGE ASSOCIATION

The Treasury is authorized to make up to \$2.25 billion of loans to the Federal National Mortgage Association. Such loans were made in the first few months of the Association's existence as a private corporation while it arranged lines of credit with commercial banks. No loans have been made since that time and the loan authority will be used only in emergency situations.

MANAGEMENT AND LIQUIDATING FUNCTIONS FUND

Program and Financing (in thousands of dollars)

| Identification code 86-4016-0-3-371 | 1994 actual | 1995 est. | 1996 est. |
|---------------------------------------------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 00.03 Administrative expense | 5 | 5 | 3 |
| 10.00 Total obligations (object class 25.2) | 5 | 5 | 3 |
| Financing: | | | |
| Unobligated balance available, start of year: | | | |
| 21.90 Treasury balance | -409 | -245 | -116 |
| 21.91 U.S. Securities: Par value | -28,436 | -16,036 | -15,042 |
| Unobligated balance available, end of year: | | | |
| 24.90 Treasury balance | 245 | 116 | 101 |
| 24.91 U.S. Securities: Par value | 16,036 | 15,042 | 12,709 |
| 27.00 Capital transfer to general fund | 13,600 | 1,973 | 2,969 |
| 68.00 Budget authority (gross): Spending authority from offsetting collections | 1,041 | 855 | 624 |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 5 | 5 | 3 |
| 72.10 Obligated balance, start of year: Receivables from other government accounts, start of year | -309 | -199 | -113 |
| 74.10 Obligated balance, end of year: Receivables from other government accounts, end of year | 199 | 113 | 98 |
| 87.00 Outlays (gross) | -105 | -81 | -12 |

| Adjustments to gross budget authority and outlays: | | | |
|----------------------------------------------------------|--------|------|------|
| 88.00 Offsetting collections from: Federal sources | -1,041 | -855 | -624 |
| 89.00 Budget authority (net) | | | |
| 90.00 Outlays (net) | -1,146 | -936 | -636 |

Budget program.—The remaining \$15 million portfolio in the Management and Liquidating Functions Fund consists primarily of FHA debentures acquired when GNMA-held FHA insured mortgages defaulted. Debenture interest income is transferred to the Treasury.

Operating results.—Net income of \$850 thousand and \$621 thousand is expected in 1995 and 1996 respectively.

Statement of Operations (in thousands of dollars)

| Identification code 86-4016-0-3-371 | 1993 actual | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------|-------------|-------------|-----------|-----------|
| 0101 Revenue | 3,564 | 1,041 | 855 | 624 |
| 0102 Expense | -116 | -5 | -5 | -3 |
| 0109 Net income or loss (-) | 3,448 | 1,036 | 850 | 621 |

Balance Sheet (in thousands of dollars)

| Identification code 86-4016-0-3-371 | 1993 actual | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | 116 | 46 | 3 | 3 |
| Investments in US securities: | | | | |
| 1102 Treasury securities, par .. | 8,500 | | 50 | 50 |
| 1104 Agency securities, par | 19,936 | 16,036 | 14,992 | 12,659 |
| 1106 Receivables, net | 337 | 227 | 140 | 125 |
| 1999 Total assets | 28,889 | 16,309 | 15,185 | 12,837 |
| LIABILITIES: | | | | |
| 2201 Non-Federal liabilities: Accounts payable | 28 | 28 | 27 | 27 |
| 2999 Total liabilities | 28 | 28 | 27 | 27 |
| NET POSITION: | | | | |
| 3300 Cumulative results of operations | 28,845 | 16,281 | 15,158 | 12,810 |
| 3999 Total net position | 28,845 | 16,281 | 15,158 | 12,810 |
| 4999 Total liabilities and net position | 28,873 | 16,309 | 15,185 | 12,837 |

Credit accounts:

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

(INCLUDES TRANSFER OF FUNDS)

During fiscal year [1995] 1996, 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 [\$142,000,000,000] \$110,000,000,000.

For administrative expenses necessary to carry out the guaranteed mortgage-backed securities program, [\$8,824,000] \$9,101,000, to be derived from the GNMA—guarantees of mortgage-backed securities guaranteed loan receipt account, of which not to exceed [\$8,824,000] \$9,101,000 shall be transferred to the appropriation for salaries and expenses. (Departments of Veterans Affairs, and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

| Identification code 86-0186-0-1-371 | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 10.00 Total obligations (object class 25.2) | 8,038 | 8,824 | 9,101 |
| Financing: | | | |
| 40.25 Budget authority (appropriation) (special fund, indefinite) | 8,038 | 8,824 | 9,101 |

Credit accounts—Continued

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

(INCLUDES TRANSFER OF FUNDS)—Continued

Program and Financing (in thousands of dollars)—Continued

| Identification code 86-0186-0-1-371 | 1994 actual | 1995 est. | 1996 est. |
|--------------------------------------------|-------------|-----------|-----------|
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 8,038 | 8,824 | 9,101 |
| 90.00 Outlays | 8,038 | 8,824 | 9,101 |

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

| Identification code 86-0186-0-1-371 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------------------------|-------------|-------------|-------------|
| Guaranteed loan levels supportable by subsidy budget authority: | | | |
| 2150 Loan guarantee levels | 185,000,000 | 142,000,000 | 110,000,000 |
| 2159 Total guarantee loan levels | 185,000,000 | 142,000,000 | 110,000,000 |
| Guaranteed loan subsidy budget authority: | | | |
| 2339 Total subsidy budget authority | -8,038 | -8,824 | -9,101 |
| Guaranteed loan subsidy outlays: | | | |
| 2349 Total subsidy outlays | -8,038 | -8,824 | -9,101 |

