

# DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## PUBLIC AND INDIAN HOUSING PROGRAMS

### Federal Funds

#### RENTAL ASSISTANCE DEMONSTRATION

For continuing activities under the heading "Rental Assistance Demonstration" in the Department of Housing and Urban Development Appropriations Act, 2012 (Public Law 112-55), and in accordance with priorities established by the Secretary, \$10,000,000, to remain available through September 30, 2017: Provided, That such funds shall only be available to properties converting from assistance under section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g).

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

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

Identification code 86-0406-0-1-604	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 RAD Incremental Conversion Cost .....			10
0100 Direct program activities, subtotal .....			10
0900 Total new obligations (object class 41.0) .....			10
<b>Budgetary Resources:</b>			
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....			10
1160 Appropriation, discretionary (total) .....			10
1930 Total budgetary resources available .....			10
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3010 Obligations incurred, unexpired accounts .....			10
3050 Unpaid obligations, end of year .....			10
Memorandum (non-add) entries:			
3200 Obligated balance, end of year .....			10
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....			10
4180 Budget authority, net (total) .....			10

In 2014, the Department will continue implementation of the Rental Assistance Demonstration (RAD), authorized by the Consolidated and Further Continuing Appropriations Act of 2012 (P.L. 112-55). Under RAD, Public Housing Authorities (PHAs) and other owners of rental properties assisted under the Public Housing, Moderate Rehabilitation (Mod Rehab), Rent Supplement (Rent Supp) and Rental Assistance Payment (RAP) programs are offered the option to convert their properties to long-term, project-based Section 8 contracts that can leverage private financing for capital improvements. Through February 2013, HUD awarded 112 initial approvals to 70 PHAs, supporting the eventual conversion of over 12,100 Public Housing units; and 24 approvals to private owners of Rent Supp, RAP, and Mod Rehab properties for the conversion of 2,770 units with contracts expiring through September 30, 2013. The Department has also received 38 Letters of Interest (constituting an additional 4,300 units) from private owners of properties with contracts expiring after September 30, 2013.

While the Department will continue to process no-cost conversions in 2014, the Budget requests \$10 million for a targeted expansion of RAD to Public Housing properties that cannot feasibly convert at existing funding levels and are located in high-poverty neighborhoods, including designated Promise Zones, where the

Administration is supporting comprehensive revitalization efforts. This request will cover the incremental subsidy cost of converting approximately 3,300 Public Housing units, thereby increasing private investment in targeted projects and surrounding neighborhoods.

The Budget also includes the following proposals to facilitate additional no-cost conversions of HUD-assisted properties under RAD: 1) increases the unit cap on Public Housing conversions from 60,000 to 150,000; 2) excludes Mod Rehab properties from the unit cap; 3) makes Section 8 Mod Rehab Single Room Occupancy properties eligible for RAD; and 4) extends by two years (through September 30, 2015) the sunset date on conversions of Rent Supp, RAP and Mod Rehab properties.

## PUBLIC AND INDIAN HOUSING

### TENANT-BASED RENTAL ASSISTANCE

For activities and assistance for the provision of tenant-based rental assistance authorized under the United States Housing Act of 1937, as amended (42 U.S.C. 1437 et seq.) ("the Act" herein), not otherwise provided for, \$15,989,216,000, to remain available until expended, shall be available on October 1, 2013 (in addition to the \$4,000,000,000 previously appropriated under this heading that became available on October 1, 2013), and \$4,000,000,000, to remain available until expended, shall be available on October 1, 2014: Provided, That amounts made available under this heading are provided as follows:

(1) \$17,968,278,000 shall be available for renewals of expiring section 8 tenant-based annual contributions contracts (including renewals of enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act) and including renewal of other special purpose incremental vouchers: Provided, That notwithstanding any other provision of law, from amounts provided under this paragraph and any carryover, the Secretary for the calendar year 2014 funding cycle shall provide renewal funding for each public housing agency based on validated voucher management system (VMS) leasing and cost data for the prior calendar year and by applying an inflation factor as established by the Secretary, by notice published in the Federal Register, and by making any necessary adjustments for the costs associated with the first-time renewal of vouchers under this paragraph, including tenant protection and HOPE VI vouchers: Provided further, That in determining calendar year 2014 funding allocation under this heading for public housing agencies, including agencies participating in the Moving To Work (MTW) demonstration, the Secretary may take into account the anticipated impact of changes in targeting, medical expense thresholds, and utility allowances, to public housing agencies' contract renewal needs: Provided further, That the Secretary shall, to the extent necessary to stay within the amount specified under this paragraph (except as otherwise modified under this Act), pro rate each public housing agency's allocation otherwise established pursuant to this paragraph: Provided further, That except as provided in the following provisos, the entire amount specified under this paragraph (except as otherwise modified under this Act) shall be obligated to the public housing agencies based on the allocation and pro rata method described above, and the Secretary shall notify public housing agencies of their annual budget by the latter of 60 days after enactment of this Act or March 1, 2014: Provided further, That the Secretary may extend the notification period, with notification to the House and Senate Committees on Appropriations: Provided further, That public housing agencies participating in the MTW demonstration shall be funded pursuant to their MTW agreements and shall be subject to the same pro rata adjustments under the previous provisos: Provided further, That the Secretary may offset public housing agencies' calendar year 2014 allocations by the excess amount of agencies' reserves as established by the Secretary: Provided further, That public housing agencies participating in the MTW demonstration shall also be subject to the offset, as determined by the Secretary, from the agencies' calendar year 2014 MTW funding allocation: Provided further, That the Secretary shall use any offset referred to in the previous two provisos throughout

## PUBLIC AND INDIAN HOUSING—Continued

the calendar year to prevent the termination of rental assistance for families as the result of insufficient funding, as determined by the Secretary, and to avoid or reduce the proration of renewal funding allocations: Provided further, That up to \$50,000,000 shall be available only: (1) for adjustments in the allocations for public housing agencies, after application for an adjustment by a public housing agency, that experienced a significant increase, as determined by the Secretary, in renewal costs of vouchers resulting from unforeseen circumstances or from portability under section 8(r) of the Act; (2) for vouchers that were not in use during the 12-month period in order to be available to meet a commitment pursuant to section 8(o)(13) of the Act; (3) for adjustments for costs associated with HUD-Veterans Affairs Supportive Housing (HUD-VASH) vouchers; (4) for adjustments in the allocations for public housing agencies that experienced a significant increase, as determined by the Secretary, in renewal costs as a result of participation in the Small Area Fair Market Rent demonstration: Provided further, That the Secretary shall allocate amounts under the previous proviso based on need as determined by the Secretary; and (5) for public housing agencies that despite taking reasonable cost savings measures, as determined by the Secretary, would otherwise be required to terminate rental assistance for families as the result of insufficient funding;

(2) \$150,000,000 shall be for section 8 rental assistance for relocation and replacement of housing units that are demolished or disposed of pursuant to section 18 of the Act, conversion of section 23 projects to assistance under section 8, the family unification program under section 8(x) of the Act, relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency, enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act, HOPE VI vouchers, mandatory and voluntary conversions, and tenant protection assistance including replacement and relocation assistance or for project-based assistance to prevent the displacement of unassisted elderly tenants currently residing in section 202 properties financed between 1959 and 1974 that are refinanced pursuant to Public Law 106-569, as amended, or under the authority as provided under this Act: Provided, That when a public housing development is submitted for demolition or disposition under section 18 of the Act, the Secretary may provide section 8 rental assistance when the units pose an imminent health and safety risk to residents: Provided further, That the Secretary, for the purposes under this paragraph, may use unobligated balances, including recaptures and carryovers, remaining from amounts appropriated in prior fiscal years under this heading for voucher assistance for nonelderly disabled families and for disaster assistance made available under Public Law 110-329;

(3) \$1,685,374,000 shall be for administrative and other expenses of public housing agencies in administering the section 8 tenant-based rental assistance program, of which up to \$50,000,000 shall be available to the Secretary to allocate to public housing agencies that need additional funds to administer their section 8 programs, including fees associated with section 8 tenant protection rental assistance, the administration of disaster-related vouchers, Veterans Affairs Supportive Housing vouchers, and other special purpose incremental vouchers: Provided, That no less than \$1,635,374,000 of the amount provided in this paragraph shall be allocated to public housing agencies for the calendar year 2014 funding cycle based on section 8(q) of the Act (and related Appropriation Act provisions) as in effect immediately before the enactment of the Quality Housing and Work Responsibility Act of 1998 (Public Law 105-276): Provided further, That if the amounts made available under this paragraph are insufficient to pay the amounts determined under the previous proviso, the Secretary may decrease the amounts allocated to agencies by a uniform percentage applicable to all agencies receiving funding under this paragraph or may, to the extent necessary to provide full payment of amounts determined under the previous proviso, utilize unobligated balances, including recaptures and carryovers, remaining from funds appropriated to the Department of Housing and Urban Development under this heading from prior fiscal years, notwithstanding the purposes for which such amounts were appropriated: Provided further, That all public housing agencies participating in the MTW demonstration shall be funded pursuant to their MTW agreements, and shall be subject to the same uniform percentage decrease as under the previous proviso: Provided further, That amounts provided under this

paragraph shall be only for activities related to the provision of tenant-based rental assistance authorized under section 8, including related development activities;

(4) \$110,564,000 for the renewal of tenant-based assistance contracts under section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013), including necessary administrative expenses: Provided, That administrative and other expenses of public housing agencies in administering the special purpose vouchers in this paragraph shall be funded under the same terms and be subject to the same proration reduction as the percent decrease for administrative and other expenses to public housing agencies under paragraph (3) of this heading;

(5) \$75,000,000 for incremental rental voucher assistance for use through a supported housing program administered in conjunction with the Department of Veterans Affairs as authorized under section 8(o)(19) of the United States Housing Act of 1937: Provided, That the Secretary of Housing and Urban Development shall make such funding available, notwithstanding section 204 (competition provision) of this title, to public housing agencies that partner with eligible VA Medical Centers or other entities as designated by the Secretary of the Department of Veterans Affairs, based on geographical need for such assistance as identified by the Secretary of the Department of Veterans Affairs, public housing agency administrative performance, and other factors as specified by the Secretary of Housing and Urban Development in consultation with the Secretary of the Department of Veterans Affairs: Provided further, That the Secretary of Housing and Urban Development may waive, or specify alternative requirements for (in consultation with the Secretary of the Department of Veterans Affairs), any provision of any statute or regulation that the Secretary of Housing and Urban Development administers in connection with the use of funds made available under this paragraph (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment), upon a finding by the Secretary that any such waivers or alternative requirements are necessary for the effective delivery and administration of such voucher assistance: Provided further, That assistance made available under this paragraph shall continue to remain available for homeless veterans upon turn-over; and

(6) The Secretary shall separately track all special purpose vouchers funded under this heading.

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

## Program and Financing (in millions of dollars)

Identification code 86-0302-0-1-604		2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>				
0001	Tenant Protection .....	117	94	150
0002	Administrative Fees .....	1,490	1,451	1,685
0003	Family Self Sufficiency Coordinators .....	61	62	.....
0006	Contract Renewals .....	16,488	17,329	17,953
0007	Rental Assistance Demonstration .....	.....	.....	22
0008	Veterans Affairs Supportive Housing Vouchers .....	78	76	75
0012	Disaster Housing Assistance Program .....	.....	2	.....
0013	Section 811 Mainstream Vouchers .....	82	146	111
0900	Total new obligations (object class 41.0) .....	18,316	19,160	19,996
<b>Budgetary Resources:</b>				
Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1 .....	179	154	.....
1021	Recoveries of prior year unpaid obligations .....	27	.....	.....
1050	Unobligated balance (total) .....	206	154	.....
Budget authority:				
Appropriations, discretionary:				
1100	Appropriation .....	14,914	15,006	15,989
1120	Appropriations transferred to other accts [86-0402] .....	.....	.....	-15
1121	Appropriations transferred from other accts [86-0304] .....	.....	.....	6
1121	Appropriations transferred from other accts [86-0163] .....	.....	.....	16
1160	Appropriation, discretionary (total) .....	14,914	15,006	15,996
Advance appropriations, discretionary:				
1170	Advance appropriation .....	4,000	4,000	4,000
1173	Advance appropriations permanently reduced .....	-650	.....	.....
1180	Advanced appropriation, discretionary (total) .....	3,350	4,000	4,000
1900	Budget authority (total) .....	18,264	19,006	19,996

1930	Total budgetary resources available .....	18,470	19,160	19,996
	Memorandum (non-add) entries:			
1941	Unexpired unobligated balance, end of year .....	154		
<b>Change in obligated balance:</b>				
	Unpaid obligations:			
3000	Unpaid obligations, brought forward, Oct 1 .....	1,677	2,008	2,249
3010	Obligations incurred, unexpired accounts .....	18,316	19,160	19,996
3020	Outlays (gross) .....	-17,952	-18,919	-19,956
3040	Recoveries of prior year unpaid obligations, unexpired .....	-27		
3041	Recoveries of prior year unpaid obligations, expired .....	-6		
3050	Unpaid obligations, end of year .....	2,008	2,249	2,289
	Memorandum (non-add) entries:			
3100	Obligated balance, start of year .....	1,677	2,008	2,249
3200	Obligated balance, end of year .....	2,008	2,249	2,289
<b>Budget authority and outlays, net:</b>				
	Discretionary:			
4000	Budget authority, gross .....	18,264	19,006	19,996
	Outlays, gross:			
4010	Outlays from new discretionary authority .....	16,194	17,037	17,897
4011	Outlays from discretionary balances .....	1,758	1,882	2,059
4020	Outlays, gross (total) .....	17,952	18,919	19,956
4180	Budget authority, net (total) .....	18,264	19,006	19,996
4190	Outlays, net (total) .....	17,952	18,919	19,956

The 2014 Budget provides \$20 billion for the Tenant-Based Rental Assistance Program (also known as the Housing Choice Voucher program). The Housing Choice Voucher program provides housing assistance to 2.2 million extremely low- to very low-income families to rent in the neighborhoods of their choice. This is the Federal government's largest and most income-targeted program for assisting very low-income families to rent decent, safe and sanitary housing in the private market. About 2,350 state and local Public Housing Authorities (PHAs) administer the Housing Choice Voucher program.