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 thousands of dollars)

| Identification code 86-4240-0-3-371 | 1994 actual | 1995 est. | 1996 est. |
|---------------------------------------------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 00.01 Payment to receipt account for administration | 8,038 | 8,824 | 9,101 |
| 10.00 Total obligations (object class 25.2) | 8,038 | 8,824 | 9,101 |
| Financing: | | | |
| 21.90 Unobligated balance available, start of year: Fund balance | -44,688 | -77,979 | -110,427 |
| 24.90 Unobligated balance available, end of year: Fund balance | 77,979 | 110,427 | 136,311 |
| 68.00 Financing authority (gross): Spending authority from offsetting collections | 41,329 | 41,272 | 34,985 |
| Relation of obligations to financing disbursements: | | | |
| 71.00 Total obligations | 8,038 | 8,824 | 9,101 |
| 72.10 Obligated balance, start of year: Receivables from other government accounts, start of year | -2,214 | -4,335 | -4,432 |
| 74.10 Obligated balance, end of year: Receivables from other government accounts, end of year | 4,335 | 4,432 | 3,898 |
| 87.00 Financing disbursements (gross) | 10,159 | 8,921 | 8,567 |
| Adjustments to financing authority and financing disbursements: | | | |
| Offsetting collections from: | | | |
| 88.25 Interest on uninvested funds | -4,327 | -2,624 | -2,225 |
| 88.40 Non-Federal sources: Commitment and other fees | -37,002 | -38,648 | -32,760 |
| 88.90 Total, offsetting collections | -41,329 | -41,272 | -34,985 |
| 89.00 Financing authority (net) | | | |
| 90.00 Financing disbursements (net) | -31,170 | -32,351 | -26,417 |

Status of Guaranteed Loans (in thousands of dollars)

| Identification code 86-4240-0-3-371 | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------------------------------------------------|-------------|-------------|-------------|
| Position with respect to appropriations act limitation on commitments: | | | |
| 2111 Limitation on guaranteed loans made by private lenders | 185,000,000 | 142,000,000 | 110,000,000 |
| 2150 Total guaranteed loan commitments | 185,000,000 | 142,000,000 | 110,000,000 |

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

Financing.—GNMA Issuers are assessed commitment, guarantee and other fees to cover costs incurred by GNMA 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 \$32 million and \$26 million in 1995 and 1996 respectively. These amounts will be retained to cover future year expenses and as a reserve against losses that may be incurred on guarantees.

Balance Sheet (in thousands of dollars)

| Identification code 86-4240-0-3-371 | 1993 actual | 1994 actual | 1995 est. | 1996 est. |
|--------------------------------------------------------|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | 42,474 | 73,644 | 79,536 | 85,898 |
| 1206 Non-Federal assets: Receivables, net | 2,214 | 4,335 | 4,432 | 3,898 |
| 1999 Total assets | 44,688 | 77,979 | 83,968 | 89,796 |
| NET POSITION: | | | | |
| 3300 Cumulative results of operations | 44,688 | 77,979 | 83,968 | 89,796 |
| 3999 Total net position | 44,688 | 77,979 | 83,968 | 89,796 |

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

GUARANTEES OF MORTGAGE-BACKED SECURITIES LIQUIDATING ACCOUNT

Program and Financing (in thousands of dollars)

| Identification code 86-4238-0-3-371 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------|-------------|------------|------------|
| Program by activities: | | | |
| Operating expenses: | | | |
| 00.02 Functional services | 16,455 | 17,278 | 18,142 |
| 00.03 Default expenses | -2,055 | 7,917 | 7,838 |
| 00.04 Servicing expenses | 13,396 | 15,864 | 15,718 |
| 00.05 Other expenses | 16,500 | 20,997 | 22,047 |
| 00.06 REMIC expenses | 1,678 | 1,600 | 1,500 |
| 00.91 Total operating expenses | 45,974 | 63,656 | 65,245 |
| Capital investment: | | | |
| 01.01 Advances of guaranty payments | 595,621 | 646,643 | 687,437 |
| 01.02 Real estate owned properties | 32,276 | 31,953 | 31,634 |
| 01.03 Mortgages | 476 | 76 | 75 |
| 01.91 Total capital investment | 628,373 | 678,672 | 719,146 |
| 10.00 Total obligations | 674,347 | 742,328 | 784,391 |
| Financing: | | | |
| Unobligated balance available, start of year: | | | |
| 21.90 Treasury balance | -52,164 | -91,298 | -94,200 |
| U.S. Securities: | | | |
| Par value: | | | |
| 21.91 Par value | -3,222,128 | -3,714,425 | -4,144,935 |
| 21.91 Par value (REMICs) | | | -47,400 |

| | | | | |
|-------|----------------------------------------------------|------------|------------|------------|
| 21.92 | Unrealized discounts | 7,864 | 9,892 | ..... |
| | Unobligated balance available, end of year: | | | |
| 24.90 | Treasury balance | 91,298 | 94,200 | 101,944 |
| | U.S. Securities: | | | |
| | Par value: | | | |
| 24.91 | Par value | 3,714,425 | 4,144,935 | 4,611,854 |
| 24.91 | Par value (REMICs) ..... | ..... | 47,400 | 47,400 |
| 24.92 | Unrealized discounts | -9,892 | ..... | ..... |
| 39.00 | Budget authority (gross) | 1,203,750 | 1,233,032 | 1,259,054 |
| | Budget authority: | | | |
| | Spending authority from offsetting collections: | | | |
| 68.00 | Spending authority from offsetting collections | 1,198,698 | 1,184,032 | 1,170,954 |
| 68.00 | Spending authority from offsetting collections | ..... | 49,000 | 88,100 |
| | (REMICs) | 5,052 | ..... | ..... |
| 68.90 | Spending authority from offsetting collections | ..... | ..... | ..... |
| | (total) | 1,203,750 | 1,233,032 | 1,259,054 |
| | Relation of obligations to outlays: | | | |
| 71.00 | Total obligations | 674,347 | 742,328 | 784,391 |
| 72.10 | Obligated balance, start of year: Receivables from | ..... | ..... | ..... |
| | other government accounts, start of year | -47,690 | -65,227 | -64,177 |
| 74.10 | Obligated balance, end of year: Receivables from | ..... | ..... | ..... |
| | other government accounts, end of year | 65,227 | 64,177 | 70,024 |
| 87.00 | Outlays (gross) | 691,884 | 741,278 | 790,238 |
| | Adjustments to gross budget authority and outlays: | | | |
| | Offsetting collections from: | | | |
| 88.20 | Interest on U.S. securities | -164,510 | -229,846 | -287,432 |
| | Non-Federal sources: | | | |
| 88.40 | Guarantee fees | -275,138 | -294,794 | -304,756 |
| 88.40 | Repayments of guaranteed payments | -682,915 | -568,332 | -508,300 |
| 88.40 | Commitment and other fees | -15,928 | -78,986 | -99,195 |
| 88.40 | Servicing income | -8,418 | -8,450 | -8,366 |
| 88.40 | Receipts from sale of REO properties and mobile | ..... | ..... | ..... |
| | home units | -18,975 | -15,139 | -13,894 |
| 88.40 | Interest income mortgages | -1,595 | -1,579 | -1,563 |
| 88.40 | Repayments on mortgages | -28,382 | -28,098 | -27,817 |
| 88.40 | Sale of servicing rights | -7,889 | -7,808 | -7,731 |
| 88.90 | Total, offsetting collections | -1,203,750 | -1,233,032 | -1,259,054 |
| 89.00 | Budget authority (net) ..... | ..... | ..... | ..... |
| 90.00 | Outlays (net) | -511,866 | -491,754 | -468,816 |