In addition to continuing assistance for families anticipated to be under lease by 2013, the Budget provides new vouchers to make progress on HUD's annual performance goals to maximize the number of families receiving rental assistance and to reduce the number of homeless veterans. The Budget includes \$111 million to renew over 14,000 vouchers for persons with disabilities that were previously funded from the Section 811 account, and \$75 million in new vouchers for homeless veterans through the HUD-Veteran Affairs Supportive Housing (HUD-VASH) program. The Budget also requests \$150 million for tenant protection vouchers, which are provided when certain actions occur beyond the control of the residents, such as public housing demolition or disposition, or when landlords terminate their Project-Based Rental Assistance contracts.

The Budget proposes comprehensive legislative reforms across HUD's core rental assistance programs (Housing Choice Vouchers, Project-Based Rental Assistance, and Public Housing). The main goals of this legislation are to improve family outcomes, streamline program delivery, reduce burden on PHAs and private owners, and reduce short- and long-term program costs.

This legislative proposal will include a substantial expansion of the Moving to Work (MTW) program to high-capacity PHAs. In partnership with HUD, participating PHAs will design and implement innovative policies related to housing preservation, family self-sufficiency, mobility, cost-effectiveness and other priority areas. Key tenant protections will continue to apply and PHAs will be subject to rigorous reporting and evaluation requirements.

Additional reforms include: (1) providing PHAs greater flexibility in the use of their funds for supportive services; (2) streamlining the Family Self-Sufficiency program; (3) allowing fixed-income families to recertify their incomes every three years; (4) simplifying and improving the annual plan requirement; (5) increasing

the threshold used to determine deductions for unreimbursed medical expenses from 3 to 10 percent of family income; (6) broadening the definition of extremely low-income to apply to families with incomes that are the higher of 30 percent of area median income or the Federal poverty level; and (7) ensuring the responsible stewardship of Federal funds by establishing reasonable limits on compensation provided to PHA personnel. This is part of a government-wide effort to review the compensation policy of non-Federal staff supported primarily with Federal funds.

The proposed legislation will also address reforms specific to the Housing Choice Voucher program, such as: (1) authorizing the renewal formula to ensure predictability and stability for the program; (2) improving the Project-Based Voucher program; (3) addressing homelessness through expansion of the sponsor-based assistance model; (4) enabling biennial and alternative inspections, and (5) streamlining the process for establishing annual Fair Market Rents. The Administration also continues to improve the management of the Housing Choice Voucher program by working on the development of the Next Generation Management System, which will comprehensively overhaul and improve HUD information technology systems to better manage and administer the program.

While some reforms are included in the general provisions at the end of this chapter, all others will be included in authorizing legislation to be transmitted to Congress in the Spring of 2013.

#### HOUSING CERTIFICATE FUND

##### (CANCELLATION)

*Unobligated balances, including recaptures and carryover, remaining from funds appropriated to the Department of Housing and Urban Development under this heading, the heading "Annual Contributions for Assisted Housing", and the heading "Project-Based Rental Assistance", for fiscal year 2014 and prior years may be used for renewal of or amendments to section 8 project-based contracts and for performance-based contract administrators, notwithstanding the purposes for which such funds were appropriated: Provided, That any obligated balances of contract authority from fiscal year 1974 and prior that have been terminated are hereby permanently cancelled: Provided further, That amounts previously recaptured, or recaptured during the current fiscal year, from section 8 project-based contracts from source years fiscal year 1975 through fiscal year 1987 are hereby permanently cancelled, and an amount of additional new budget authority, equivalent to the amount permanently cancelled is hereby appropriated, to remain available until expended, for the purposes set forth under this heading, in addition to amounts otherwise available.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112–175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

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

Identification code 86–0319–0–1–604	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Contract Renewals .....			29
0900 Total new obligations (object class 41.0) .....			29
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	53	25	
1021 Recoveries of prior year unpaid obligations .....	216	125	29
1025 Unobligated balance of contract authority withdrawn .....	-5		
1029 Other balances withdrawn .....	-39	-12	
1050 Unobligated balance (total) .....	225	138	29
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....			29

HOUSING CERTIFICATE FUND—Continued  
Program and Financing—Continued

Identification code 86-0319-0-1-604		2012 actual	2013 CR	2014 est.
1131	Unobligated balance of appropriations permanently reduced (HCF funds) .....	-200	-95	-29
1131	Unobligated balance of appropriations permanently reduced (non-HCF funds) .....		-43	
1160	Appropriation, discretionary (total) .....	-200	-138	
1900	Budget authority (total) .....	-200	-138	
1930	Total budgetary resources available .....	25		29
Memorandum (non-add) entries:				
1941	Unexpired unobligated balance, end of year .....	25		
<b>Change in obligated balance:</b>				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1 .....	3,180	2,130	1,527
3010	Obligations incurred, unexpired accounts .....			29
3020	Outlays (gross) .....	-834	-478	-427
3040	Recoveries of prior year unpaid obligations, unexpired .....	-216	-125	-29
3050	Unpaid obligations, end of year .....	2,130	1,527	1,100
Memorandum (non-add) entries:				
3100	Obligated balance, start of year .....	3,180	2,130	1,527
3200	Obligated balance, end of year .....	2,130	1,527	1,100
<b>Budget authority and outlays, net:</b>				
Discretionary:				
4000	Budget authority, gross .....	-200	-138	
Outlays, gross:				
4010	Outlays from new discretionary authority .....			1
4011	Outlays from discretionary balances .....	834	478	426
4020	Outlays, gross (total) .....	834	478	427
4180	Budget authority, net (total) .....	-200	-138	
4190	Outlays, net (total) .....	834	478	427
<b>Memorandum (non-add) entries:</b>				
5052	Obligated balance, SOY: Contract authority .....	5		

Until 2005, the Housing Certificate Fund provided funding to both the project-based and tenant-based components of the Section 8 program. Project-Based Rental Assistance and Tenant-Based Rental Assistance are now funded in separate accounts. The Housing Certificate Fund retains and recovers balances from previous years' appropriations, and uses those balances to support contract renewals, amendments, and performance-based contract administrators.

## HOUSING PROGRAMS

## PROJECT-BASED RENTAL ASSISTANCE

For activities and assistance for the provision of project-based subsidy contracts under the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) ("the Act"), not otherwise provided for, \$9,872,000,000, to remain available until expended, shall be available on October 1, 2013 (in addition to the \$400,000,000 previously appropriated under this heading that became available October 1, 2013), and \$400,000,000, to remain available until expended, shall be available on October 1, 2014: Provided, That the amounts made available under this heading shall be available for expiring or terminating section 8 project-based subsidy contracts (including section 8 moderate rehabilitation contracts), for amendments to section 8 project-based subsidy contracts (including section 8 moderate rehabilitation contracts), for contracts entered into pursuant to section 441 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11401), for renewal of section 8 contracts for units in projects that are subject to approved plans of action under the Emergency Low Income Housing Preservation Act of 1987 or the Low-Income Housing Preservation and Resident Homeownership Act of 1990, and for administrative and other expenses associated with project-based activities and assistance funded under this paragraph: Provided further, That of the total amounts provided under this heading, not to exceed \$265,000,000 shall be available for assistance agreements with performance-based contract administrators for section 8 project-based assistance, for carrying out 42 U.S.C. 1437(f): Provided

further, That the Secretary of Housing and Urban Development may also use such amounts in the previous proviso for performance-based contract administrators for the administration of: interest reduction payments pursuant to section 236(a) of the National Housing Act (12 U.S.C. 1715z-1(a)); rent supplement payments pursuant to section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s); section 236(f)(2) rental assistance payments (12 U.S.C. 1715z-1(f)(2)); project rental assistance contracts for the elderly under section 202(c)(2) of the Housing Act of 1959 (12 U.S.C. 1701q); project rental assistance contracts for supportive housing for persons with disabilities under section 811(d)(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013(d)(2)); project assistance contracts pursuant to section 202(h) of the Housing Act of 1959 (Public Law 86-372; 73 Stat. 667); and loans under section 202 of the Housing Act of 1959 (Public Law 86-372; 73 Stat. 667): Provided further, That amounts recaptured under this heading, the heading "Annual Contributions for Assisted Housing", or the heading "Housing Certificate Fund" may be used for renewals of or amendments to section 8 project-based contracts or for performance-based contract administrators, notwithstanding the purposes for which such amounts were appropriated: Provided further, That, notwithstanding any other provision of law, upon the request of the Secretary of Housing and Urban Development, project funds that are held in residual receipts accounts for any project subject to a section 8 project-based Housing Assistance Payments contract that authorizes HUD to require that surplus project funds be deposited in an interest-bearing residual receipts account and that are in excess of an amount to be determined by the Secretary, shall be remitted to the Department and deposited in this account, to be available until expended: Provided further, That amounts deposited pursuant to the previous proviso shall be available in addition to the amount otherwise provided by this heading for uses authorized under this heading.

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

## Program and Financing (in millions of dollars)

Identification code 86-0303-0-1-604		2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>				
0001	Contract Renewals .....	8,442	8,660	9,515
0002	RAD Contract Renewals .....			21
0003	Section 8 Amendments .....	556	625	612
0004	Contract Administrators .....	308	260	265
0005	Vouchers for Disaster Relief .....			1
0006	Tenant Information and Outreach .....	5		
0900	Total new obligations (object class 41.0) .....	9,311	9,545	10,414
<b>Budgetary Resources:</b>				
Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1 .....	114	181	31
1021	Recoveries of prior year unpaid obligations .....	38		
1050	Unobligated balance (total) .....	152	181	31
Budget authority:				
Appropriations, discretionary:				
1100	Appropriation .....	8,940	8,995	9,872
1120	Appropriations transferred to other accts [86-0402] .....			-15
1121	Appropriations transferred from other accts [86-0163] .....			16
1121	Appropriations transferred from other accts [86-0304] .....			5
1160	Appropriation, discretionary (total) .....	8,940	8,995	9,878
Advance appropriations, discretionary:				
1170	Advance appropriation .....	400	400	400
1180	Advanced appropriation, discretionary (total) .....	400	400	400
Spending authority from offsetting collections, discretionary:				
1700	Collected .....			105
1750	Spending auth from offsetting collections, disc (total) .....			105
1900	Budget authority (total) .....	9,340	9,395	10,383
1930	Total budgetary resources available .....	9,492	9,576	10,414
Memorandum (non-add) entries:				
1941	Unexpired unobligated balance, end of year .....	181	31	
<b>Change in obligated balance:</b>				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1 .....	5,584	5,613	5,600
3010	Obligations incurred, unexpired accounts .....	9,311	9,545	10,414

3020	Outlays (gross) .....	-9,244	-9,558	-10,079
3040	Recoveries of prior year unpaid obligations, unexpired .....	-38	.....	.....
3050	Unpaid obligations, end of year .....	5,613	5,600	5,935
	Memorandum (non-add) entries:			
3100	Obligated balance, start of year .....	5,584	5,613	5,600
3200	Obligated balance, end of year .....	5,613	5,600	5,935
<b>Budget authority and outlays, net:</b>				
Discretionary:				
4000	Budget authority, gross .....	9,340	9,395	10,383
	Outlays, gross:			
4010	Outlays from new discretionary authority .....	3,786	4,808	5,293
4011	Outlays from discretionary balances .....	5,458	4,750	4,786
4020	Outlays, gross (total) .....	9,244	9,558	10,079
	Offsets against gross budget authority and outlays:			
	Offsetting collections (collected) from:			
4033	Non-Federal sources .....	.....	.....	-105
4180	Budget authority, net (total) .....	9,340	9,395	10,278
4190	Outlays, net (total) .....	9,244	9,558	9,974

The Budget requests \$10.3 billion for Project-Based Rental Assistance (PBRA), of which \$400 million is requested as an advance appropriation to become available in 2015. The PBRA program assists approximately 1.2 million extremely low- to low-income households in obtaining decent, safe, and sanitary housing in private accommodations. PBRA serves families, elderly and disabled households and provides transitional housing for the homeless. Through this funding, HUD supports approximately 17,500 contracts with private owners of multifamily housing by paying the difference between what a household can afford, generally 30 percent of its eligible income, and the approved market-based rent for a housing unit.

The Budget proposes comprehensive legislative reforms to HUD's core rental assistance programs, including PBRA. In addition to crosscutting reforms, which are summarized under the Tenant-Based Rental Assistance heading, the Budget includes the following proposals that are specific to the PBRA program: (1) collects excess reserves (residual receipts) from owners in the PBRA program and uses them to cover a portion of the assistance payments; (2) establishes a demonstration allowing HUD to enter multi-year agreements to repay private investors who provide upfront funding for energy efficiency retrofits of HUD-assisted housing; and (3) amends the Low-Income Housing Preservation and Resident Homeownership Act (LIHPRA) to align owner distribution policies in properties governed by LIHPRA with other PBRA-assisted properties in order to facilitate preservation transactions. HUD also plans to implement a Flexible Portfolio Demonstration, which would offer regulatory and administrative flexibilities to high-performing multifamily owners in exchange for commitments to provide costs savings and to preserve property affordability.

Program activities include the following:

**Contract Renewals and Amendments.**—These activities provide funding for HUD to renew expiring contracts and amend contracts that have not expired but require additional funding for HUD to meet remaining payment obligations. These funds cover the direct housing costs of families in the program. Currently, 91 percent of contracts are funded annually; the other 9 percent are long-term contracts funded with previous appropriations, of which 45 percent will need amendment funding in 2014. Appropriations for these activities are supplemented with recoveries of excess balances remaining on expired contracts that utilized less than anticipated resources during their initial terms.

**Contract Administrators.**—This activity funds the local level administration of the program through HUD contracts with performance-based contract administrators. These entities, which are typically public housing authorities or state housing finance agencies, are responsible for conducting on-site management re-

views of assisted properties; adjusting contract rents; reviewing, processing, and paying monthly vouchers submitted by owners; renewing contracts with property owners; and responding to health and safety issues at properties. The Budget requests up to \$265 million for this purpose.