Status of Direct Loans (in thousands of dollars)

| | | | |
|--------------------------------------------------------|-------------|-----------|-----------|
| Identification code 86-4238-0-3-371 | 1994 actual | 1995 est. | 1996 est. |
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 477,468 | 348,985 | 356,824 |
| 1232 Disbursements: Purchase of loans assets from the | ..... | ..... | ..... |
| public | 596,097 | 646,719 | 687,513 |
| 1252 Repayments: Proceeds from loan asset sales to the | ..... | ..... | ..... |
| public or discounted | -724,580 | -638,880 | -559,333 |
| 1290 Outstanding, end of year | 348,985 | 356,824 | 485,004 |

Status of Guaranteed Loans (in thousands of dollars)

| | | | |
|--------------------------------------------------|--------------|-------------|-------------|
| Identification code 86-4238-0-3-371 | 1994 actual | 1995 est. | 1996 est. |
| Cumulative balance of guaranteed loans out- | | | |
| standing: | | | |
| 2210 Outstanding, start of year | 415,290,516 | 444,990,195 | 473,497,686 |
| 2231 Disbursements of new guaranteed loans | 140,411,220 | 94,439,889 | 81,575,322 |
| 2251 Repayments and prepayments | -110,711,541 | -65,932,398 | -69,871,478 |
| 2290 Outstanding, end of year | 444,990,195 | 473,497,686 | 485,201,530 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans | ..... | ..... | ..... |
| outstanding, end of year ¹ | 444,990,195 | 473,497,686 | 485,201,530 |

¹Ultimate liability for GNMA mortgage backed securities rests with other U.S. agencies. Total Federal contingent liability should not be double counted.

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

new loans. New FHA and VA loans are currently pooled into GNMA securities.

Budget Program.—Program activity is summarized below:

Mortgage-backed Securities

(In thousands of dollars)

| | | | |
|------------------------------|-------------|-------------|-------------|
| | 1994 actual | 1995 est. | 1996 est. |
| Commitment Limitation | 185,000,000 | 142,000,000 | 110,000,000 |
| Commitments Issued | 151,585,286 | 142,000,000 | 110,000,000 |
| Guarantees Issued | 140,411,220 | 94,439,889 | 81,575,322 |
| Securities Outstanding | 444,990,195 | 473,497,686 | 485,201,530 |

Financing.—GNMA Issuers are assessed commitment, guarantee and other fees to cover costs incurred by GNMA 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 \$539 million and \$644 million in 1995 and 1996, respectively. 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 thousands of dollars)

| | | | | |
|--------------------------------------------|-------------|-------------|-----------|-----------|
| Identification code 86-4238-0-3-371 | 1993 actual | 1994 actual | 1995 est. | 1996 est. |
| Revenue: | | | | |
| 0101 Revenue | 399,024 | 437,470 | 553,464 | 620,944 |
| 0101 Revenue (REMICs) ..... | ..... | 5,052 | 49,000 | 88,100 |
| Expense: | | | | |
| 0102 Expense | 70,071 | 17,682 | -62,058 | -63,746 |
| 0102 Expense (REMICs) ..... | ..... | -1,678 | -1,600 | -1,500 |
| Net income or loss (-): | | | | |
| 0109 Net income or loss (-) | 469,095 | 455,152 | 491,406 | 557,198 |
| 0109 Net income or loss (-) (REMICs) ..... | ..... | 3,374 | 47,400 | 86,600 |
| 0199 Total income or loss | 469,095 | 458,526 | 538,806 | 643,798 |

Balance Sheet (in thousands of dollars)

| | | | | |
|---------------------------------------------------------------------------------------------------------------------|-------------|-------------|-----------|-----------|
| Identification code 86-4238-0-3-371 | 1993 actual | 1994 actual | 1995 est. | 1996 est. |
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | 4,474 | 26,071 | 28,157 | 30,409 |
| Investments in US securities: | | | | |
| Treasury securities, par: | | | | |
| 1102 Treasury securities, par | 3,221,228 | 3,713,323 | 4,143,833 | 4,533,719 |
| 1102 Treasury securities, par (REMICs) ..... | ..... | ..... | 47,400 | 134,000 |
| 1103 Treasury securities, unamortized discount (-) | 43,076 | 33,259 | ..... | ..... |
| 1104 Agency securities, par | 900 | 1,102 | 1,102 | 1,102 |
| 1106 Receivables, net | 37,601 | 44,551 | 54,958 | 66,469 |
| 1206 Non-Federal assets: Receivables, net | 15,430 | 25,843 | 27,557 | 28,386 |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | |
| 1601 Direct loans, gross | 477,468 | 348,985 | 356,824 | 485,004 |
| 1603 Allowance for estimated uncollectible loans and interest (-) | -193,084 | -172,062 | -267,034 | -507,438 |
| 1699 Value of assets related to direct loans | 284,384 | 176,923 | 89,790 | -22,434 |
| 1801 Other Federal assets: Cash and other monetary assets | 6,913 | 7,145 | 12,693 | 19,743 |
| Total assets: | | | | |
| 1999 Total assets | 3,614,006 | 4,028,217 | 4,358,090 | 4,657,394 |
| 1999 Total assets (REMICs) ..... | ..... | ..... | 47,400 | 134,000 |
| LIABILITIES: | | | | |
| Non-Federal liabilities: | | | | |
| 2201 Accounts payable | 66,455 | 44,833 | 20,467 | 25,402 |
| 2207 Other | 588,000 | 540,801 | 563,700 | 563,700 |

Credit accounts—Continued

GUARANTEES OF MORTGAGE-BACKED SECURITIES LIQUIDATING ACCOUNT—Continued

Balance Sheet (in thousands of dollars)—Continued

| Identification code 86-4238-0-3-371 | 1993 actual | 1994 actual | 1995 est. | 1996 est. |
|-----------------------------------------------|-------------|-------------|-----------|-----------|
| 2999 Total liabilities | 654,455 | 585,634 | 584,167 | 589,102 |
| NET POSITION: | | | | |
| 3300 Cumulative results of operations | 2,541,331 | 3,442,583 | 4,129,922 | 4,510,892 |
| 3999 Total net position | 2,541,331 | 3,442,583 | 4,129,922 | 4,510,892 |
| 4999 Total liabilities and net position | 3,195,786 | 4,028,217 | 4,714,089 | 5,099,994 |

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

Object Classification (in thousands of dollars)

| Identification code 86-4238-0-3-371 | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------|-------------|-----------|-----------|
| 25.2 Other services | 45,974 | 70,056 | 65,245 |
| 33.0 Investments and loans | 628,373 | 672,272 | 719,146 |
| 99.9 Total obligations | 674,347 | 742,328 | 784,391 |

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, \$42,000,000, to remain available until September 30, [1996] 1997. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

| Identification code 86-0108-0-1-451 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 00.01 Direct program | 39,234 | 42,127 | 42,100 |
| 01.01 Reimbursable program | | | |
| 10.00 Total obligations | 39,234 | 42,127 | 42,100 |
| Financing: | | | |
| 17.00 Recovery of prior year obligations | | -100 | -100 |
| 21.40 Unobligated balance available, start of year: Treasury balance | -3,105 | -308 | |
| 24.40 Unobligated balance available, end of year: Treasury balance | 308 | | |
| 25.00 Unobligated balance expiring | 63 | | |
| 39.00 Budget authority | 36,500 | 41,719 | 42,000 |
| Budget authority: | | | |
| 40.00 Appropriation | 35,000 | 42,000 | 42,000 |
| 40.75 Procurement reduction pursuant to P.L. 103-327 | | -281 | |
| 42.00 Transferred from other accounts | 1,500 | | |
| 43.00 Appropriation (total) | 36,500 | 41,719 | 42,000 |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 39,234 | 42,127 | 42,100 |
| 72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance | 13,821 | 24,609 | 30,236 |
| 74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance | -24,609 | -30,236 | -31,936 |
| 77.00 Adjustments in expired accounts | -307 | | |
| 78.00 Adjustments in unexpired accounts | | -100 | -100 |
| 90.00 Outlays | 28,139 | 36,400 | 40,300 |

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 1996, the research program will focus on activities to support the reinvention of HUD, including examination of issues such as transformation of public housing and design of standards for performance-based funds. National housing surveys and research to reduce the cost of housing will continue in 1996.

Object Classification (in thousands of dollars)

| Identification code 86-0108-0-1-451 | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------------------|-------------|-----------|-----------|
| 25.2 Other services | 33,281 | 36,127 | 34,100 |
| 41.0 Grants, subsidies, and contributions | 5,953 | 6,000 | 8,000 |
| 99.0 Subtotal, direct obligations | 39,234 | 42,127 | 42,100 |
| 99.9 Total obligations | 39,234 | 42,127 | 42,100 |

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, [\$33,375,000] \$45,000,000, to remain available until September 30, [1996] 1997: Provided, That [\$26,000,000] \$30,000,000 shall be available to carry out activities pursuant to section 561 of the Housing and Community Development Act of 1987. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

| Identification code 86-0144-0-1-751 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 00.01 Fair housing assistance | 6,979 | 8,522 | 15,000 |
| 00.02 Fair housing initiatives | 27,886 | 29,204 | 30,000 |
| 10.00 Total obligations (object class 41.0) | 34,865 | 37,726 | 45,000 |
| Financing: | | | |
| 17.00 Recovery of prior year obligations | -1 | | |
| 21.40 Unobligated balance available, start of year: Treasury balance | -14,216 | -4,351 | |
| 24.40 Unobligated balance available, end of year: Treasury balance | 4,351 | | |
| 25.00 Unobligated balance expiring | 1 | | |
| 40.00 Budget authority (appropriation) | 25,000 | 33,375 | 45,000 |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 34,865 | 37,726 | 45,000 |
| 72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance | 12,453 | 37,265 | 46,444 |
| 74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance | -37,265 | -46,444 | -69,958 |
| 77.00 Adjustments in expired accounts | 489 | | |
| 78.00 Adjustments in unexpired accounts | -1 | | |
| 90.00 Outlays | 10,541 | 28,547 | 21,486 |

The Budget proposes an appropriation of \$45 million in 1996 for Fair Housing Activities to aid in eliminating housing discrimination. Of the amount requested, \$15 million is for the Fair Housing Assistance program and \$30 million is for the Fair Housing Initiatives program.

The Fair Housing Assistance program, 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 Fair Housing Initiatives program, 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.

MANAGEMENT AND ADMINISTRATION

Federal Funds

General and special funds:

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary administrative and nonadministrative expenses of the Department of Housing and Urban Development, not otherwise provided for, including not to exceed \$7,000 for official reception and representation expenses, **[\$955,398,000]**, *\$1,017,262,000*, of which **[\$495,355,000]** *\$527,782,000* shall be provided from the various funds of the Federal Housing Administration, **[and \$8,824,000]** *\$9,101,000* shall be provided from funds of the Government National Mortgage Association, and *\$900,000* shall be provided from the Community Opportunity Performance Funds Program account. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