#### PUBLIC HOUSING CAPITAL FUND

*For the Public Housing Capital Fund Program to carry out capital and management activities for public housing agencies, as authorized under section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g) (the "Act"), \$2,000,000,000, to remain available until September 30, 2017: Provided, That notwithstanding any other provision of law or regulation, during fiscal year 2014 the Secretary of Housing and Urban Development may not delegate to any Department official other than the Deputy Secretary and the Assistant Secretary for Public and Indian Housing any authority under paragraph (2) of section 9(j) regarding the extension of the time periods under such section: Provided further, That for purposes of such section 9(j), the term "obligate" means, with respect to amounts, that the amounts are subject to a binding agreement that will result in outlays, immediately or in the future: Provided further, That up to \$8,000,000 shall be to support ongoing Public Housing Financial and Physical Assessment activities: Provided further, That of the total amount provided under this heading, not to exceed \$20,000,000 shall be available for the Secretary to make grants, notwithstanding section 204 of this Act, to public housing agencies for emergency capital needs resulting from unforeseen or unpreventable emergencies and natural disasters excluding Presidentially declared emergencies and natural disasters under the Robert T. Stafford Disaster Relief and Emergency Act (42 U.S.C. 5121 et seq.) occurring in fiscal year 2014: Provided further, That from the funds made available under this heading, the Secretary shall provide bonus awards in fiscal year 2014 to public housing agencies that are designated high performers: Provided further, That up to \$15,000,000 of funds made available under this heading shall be used for a Jobs-Plus Pilot initiative modeled after the Jobs-Plus demonstration: Provided further, That the Jobs-Plus Pilot initiative shall provide competitive grants to partnerships between public housing authorities, local workforce investment boards established under section 117 of the Workforce Investment Act of 1998, and other agencies and organizations that provide support to help public housing residents obtain employment and increase earnings: Provided further, That the Secretary may waive or specify alternative requirements for any provision of the United States Housing Act of 1937 (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment) upon a finding by the Secretary that any such waivers or alternative requirements are necessary for the effective implementation of the Jobs-Plus Pilot initiative: Provided further, That the Secretary shall publish by notice in the Federal Register any waivers or alternative requirements pursuant to the preceding proviso no later than 10 days before the effective date of such notice.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

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

Identification code 86-0304-0-1-604	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Capital Grants .....	1,789	1,843	1,936
0002 Technical Assistance .....	2	1	.....
0003 Emergency/Disaster Reserve .....	16	20	20
0006 Resident Opportunities and Supportive Services .....	50	50	.....
0007 Administrative Receivership .....	3	10	10
0008 Financial and Physical Assessment Support .....	13	18	18
0009 Early Childhood Education Facilities .....	7	.....	.....
0010 Jobs-Plus Pilot .....	.....	.....	15
0900 Total new obligations (object class 41.0) .....	1,880	1,942	1,999
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	76	87	20
1021 Recoveries of prior year unpaid obligations .....	102	.....	.....

PUBLIC HOUSING CAPITAL FUND—Continued  
Program and Financing—Continued

Identification code 86-0304-0-1-604		2012 actual	2013 CR	2014 est.
1029	Other balances withdrawn .....	-83	-11	.....
1050	Unobligated balance (total) .....	95	76	20
Budget authority:				
Appropriations, discretionary:				
1100	Appropriation .....	1,875	1,886	2,000
1120	Appropriations transferred to other accts [86-0303] .....	.....	.....	-5
1120	Appropriations transferred to other accts [86-0302] .....	.....	.....	-6
1120	Appropriations transferred to other accts [86-0402] .....	.....	.....	-10
1160	Appropriation, discretionary (total) .....	1,875	1,886	1,979
1900	Budget authority (total) .....	1,875	1,886	1,979
1930	Total budgetary resources available .....	1,970	1,962	1,999
Memorandum (non-add) entries:				
1940	Unobligated balance expiring .....	-3	.....	.....
1941	Unexpired unobligated balance, end of year .....	87	20	.....
<b>Change in obligated balance:</b>				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1 .....	5,635	4,688	4,130
3010	Obligations incurred, unexpired accounts .....	1,880	1,942	1,999
3020	Outlays (gross) .....	-2,719	-2,500	-2,388
3040	Recoveries of prior year unpaid obligations, unexpired .....	-102	.....	.....
3041	Recoveries of prior year unpaid obligations, expired .....	-6	.....	.....
3050	Unpaid obligations, end of year .....	4,688	4,130	3,741
Memorandum (non-add) entries:				
3100	Obligated balance, start of year .....	5,635	4,688	4,130
3200	Obligated balance, end of year .....	4,688	4,130	3,741
<b>Budget authority and outlays, net:</b>				
Discretionary:				
4000	Budget authority, gross .....	1,875	1,886	1,979
Outlays, gross:				
4010	Outlays from new discretionary authority .....	93	38	40
4011	Outlays from discretionary balances .....	2,538	2,462	2,348
4020	Outlays, gross (total) .....	2,631	2,500	2,388
Mandatory:				
Outlays, gross:				
4101	Outlays from mandatory balances .....	88	.....	.....
4180	Budget authority, net (total) .....	1,875	1,886	1,979
4190	Outlays, net (total) .....	2,719	2,500	2,388

The Budget proposes \$2 billion for the Public Housing Capital Fund, a formula program designed to respond to the capital and management improvement requirements of Public Housing properties. This program preserves and enhances a valuable affordable housing resource that serves approximately 1.1 million low-income families. Of the amount requested, over \$1.9 billion will fund capital grants to Public Housing Authorities. The balance includes: up to \$20 million for emergency capital needs resulting from non-Presidentially declared emergencies and natural disasters; up to \$15 million for a Jobs-Plus pilot modeled after the evidence-based Jobs-Plus demonstration; and up to \$8 million for Public Housing financial and physical assessment support.

## PUBLIC HOUSING OPERATING FUND

*For 2014 payments to public housing agencies for the operation and management of public housing, as authorized by section 9(e) of the United States Housing Act of 1937 (42 U.S.C. 1437g(e)), \$4,600,000,000: Provided, That in determining public housing agencies', including Moving to Work agencies', calendar year 2014 funding allocations under this heading, the Secretary shall take into account the impact of changes in flat rents and medical expense thresholds on public housing agencies' formula income levels.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

## Program and Financing (in millions of dollars)

Identification code 86-0163-0-1-604		2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>				
0001	Operating Subsidy .....	3,957	3,991	4,560
0900	Total new obligations (object class 41.0) .....	3,957	3,991	4,560
<b>Budgetary Resources:</b>				
Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1 .....	3	8	.....
1029	Other balances withdrawn .....	.....	-3	.....
1050	Unobligated balance (total) .....	3	5	.....
Budget authority:				
Appropriations, discretionary:				
1100	Appropriation .....	3,962	3,986	4,600
1120	Appropriations transferred to other accts [86-0302] .....	.....	.....	-16
1120	Appropriations transferred to other accts [86-0303] .....	.....	.....	-16
1120	Appropriations transferred to other accts [86-0402] .....	.....	.....	-8
1160	Appropriation, discretionary (total) .....	3,962	3,986	4,560
1900	Budget authority (total) .....	3,962	3,986	4,560
1930	Total budgetary resources available .....	3,965	3,991	4,560
Memorandum (non-add) entries:				
1941	Unexpired unobligated balance, end of year .....	8	.....	.....
<b>Change in obligated balance:</b>				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1 .....	1,312	1,048	1,116
3010	Obligations incurred, unexpired accounts .....	3,957	3,991	4,560
3020	Outlays (gross) .....	-4,220	-3,923	-4,399
3041	Recoveries of prior year unpaid obligations, expired .....	-1	.....	.....
3050	Unpaid obligations, end of year .....	1,048	1,116	1,277
Memorandum (non-add) entries:				
3100	Obligated balance, start of year .....	1,312	1,048	1,116
3200	Obligated balance, end of year .....	1,048	1,116	1,277
<b>Budget authority and outlays, net:</b>				
Discretionary:				
4000	Budget authority, gross .....	3,962	3,986	4,560
Outlays, gross:				
4010	Outlays from new discretionary authority .....	2,922	2,870	3,283
4011	Outlays from discretionary balances .....	1,298	1,053	1,116
4020	Outlays, gross (total) .....	4,220	3,923	4,399
4180	Budget authority, net (total) .....	3,962	3,986	4,560
4190	Outlays, net (total) .....	4,220	3,923	4,399

The Budget requests \$4.6 billion for the Public Housing Operating Fund, which provides subsidies to Public Housing Authorities (PHAs) to assist in funding the operating expenses of Public Housing units in accordance with Section 9(e) of the United States Housing Act of 1937. This request is equal to 90 percent of PHAs' estimated funding eligibility under the Operating Fund formula.