| Identification code 86-0143-0-1-999 | 1994 actual | 1995 est. | 1996 est. |
|--------------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| Direct program: | | | |
| 00.01 Housing, mortgage credit, regulatory and energy conservation | 139,601 | 141,201 | 150,562 |
| 00.02 Community planning and development programs | 70,887 | 68,377 | 71,990 |
| 00.03 Equal opportunity and research programs | 65,487 | 69,404 | 73,985 |
| 00.04 Departmental management, legal and audit services | 141,476 | 106,976 | 114,036 |
| 00.05 Field direction and administration | 44,381 | 64,640 | 68,906 |
| 00.91 Total direct program | 461,832 | 450,598 | 479,479 |
| 01.01 Reimbursable program | 444,872 | 504,179 | 537,783 |
| 10.00 Total obligations | 906,704 | 954,777 | 1,017,262 |
| Financing: | | | |
| 25.00 Unobligated balance expiring | 2,221 | | |
| 39.00 Budget authority (gross) | 908,925 | 954,777 | 1,017,262 |
| Budget authority: | | | |
| Current: | | | |
| 40.00 Appropriation | 464,053 | 451,219 | 479,479 |
| 40.75 Procurement reduction pursuant to P.L. 103-327 | | -621 | |
| 43.00 Appropriation (total) | 464,053 | 450,598 | 479,479 |
| Permanent: | | | |
| 68.00 Spending authority from offsetting collections | 444,872 | 504,179 | 537,783 |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 906,704 | 954,777 | 1,017,262 |
| Obligated balance, start of year: | | | |
| 72.10 Receivables from other government accounts | | | |
| 72.40 Unpaid obligations: Treasury balance | 84,771 | 84,071 | 103,638 |
| 73.00 Obligated balance transferred, net | 11 | | |
| Obligated balance, end of year: | | | |
| 74.10 Receivables from other government accounts | | | |
| 74.40 Unpaid obligations: Treasury balance | -84,071 | -103,638 | -110,992 |
| 77.00 Adjustments in expired accounts | 7,298 | | |
| 87.00 Outlays (gross) | 914,713 | 935,210 | 1,009,908 |
| Adjustments to gross budget authority and outlays: | | | |
| 88.00 Offsetting collections from: Federal sources | -444,872 | -504,179 | -537,783 |

| | | | |
|------------------------------------|---------|---------|---------|
| 89.00 Budget authority (net) | 464,053 | 450,598 | 479,479 |
| 90.00 Outlays (net) | 469,842 | 431,031 | 472,125 |

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, legal services; and field direction and administration.

Object Classification (in thousands of dollars)

| Identification code 86-0143-0-1-999 | 1994 actual | 1995 est. | 1996 est. |
|-----------------------------------------------------------------|-------------|-----------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 271,076 | 259,554 | 274,901 |
| 11.3 Other than full-time permanent | 4,877 | 4,670 | 4,946 |
| 11.5 Other personnel compensation | 3,804 | 3,642 | 3,858 |
| 11.9 Total personnel compensation | 279,757 | 267,866 | 283,705 |
| 12.1 Civilian personnel benefits | 55,261 | 52,912 | 56,041 |
| 13.0 Benefits for former personnel | 731 | 699 | 741 |
| 21.0 Travel and transportation of persons | 6,062 | 7,843 | 7,493 |
| 22.0 Transportation of things | 197 | 761 | 836 |
| 23.1 Rental payments to GSA | 38,411 | 33,001 | 39,186 |
| 23.3 Communications, utilities, and miscellaneous charges | 12,398 | 11,605 | 12,648 |
| 24.0 Printing and reproduction | 2,749 | 2,881 | 3,165 |
| 25.1 Advisory and assistance services | 3,117 | 3,506 | 3,759 |
| 25.2 Other services | 58,291 | 64,934 | 66,864 |
| 26.0 Supplies and materials | 2,710 | 2,549 | 2,799 |
| 31.0 Equipment | 1,558 | 1,834 | 2,014 |
| 42.0 Insurance claims and indemnities | 590 | 207 | 228 |
| 99.0 Subtotal, direct obligations | 461,832 | 450,598 | 479,479 |
| 99.0 Reimbursable obligations | 444,872 | 504,179 | 537,783 |
| 99.9 Total obligations | 906,704 | 954,777 | 1,017,262 |

Personnel Summary

| Identification code 86-0143-0-1-999 | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------------------------------------------|-------------|-----------|-----------|
| Direct: | | | |
| Total compensable workyears: | | | |
| 1001 Full-time equivalent employment | 6,122 | 5,626 | 5,620 |
| 1005 Full-time equivalent of overtime and holiday hours | 58 | 30 | 30 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | 6,051 | 6,292 | 6,089 |

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, **[\$47,388,000]** *\$48,251,000*, of which **[\$10,961,000]** *\$11,283,000* shall be transferred from the various funds of the Federal Housing Administration. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

| Identification code 86-0189-0-1-451 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 00.01 Direct program | 35,728 | 36,395 | 36,968 |
| 01.01 Reimbursable program | 10,946 | 10,961 | 11,283 |
| 10.00 Total obligations | 46,674 | 47,356 | 48,251 |
| Financing: | | | |
| 25.00 Unobligated balance expiring | 387 | | |
| 39.00 Budget authority (gross) | 47,061 | 47,356 | 48,251 |
| Budget authority: | | | |
| Current: | | | |
| 40.00 Appropriation | 36,115 | 36,427 | 36,968 |

General and special funds—Continued

OFFICE OF INSPECTOR GENERAL—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

Program and Financing (in thousands of dollars)—Continued

| Identification code 86-0189-0-1-451 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------------------------------------|-------------|-----------|-----------|
| 40.75 Procurement reduction pursuant to P.L. 103-327 | | -32 | |
| 43.00 Appropriation (total) | 36,115 | 36,395 | 36,968 |
| 68.00 Permanent: Spending authority from offsetting collections | 10,946 | 10,961 | 11,283 |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 46,674 | 47,356 | 48,251 |
| 72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance | 6,968 | 10,885 | 12,288 |
| 74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance | -10,885 | -12,288 | -12,288 |
| 77.00 Adjustments in expired accounts | -227 | | |
| 87.00 Outlays (gross) | 42,530 | 45,953 | 48,251 |
| Adjustments to gross budget authority and outlays: | | | |
| 88.00 Offsetting collections from: Federal sources | -10,946 | -10,961 | -11,283 |
| 89.00 Budget authority (net) | 36,115 | 36,395 | 36,968 |
| 90.00 Outlays (net) | 31,584 | 34,992 | 36,968 |