The Budget also proposes comprehensive legislative reforms to HUD's core rental assistance programs, including Public Housing. In addition to crosscutting reforms, which are summarized under the Tenant-Based Rental Assistance heading, the Budget includes the following proposals that are specific to Public Housing: (1) provides all PHAs with full flexibility to use their operating and capital funds for any eligible expense under both programs; (2) phases in a flat rent floor of 80 percent of the applicable fair market rent; (3) allows PHAs to form consortia for the purposes of administering Public Housing; (4) streamlines the community service requirement; and (5) establishes a utilities conservation pilot to encourage PHAs to undertake energy conservation measures and reduce Federal costs. The first three proposals are reflected in the general provisions at the end of this budget chapter; the latter two will be included in authorizing legislation to be submitted to Congress in the spring of 2013.

## DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

## Program and Financing (in millions of dollars)

Identification code 86-0197-0-1-604	2012 actual	2013 CR	2014 est.
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	1	1	.....
1029 Other balances withdrawn .....	.....	-1	.....
1050 Unobligated balance (total) .....	1	.....	.....
1930 Total budgetary resources available .....	1	.....	.....
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	1	.....	.....
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	1	1	1
3050 Unpaid obligations, end of year .....	1	1	1
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	1	1	1
3200 Obligated balance, end of year .....	1	1	1

No new appropriations have been provided for the Public Housing Drug Elimination Grants program since 2001.

## CHOICE NEIGHBORHOODS INITIATIVE

For competitive grants under the Choice Neighborhoods Initiative for transformation, rehabilitation, and replacement housing needs of both public and HUD-assisted housing and to transform neighborhoods of poverty into functioning, sustainable mixed income neighborhoods with appropriate services, schools, public assets, transportation and access to jobs, \$400,000,000, to remain available until September 30, 2016, of which the Secretary of Housing and Urban Development may use up to \$5,000,000 for technical assistance and contract expertise, including training and the cost of necessary travel for participants in such training, to be provided directly or indirectly through grants, contracts or cooperative agreements by or to officials and employees of the Department and of grantees and to residents: Provided, That grant funds may be used for resident and community services, community development, and affordable housing needs, including housing vouchers (the renewal of which shall be funded solely from this account), in the community, and for conversion of vacant or foreclosed properties to affordable housing: Provided further, That grantees shall commit to an additional period of affordability determined by the Secretary, but not fewer than 20 years: Provided further, That grantees shall undertake comprehensive local planning with input from residents and the community, and that grantees shall provide a match in State, local, other Federal or private funds: Provided further, That grantees may include local governments, tribal entities, public housing authorities, and nonprofits: Provided further, That for-profit developers may apply jointly with a public entity: Provided further, That such grantees shall create partnerships with other local organizations including assisted housing owners, service agencies, and resident organizations: Provided further, That the Secretary shall consult with the Secretaries of Education, Labor, Transportation, Health and Human Services, Agriculture, and Commerce, the Attorney General and the Administrator of the Environmental Protection Agency to coordinate and leverage other appropriate Federal resources.

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

## Program and Financing (in millions of dollars)

Identification code 86-0349-0-1-604	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Choice Neighborhoods Grants .....	1	240	398
0900 Total new obligations (object class 41.0) .....	1	240	398

## Budgetary Resources:

Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	119	.....	.....
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	120	121	400
1120 Appropriations transferred to other accts [86-0402] .....	.....	.....	-2
1160 Appropriation, discretionary (total) .....	120	121	398
1930 Total budgetary resources available .....	120	240	398
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	119	.....	.....
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	1	233	.....
3010 Obligations incurred, unexpired accounts .....	1	240	398
3020 Outlays (gross) .....	.....	-8	-36
3050 Unpaid obligations, end of year .....	1	233	595
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	1	233	595
3200 Obligated balance, end of year .....	1	233	595
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....	120	121	398
Outlays, gross:			
4011 Outlays from discretionary balances .....	.....	8	36
4180 Budget authority, net (total) .....	120	121	398
4190 Outlays, net (total) .....	.....	8	36

The Budget proposes \$400 million for Choice Neighborhoods to continue the transformation of neighborhoods of poverty into sustainable, mixed-income neighborhoods with well-functioning services, schools, public assets, transportation, and access to jobs. The goal of the program is to transform distressed neighborhoods and improve the quality of life of current and future residents by coordinating and concentrating neighborhood investments from multiple sources. To date, the Department has awarded 9 implementation grants in the amount of \$231 million and 47 planning grants in the amount of \$12.6 million. The Budget will fund an additional 10 implementation grants and 20 planning grants.

Choice Neighborhoods builds on the successes of Public Housing transformation under HOPE VI with a broader approach to concentrated poverty. In addition to preserving, rehabilitating, and transforming distressed Public Housing and other HUD-assisted rental properties, Choice Neighborhoods implementation grants support key social service investments as well as a range of community and economic development activities. A strong emphasis is placed on improving outcomes for youth by leveraging evidence-based school reforms and early education and after school programs. Grantees, which include public housing authorities, local governments, non-profits and for-profit developers, are required to undertake comprehensive local planning with input from residents and community stakeholders.

Choice Neighborhoods is also a central component of the Administration's new Promise Zones—high-poverty communities where the Federal government will work with local leadership to invest and engage more intensely to create jobs, leverage private investment, increase economic activity, reduce violence and expand educational opportunities. The Budget includes companion investments of \$200 million and \$10 million, respectively, in HUD's Neighborhood Stabilization and Rental Assistance Demonstration programs, \$300 million in the Department of Education's Promise Neighborhoods program, and \$35 million in the Department of Justice's Byrne Criminal Justice Innovation Grants program, as well as tax incentives to promote investment and economic growth.



## REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)

## Program and Financing (in millions of dollars)

Identification code 86-0218-0-1-604	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 HOPE VI Grants and Technical Assistance .....	9	2	5
0900 Total new obligations (object class 41.0) .....	9	2	5
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	13	7	5
1021 Recoveries of prior year unpaid obligations .....	2		
1050 Unobligated balance (total) .....	15	7	5
Budget authority:			
Spending authority from offsetting collections, discretionary:			
1700 Collected .....	2		
1750 Spending auth from offsetting collections, disc (total) .....	2		
1900 Budget authority (total) .....	2		
1930 Total budgetary resources available .....	17	7	5
Memorandum (non-add) entries:			
1940 Unobligated balance expiring .....	-1		
1941 Unexpired unobligated balance, end of year .....	7	5	
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	670	546	418
3010 Obligations incurred, unexpired accounts .....	9	2	5
3020 Outlays (gross) .....	-131	-130	-130
3040 Recoveries of prior year unpaid obligations, unexpired .....	-2		
3050 Unpaid obligations, end of year .....	546	418	293
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	670	546	418
3200 Obligated balance, end of year .....	546	418	293
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....	2		
Outlays, gross:			
4011 Outlays from discretionary balances .....	131	130	130
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4030 Federal sources .....	-2		
4190 Outlays, net (total) .....	129	130	130

The HOPE VI program, in coordination with funding from the Public Housing Capital Fund, has accomplished its goal of contributing to the demolition of 100,000 severely distressed Public Housing units. The Budget proposes no additional funds for this program. Instead, the Budget builds on the success of HOPE VI with the Choice Neighborhoods program, which makes a broad range of transformative investments in high-poverty neighborhoods where Public Housing and other HUD-assisted housing is concentrated.

Remaining balances of HOPE VI grants will spend out over several years as redevelopment projects are completed. Cumulative results of the HOPE VI program as of September 30, 2012 are as follows: 75,116 households relocated; 96,456 units demolished; 93,265 units (new and rehabilitated) completed; and 92,139 completed units occupied.

## FAMILY SELF-SUFFICIENCY

For the Family Self-Sufficiency program to support family self-sufficiency coordinators under section 23 of the United States Housing Act of 1937, to promote the development of local strategies to coordinate the use of assistance under sections 8(o) and 9 of such Act with public and private resources, and enable eligible families to achieve economic independence and self-sufficiency, \$75,000,000: Provided, That the Secretary may, by Federal Register notice, waive or specify alternative requirements (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment) for any provision of section 23 of such Act in

order to better fulfill the purposes of section 23 of such Act, as determined by the Secretary.

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

## Program and Financing (in millions of dollars)

Identification code 86-0350-0-1-604	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Family Self-Sufficiency .....			75
0900 Total new obligations (object class 41.0) .....			75
<b>Budgetary Resources:</b>			
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....			75
1160 Appropriation, discretionary (total) .....			75
1930 Total budgetary resources available .....			75
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3010 Obligations incurred, unexpired accounts .....			75
3050 Unpaid obligations, end of year .....			75
Memorandum (non-add) entries:			
3200 Obligated balance, end of year .....			75
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....			75
4180 Budget authority, net (total) .....			75

The Budget requests \$75 million for a consolidated Family Self-Sufficiency (FSS) Program to help Housing Choice Voucher and Public Housing residents achieve self-sufficiency and economic independence. The FSS program is designed to provide service coordination through community partnerships that link assisted residents with employment assistance, job training, child care, transportation, financial literacy, and other supportive services. The funding will be allocated through one competition to eligible Public Housing Authorities (PHAs) to support service coordinators. Rather than operate two separate and independently administered FSS programs for Housing Choice Voucher and Public Housing families, the Budget proposes to consolidate and align the FSS program into one program to enable PHAs to more uniformly serve both programs' residents.

In addition to the FSS program consolidation, the Budget includes flexible authorities for PHAs to combine and use a portion of their funds from the Public Housing Operating and Capital Funds, and Tenant-Based Rental Assistance administrative fees towards additional service coordination that could complement the FSS program or provide residents with other supportive services that promote positive resident outcomes related to education, health, self-sufficiency and quality of life.

## NATIVE AMERICAN HOUSING BLOCK GRANTS

For the Native American Housing Block Grants program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) (25 U.S.C. 4111 et seq.), \$650,000,000, to remain available until September 30, 2018: Provided, That, notwithstanding the Native American Housing Assistance and Self-Determination Act of 1996, to determine the amount of the allocation under title I of such Act for each Indian tribe, the Secretary shall apply the formula under section 302 of such Act with the need component based on single-race census data and with the need component based on multi-race census data, and the amount of the allocation for each Indian tribe shall be the greater of the two resulting allocation amounts: Provided further, That



of the amount provided under this heading, \$2,000,000 shall be made available for the cost of guaranteed notes and other obligations, as authorized by title VI of NAHASDA: Provided further, That such costs, including the costs of modifying such notes and other obligations, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize the total principal amount of any notes and other obligations, any part of which is to be guaranteed, not to exceed \$16,530,000.

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112–175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

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

Identification code 86–0313–0–1–604	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0010 Indian Housing Block Grants .....	682	685	640
0011 Technical Assistance .....	3	6	2
0015 National American Indian Housing Council .....	4	4	.....
0091 Direct program activities, subtotal .....	689	695	642
Credit program obligations:			
0702 Loan guarantee subsidy .....	2	5	5
0707 Reestimates of loan guarantee subsidy .....	.....	1	.....
0791 Direct program activities, subtotal .....	2	6	5
0900 Total new obligations (object class 41.0) .....	691	701	647
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	81	45	.....
1021 Recoveries of prior year unpaid obligations .....	4	.....	.....
1050 Unobligated balance (total) .....	85	45	.....
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	650	654	650
1120 Appropriations transferred to other accts [86–0402] .....	.....	.....	–3
1160 Appropriation, discretionary (total) .....	650	654	647
Appropriations, mandatory:			
1200 Appropriation .....	.....	2	.....
1260 Appropriations, mandatory (total) .....	.....	2	.....
Spending authority from offsetting collections, discretionary:			
1700 Collected .....	1	.....	.....
1750 Spending auth from offsetting collections, disc (total) .....	1	.....	.....
1900 Budget authority (total) .....	651	656	647
1930 Total budgetary resources available .....	736	701	647
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	45	.....	.....
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	1,172	1,104	1,155
3010 Obligations incurred, unexpired accounts .....	691	701	647
3020 Outlays (gross) .....	–752	–650	–673
3040 Recoveries of prior year unpaid obligations, unexpired .....	–4	.....	.....
3041 Recoveries of prior year unpaid obligations, expired .....	–3	.....	.....
3050 Unpaid obligations, end of year .....	1,104	1,155	1,129
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	1,172	1,104	1,155
3200 Obligated balance, end of year .....	1,104	1,155	1,129
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....	651	654	647
Outlays, gross:			
4010 Outlays from new discretionary authority .....	192	193	191
4011 Outlays from discretionary balances .....	560	457	482
4020 Outlays, gross (total) .....	752	650	673
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4033 Non-Federal sources .....	–1	.....	.....
Mandatory:			
4090 Budget authority, gross .....	.....	2	.....
4180 Budget authority, net (total) .....	650	656	647
4190 Outlays, net (total) .....	751	650	673

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

Identification code 86–0313–0–1–604	2012 actual	2013 CR	2014 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Title VI Indian Federal Guarantees Program .....	20	45	45
215999 Total loan guarantee levels .....	20	45	45
Guaranteed loan subsidy (in percent):			
232001 Title VI Indian Federal Guarantees Program .....	10.80	10.91	12.10
232999 Weighted average subsidy rate .....	10.80	10.91	12.10
Guaranteed loan subsidy budget authority:			
233001 Title VI Indian Federal Guarantees Program .....	2	5	5
233999 Total subsidy budget authority .....	2	5	5
Guaranteed loan subsidy outlays:			
234001 Title VI Indian Federal Guarantees Program .....	2	2	2
234999 Total subsidy outlays .....	2	2	2
Guaranteed loan upward reestimates:			
235001 Title VI Indian Federal Guarantees Program .....	.....	2	.....
235999 Total upward reestimate budget authority .....	.....	2	.....
Guaranteed loan downward reestimates:			
237001 Title VI Indian Federal Guarantees Program .....	–3	–3	.....
237999 Total downward reestimate subsidy budget authority .....	–3	–3	.....