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, contract audit, and inspection services. Contract audits provide professional advice to agency contracting officials on accounting and financial matters relative to negotiation, award, administration, repricing, and settlement of contracts. Internal audits review and evaluate all facets of agency operations. Inspection services provide detailed technical evaluations 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 thousands of dollars)

| Identification code 86-0189-0-1-451 | 1994 actual | 1995 est. | 1996 est. |
|-----------------------------------------------------------------|-------------|-----------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 20,008 | 20,409 | 19,952 |
| 11.3 Other than full-time permanent | 36 | 36 | 35 |
| 11.5 Other personnel compensation | 537 | 548 | 536 |
| 11.9 Total personnel compensation | 20,581 | 20,993 | 20,523 |
| 12.1 Civilian personnel benefits | 4,148 | 4,231 | 4,137 |
| 13.0 Benefits for former personnel | 357 | 364 | 356 |
| 21.0 Travel and transportation of persons | 2,532 | 2,608 | 2,686 |
| 22.0 Transportation of things | 11 | 11 | 11 |
| 23.1 Rental payments to GSA | 3,009 | 3,100 | 3,194 |
| 23.3 Communications, utilities, and miscellaneous charges | 38 | 38 | 38 |
| 24.0 Printing and reproduction | 23 | 24 | 25 |
| 25.2 Other services | 4,289 | 4,257 | 5,206 |
| 26.0 Supplies and materials | 151 | 162 | 167 |
| 31.0 Equipment | 589 | 607 | 625 |
| 99.0 Subtotal, direct obligations | 35,728 | 36,395 | 36,968 |
| 99.0 Reimbursable obligations | 10,946 | 10,961 | 11,283 |
| 99.9 Total obligations | 46,674 | 47,356 | 48,251 |

Personnel Summary

| Identification code 86-0189-0-1-451 | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------------------------------------------|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | 396 | 408 | 387 |

| Reimbursable: | 2001 | 2002 | 2003 |
|--------------------------------------------------------------------|------|------|------|
| Total compensable workyears: Full-time equivalent employment | 118 | 122 | 115 |

NEW COMMUNITY ASSISTANCE GRANTS

Program and Financing (in thousands of dollars)

| Identification code 86-0149-0-1-451 | 1994 actual | 1995 est. | 1996 est. |
|----------------------------------------------------------------------------|-------------|-----------|-----------|
| Financing: | | | |
| 21.40 Unobligated balance available, start of year: Treasury balance | -23 | | |
| 24.40 Unobligated balance available, end of year: Treasury balance | | | |
| 25.00 Unobligated balance expiring | 23 | | |
| 39.00 Budget authority | | | |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | | | |
| 90.00 Outlays | | | |

New community assistance grants were authorized by the Housing and Urban Development Act of 1970, as amended. *Budget program.*—Grants were distributed to new community developers under section 718 to supplement public facility projects in existing new communities. Public Law 96-7, dated April 9, 1979, rescinded all budget authority not administratively committed.

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For carrying out the Federal Housing Enterprise Financial Safety and Soundness Act of 1992, [\$15,451,000] \$14,895,000, to remain available until expended, from the Federal Housing Enterprise Oversight Fund: *Provided*, That such amounts shall be collected by the Director as authorized by section 1316 (a) and (b) of such Act, and deposited in the Fund under section 1316(f). (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

Program and Financing (in thousands of dollars)

| Identification code 86-5272-0-2-371 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 10.00 Total obligations | 6,486 | 15,451 | 14,895 |
| Financing: | | | |
| 17.00 Recovery of prior year obligations | | 1,303 | |
| 21.40 Unobligated balance available, start of year: Treasury balance | -874 | -5,088 | -3,785 |
| 24.40 Unobligated balance available, end of year: Treasury balance | 5,088 | 3,785 | 3,785 |
| 40.20 Budget authority (appropriation) (special fund, definite) | 10,700 | 15,451 | 14,895 |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 6,486 | 15,451 | 14,895 |
| 72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance | 1,961 | 3,611 | 4,914 |
| 74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance | -3,611 | -4,914 | -4,914 |
| 78.00 Adjustments in unexpired accounts | | 1,303 | |
| 90.00 Outlays | 4,836 | 15,451 | 14,895 |

This appropriation funds the Office of Federal Housing Enterprise Oversight (OFHEO), which was established in 1992 to regulate the financial safety and soundness of the two housing Government Sponsored Enterprises (GSEs)—the Federal National Mortgage Association and the Federal Home

Loan Mortgage Corporation. The Office was authorized in the Federal Housing Enterprise Safety and Soundness Act of 1992, which also instituted a three-part capital standard for the GSEs, and gave the regulator enhanced authority to enforce those standards. The Department of Housing and Urban Development itself will monitor the GSEs' compliance with affordable housing goals that were also contained in the Act.

Object Classification (in thousands of dollars)

| Identification code 86-5272-0-2-371 | 1994 actual | 1995 est. | 1996 est. |
|-----------------------------------------------------------------|-------------|-----------|-----------|
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 816 | 2,113 | 2,300 |
| 11.3 Other than full-time permanent | 1,342 | 3,475 | 3,782 |
| 11.5 Other personnel compensation | 58 | 150 | 163 |
| 11.9 Total personnel compensation | 2,216 | 5,738 | 6,245 |
| 12.1 Civilian personnel benefits | 474 | 1,561 | 1,699 |
| 21.0 Travel and transportation of persons | 76 | 232 | 375 |
| 22.0 Transportation of things | 20 | 100 | 105 |
| 23.1 Rental payments to GSA | 623 | 799 | 1,095 |
| 23.3 Communications, utilities, and miscellaneous charges | 267 | 343 | 469 |
| 24.0 Printing and reproduction | 6 | 157 | 104 |
| 25.2 Other services | 2,473 | 5,480 | 4,422 |
| 26.0 Supplies and materials | 112 | 158 | 245 |
| 31.0 Equipment | 219 | 883 | 136 |
| 99.9 Total obligations | 6,486 | 15,451 | 14,895 |

Personnel Summary

| Identification code 86-5272-0-2-371 | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------------------------------------------|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 25 | 65 | 69 |

Intragovernmental funds:

WORKING CAPITAL FUND

Program and Financing (in thousands of dollars)

| Identification code 86-4586-0-4-451 | 1994 actual | 1995 est. | 1996 est. |
|--------------------------------------------------------------------------------------|-------------|-----------|-----------|
| Program by activities: | | | |
| 00.03 Operating expenses: Data processing services | 136,735 | 139,902 | 150,630 |
| 01.01 Capital investment: Data processing services | 1,800 | 1,800 | 1,800 |
| 10.00 Total obligations | 138,535 | 141,702 | 152,430 |
| Financing: | | | |
| 17.00 Recovery of prior year obligations | -8,399 | | |
| 21.90 Unobligated balance available, start of year: Fund balance | -7,011 | -35,949 | -35,949 |
| 24.90 Unobligated balance available, end of year: Fund balance | 35,949 | 35,949 | 35,949 |
| 68.00 Budget authority (gross): Spending authority from offsetting collections | 159,074 | 141,702 | 152,430 |
| Relation of obligations to outlays: | | | |
| 71.00 Total obligations | 138,535 | 141,702 | 152,430 |
| Obligated balance, start of year: | | | |
| 72.10 Receivables from other government accounts | | -10,050 | -10,050 |
| 72.90 Unpaid obligations: Fund balance | 7,824 | | |
| Obligated balance, end of year: | | | |
| 74.10 Receivables from other government accounts | 10,050 | 10,050 | 10,050 |
| 74.90 Unpaid obligations: Fund balance | | | |
| 78.00 Adjustments in unexpired accounts | -8,399 | | |
| 87.00 Outlays (gross) | 148,010 | 141,702 | 152,430 |
| Adjustments to gross budget authority and outlays: | | | |
| 88.00 Offsetting collections from: Federal sources | -159,074 | -141,702 | -152,430 |
| 89.00 Budget authority (net) | | | |
| 90.00 Outlays (net) | -11,064 | | |

The Working Capital Fund, authorized by the Department of Housing and Urban Development Act of 1965, finances information technology and office automation initiatives which

can be performed more efficiently on a centralized basis. The fund is financed from fees charged for services performed.

Object Classification (in thousands of dollars)

| Identification code 86-4586-0-4-451 | 1994 actual | 1995 est. | 1996 est. |
|-----------------------------------------------------------------|-------------|-----------|-----------|
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 16,614 | 17,510 | 16,476 |
| 11.3 Other than full-time permanent | 641 | 676 | 636 |
| 11.5 Other personnel compensation | 144 | 151 | 142 |
| 11.9 Total personnel compensation | 17,399 | 18,337 | 17,254 |
| 12.1 Civilian personnel benefits | 3,552 | 4,704 | 4,426 |
| 21.0 Travel and transportation of persons | 411 | 332 | 310 |
| 22.0 Transportation of things | 32 | 17 | 15 |
| 23.3 Communications, utilities, and miscellaneous charges | 24,724 | 23,533 | 21,990 |
| 24.0 Printing and reproduction | 116 | 116 | 108 |
| 25.2 Other services | 83,317 | 78,749 | 93,461 |
| 26.0 Supplies and materials | 3,396 | 3,150 | 2,942 |
| 31.0 Equipment | 5,588 | 12,764 | 11,924 |
| 99.9 Total obligations | 138,535 | 141,702 | 152,430 |

Personnel Summary

| Identification code 86-4586-0-4-451 | 1994 actual | 1995 est. | 1996 est. |
|-------------------------------------------------------------------------|-------------|-----------|-----------|
| 5001 Total compensable workyears: Full-time equivalent employment | 359 | 370 | 350 |

Trust Funds

GIFTS AND BEQUESTS

Program and Financing (in thousands of dollars)

| Identification code 86-8093-0-7-451 | 1994 actual | 1995 est. | 1996 est. |
|------------------------------------------------------------------------|-------------|-----------|-----------|
| Financing: | | | |
| 21.90 Unobligated balance available, start of year: Fund balance | -4 | -4 | -4 |
| 24.90 Unobligated balance available, end of year: Fund balance | 4 | 4 | 4 |

Relation of obligations to outlays:

| | | | |
|-------------------------------|--|--|--|
| 71.00 Total obligations | | | |
| 90.00 Outlays | | | |

This fund is the repository of gifts and bequests that the Secretary of Housing and Urban Development is authorized to accept and use for the purposes of aiding the work of the Department. Section 7(k)(1) of the Department of Housing and Urban Development Act, 42 U.S.C. 3535(k)(1), authorizes the installment of a fund amount for the above purpose.

ADMINISTRATIVE PROVISIONS

All remaining obligated and unobligated balances in the Renewal of Expiring Section 8 Contracts account on September 30, 1995 shall immediately thereafter be transferred to and merged with the obligated and unobligated balances, respectively, of the Annual Contributions for Assisted Housing account.

[None of the funds provided under this title to the Department of Housing and Urban Development, which are obligated to State or local governments or to housing finance agencies or other public or quasi-public housing agencies, shall be used to indemnify contractors or subcontractors of the government or agency against costs associated with judgments of infringement of intellectual property rights.]

[Of the budgetary resources available to the Department of Housing and Urban Development during fiscal year 1995, \$3,538,000 are permanently canceled. The Secretary of Housing and Urban Development shall allocate the amount of budgetary resources canceled among the Department's accounts available for procurement and procurement-related expenses. Amounts available for procurement and procurement-related expenses in each such account shall be reduced by the amount allocated to such account. For the purpose of this

Intragovernmental funds—Continued

ADMINISTRATIVE PROVISIONS—Continued

paragraph, the definition of “procurement” includes all stages of the process of acquiring property or services, beginning with the process of determining a need for a product or service and ending with contract completion and closeout as specified in 41 U.S.C. 403(2).]

[Of the \$150,000,000 earmarked in Public Law 102–139 for special purpose grants (105 Stat. 736, 745), \$1,000,000 made available to the Pennsylvania Housing Finance Agency to complete renovation and revitalization of the Saquoit Silk Mills in Scranton into low-income elderly apartments shall instead be made available for such low-income elderly apartments on the site of the existing Lackawanna Junior College in Lackawanna County, Pennsylvania.]

[Notwithstanding any provision of law or regulation thereunder, the requirement that an amendment to an urban development action grant agreement must be integrally related to the approved project is hereby waived for project numbers B87AA360540 and B87AA360521.]

[None of the funds made available in this Act may be used in violation of section 214 of the Housing and Community Development Act of 1980 or of any applicable Federal law or regulation of the United States.]

[Subparagraph (A) of the first sentence of section 203(b)(2) of the National Housing Act (12 U.S.C. 1709(b)(2)) is amended by striking clause (ii) and all that follows through “May 12, 1992,” and inserting the following:

“(ii) 75 percent of the dollar amount limitation determined under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act for a residence of the applicable size;

except that the applicable dollar amount limitation in effect for any area under this subparagraph may not be less than the greater of the dollar amount limitation in effect under this section for the area on the date of enactment of the Housing Choice and Community Investment Act of 1994 or 38 percent of the dollar amount limitation determined under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act for a residence of the applicable size;”.]

[Notwithstanding subsection 306(g)(3) of the National Housing Act, as amended, fees charged for the guaranty of, or commitment to guaranty, multiclass securities backed by a trust or pool of securities or notes guaranteed by the Government National Mortgage Association prior to February 1, 1993, and other related fees, shall be charged in an amount the Association deems appropriate.]

[Beginning fiscal year 1995, the Government National Mortgage Association shall permit Ginnie Mae II mortgage-backed securities to be eligible as collateral for multiclass securities that such Association guarantees, in accordance with the Notice published at 59 Fed. Reg. 27290 (May 26, 1994) and successor Notices.]

Section 8(c)(2)(A) of the United States Housing Act of 1937 is amended by inserting at the end the following: “However, where the maximum monthly rent, for a unit in a new construction, substantial rehabilitation, or moderate rehabilitation project, to be adjusted using an annual adjustment factor exceeds the fair market rental for an existing dwelling unit in the market area, the Secretary shall adjust the rent only to the extent that the owner demonstrates that the adjusted rent would not exceed the rent for an unassisted unit of similar quality, type, and age in the same market area, as determined by the Secretary. The immediately foregoing sentence shall be effective [only] during fiscal year [1995] 1996.”.

The immediately foregoing amendment shall apply to all contracts for new construction, substantial rehabilitation, and moderate rehabilitation projects under which rents are adjusted under section 8(c)(2)(A) of such Act by applying an annual adjustment factor.

Section 8(c)(2)(A) of the United States Housing Act of 1937, as amended by the immediately foregoing amendment to such section, is further amended by inserting at the end the following: “For any unit occupied by the same family at the time of the last annual rental adjustment, where the assistance contract provides for the adjustment of the maximum monthly rent by applying an annual adjustment factor and where the rent for a unit is otherwise eligible for an adjustment based on the full amount of the factor, 0.01 shall be subtracted from the amount of the factor, except that the factor

shall not be reduced to less than 1.0. The immediately foregoing sentence shall be effective [only] during fiscal year [1995] 1996.”.

The immediately foregoing shall hereafter apply to all contracts that are subject to section 8(c)(2)(A) of such Act and that provide for rent adjustments using an annual adjustment factor.

The United States Housing Act of 1937 is amended in each of sections 6(c)(4)(A)(ii) and 8(d)(1)(A)(ii), by striking “and (V)” and inserting in lieu thereof the following: “(V) assisting families that include one or more adult members who are employed; and (VI)”; and in sections 6(c)(4)(A)(ii) and 8(d)(1)(A)(ii), by inserting after the final semicolon in each the following: “subclause (V) shall be effective [only] during fiscal year [1995] 1996.”.

[Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) is amended by adding at the end the following new subsection:

“(aa) REFINANCING INCENTIVE.—

“(1) IN GENERAL.—The Secretary may pay all or a part of the up front costs of refinancing for each project that—

“(A) is constructed, substantially rehabilitated, or moderately rehabilitated under this section;

“(B) is subject to an assistance contract under this section; and

“(C) was subject to a mortgage that has been refinanced under section 223(a)(7) or section 223(f) of the National Housing Act to lower the periodic debt service payments of the owner.

“(2) SHARE FROM REDUCED ASSISTANCE PAYMENTS.—The Secretary may pay the up front cost of refinancing only—

“(A) to the extent that funds accrue to the Secretary from the reduced assistance payments that results from the refinancing; and

“(B) after the application of amounts in accordance with section 1012 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988.”.]

[Section 223(a)(7) of the National Housing Act (42 U.S.C. 1751n(a)(7)) is amended in subparagraph (B), by striking “and” at the end; and by inserting, before “: Provided further” in said paragraph, the following: “; and (D) any multifamily mortgage that is refinanced under this paragraph shall be documented through amendments to the existing insurance contract and shall not be structured through the provisions of a new insurance contract”.]

[The amendments of the two immediately preceding paragraphs shall be effective only during fiscal year 1995.]

[Section 601 of title VI of S. 2281 (103d Cong., 2d Sess), as reported to the Senate on July 13 (legislative day, July 11), 1994 (S. Rep. 103–307), is hereby incorporated into this Act, and such section 601 is deemed enacted into law upon enactment of this Act: *Provided*, That the provisions of such section 601 shall be effective only during fiscal year 1995.]

[Title VIII of S. 2281 (103d Cong., 2d Sess), as reported to the Senate on July 13 (legislative day, July 11), 1994 (S. Rep. 103–307), is hereby incorporated into this Act, and such title VIII is deemed enacted into law upon enactment of this Act.]

[Notwithstanding any other provision of law, the New York City Housing Authority is authorized to use not more than \$12,420,000, from development reservation number NY36P005324 for 100 public housing units previous awarded from funds appropriated under Public Law 101–507 (Nov. 5, 1990), for the purpose of completing a homeownership program involving not more than 463 dwelling units located in Bronx County, in the City of New York, in accordance with a certain submission dated November 16, 1993 made in response to a Notice of Funding Availability issued at 58 Fed. Reg. 41127. The Secretary of Housing and Urban Development shall thereafter add a similar number of existing non-Federal public housing units, designated by the Authority, to the agency’s inventory of federally-assisted public housing developments and said units shall, for all purposes other than the repayment of any debt associated with their development or rehabilitation, be considered as if initially developed under title I of the Housing Act of 1937.] *Notwithstanding section 8(q) of the United States Housing Act of 1937, those portions of the fees for the costs incurred in administering units assisted in the certificate and housing voucher programs under sections 8(b), 8(o), and 8(e)(2) shall be set at no higher than 7 percent. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)*