Title I of the Native American Housing Assistance and Self-Determination Act (NAHASDA) of 1996 (P.L. 104–330) authorized the Native American Housing Block Grant program. This program provides an allocation of funds on a formula basis to Indian tribes and their tribally designated housing entities to help them address housing needs within their communities. HUD estimated that in 2011, out of a population of 1.5 million American Indians and Alaska Natives in block grant formula areas, over 100,000 households were either overcrowded or lacked adequate plumbing or kitchen facilities.

The Budget includes \$650 million for the total activities of this program in 2014, including \$2 million for the Title VI loan guarantee program, which will guarantee \$16.5 million in loans to tribes. A primary goal of the Title VI program is to encourage private lenders to provide financing in Indian Country. The program provides for the Federal guarantee of notes or other obligations issued by Indian tribes or tribally designated housing entities for the purpose of financing affordable housing activities described in section 202 of the Act.

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

**NATIVE HAWAIIAN HOUSING BLOCK GRANT**

*For the Native Hawaiian Housing Block Grant program, as authorized under title VIII of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111 et seq.), \$13,000,000, to remain available until September 30, 2018: Provided, That of this amount, \$300,000 shall be for training and technical assistance activities, including up to \$100,000 for related travel by Hawaii-based employees of the Department of Housing and Urban Development.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112–175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

**NATIVE HAWAIIAN HOUSING BLOCK GRANT—Continued**  
**Program and Financing** (in millions of dollars)

Identification code 86-0235-0-1-604	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Native Hawaiian Housing Block Grant .....	13	14	13
0900 Total new obligations (object class 41.0) .....	13	14	13
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	1	1	
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	13	13	13
1160 Appropriation, discretionary (total) .....	13	13	13
1930 Total budgetary resources available .....	14	14	13
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	1		
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	43	53	54
3010 Obligations incurred, unexpired accounts .....	13	14	13
3020 Outlays (gross) .....	-3	-13	-16
3050 Unpaid obligations, end of year .....	53	54	51
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	43	53	54
3200 Obligated balance, end of year .....	53	54	51
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....	13	13	13
Outlays, gross:			
4010 Outlays from new discretionary authority .....		1	1
4011 Outlays from discretionary balances .....	3	12	15
4020 Outlays, gross (total) .....	3	13	16
4180 Budget authority, net (total) .....	13	13	13
4190 Outlays, net (total) .....	3	13	16

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

It authorizes annual grants to the Department of Hawaiian Home Lands (DHHL) for housing and housing-related assistance, pursuant to an annual housing plan, within the area in which DHHL is authorized to provide that assistance. DHHL uses performance measures and benchmarks that are based on the needs and priorities established in its five- and one-year housing plans. The Budget requests \$13 million for this program.

**INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT**

*For the cost of guaranteed loans, as authorized by section 184 of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z), \$6,000,000, to remain available until expended: Provided, That such costs, including the costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, up to \$1,818,000,000, to remain available until expended: Provided further, That up to \$750,000 of this amount may be used for administrative contract expenses including management processes and systems to carry out the loan guarantee program.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

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

Identification code 86-0223-0-1-371	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
Credit program obligations:			
0702 Loan guarantee subsidy .....	11	5	5
0707 Reestimates of loan guarantee subsidy .....	14	3	
0708 Interest on reestimates of loan guarantee subsidy .....	6	5	
0709 Administrative expenses .....			1
0900 Total new obligations .....	31	13	6
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	8	3	2
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	6	6	6
1160 Appropriation, discretionary (total) .....	6	6	6
Appropriations, mandatory:			
1200 Appropriation .....	20	6	
1260 Appropriations, mandatory (total) .....	20	6	
1900 Budget authority (total) .....	26	12	6
1930 Total budgetary resources available .....	34	15	8
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	3	2	2
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	2	4	5
3001 Adjustments to unpaid obligations, brought forward, Oct 1 .....	-1		
3010 Obligations incurred, unexpired accounts .....	31	13	6
3020 Outlays (gross) .....	-28	-12	-6
3050 Unpaid obligations, end of year .....	4	5	5
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	1	4	5
3200 Obligated balance, end of year .....	4	5	5
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....	6	6	6
Outlays, gross:			
4010 Outlays from new discretionary authority .....		5	5
4011 Outlays from discretionary balances .....	8	7	1
4020 Outlays, gross (total) .....	8	12	6
Mandatory:			
4090 Budget authority, gross .....	20	6	
Outlays, gross:			
4100 Outlays from new mandatory authority .....	20		
4180 Budget authority, net (total) .....	26	12	6
4190 Outlays, net (total) .....	28	12	6

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

Identification code 86-0223-0-1-371	2012 actual	2013 CR	2014 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Indian Housing Loan Guarantee .....	792	368	1,818
215999 Total loan guarantee levels .....	792	368	1,818
Guaranteed loan subsidy (in percent):			
232001 Indian Housing Loan Guarantee .....	1.46	1.35	0.33
232999 Weighted average subsidy rate .....	1.46	1.35	0.33
Guaranteed loan subsidy budget authority:			
233001 Indian Housing Loan Guarantee .....	12	5	6
233999 Total subsidy budget authority .....	12	5	6
Guaranteed loan subsidy outlays:			
234001 Indian Housing Loan Guarantee .....	7	5	4
234999 Total subsidy outlays .....	7	5	4
Guaranteed loan upward reestimates:			
235001 Indian Housing Loan Guarantee .....	20	7	
235999 Total upward reestimate budget authority .....	20	7	
Guaranteed loan downward reestimates:			
237001 Indian Housing Loan Guarantee .....	-1	-12	
237999 Total downward reestimate subsidy budget authority .....	-1	-12	

The Indian Housing Loan Guarantee program provides access to sources of private financing for Indian families, Indian tribes, and their tribally designated housing entities who otherwise could not acquire housing financing because of the unique legal status of Indian trust land. The Budget provides \$6 million to support additional loan guarantee activity and administrative systems support. In 2014, this program is projected to grow by 25 percent, representing almost 6,300 loans to American Indian borrowers. To support this increase in demand, the Budget proposes giving HUD increased flexibility to raise fees within this program to ensure the necessary resources are available. For 2014, HUD proposes using this authority to raise the upfront fee 50 basis points to 1.5 percent, allowing it to subsidize up to \$1.82 billion in Indian housing loans. The program has issued 18,949 loan guarantees totaling \$2.99 billion since 1995, with 52 percent of the activity occurring in 2010, 2011 and 2012. Even through the national foreclosure crisis, the program has maintained a claims rate of less than one and a half percent.

HUD will also submit a legislative proposal in the spring of 2013 to authorize qualifying lenders delegation of authority to participate in a direct guarantee process for underwriting loans. This will allow the Section 184 program to operate more efficiently and provide capital to more potential homebuyers.

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

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

Identification code 86-0223-0-1-371	2012 actual	2013 CR	2014 est.
Direct obligations:			
25.2 Other services from non-Federal sources .....	1	2	1
41.0 Grants, subsidies, and contributions .....	30	11	5
99.9 Total new obligations .....	31	13	6

#### INDIAN HOUSING LOAN GUARANTEE FUND FINANCING ACCOUNT

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

Identification code 86-4104-0-3-604	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
Credit program obligations:			
0711 Default claim payments on principal .....	15	5	7
0713 Payment of interest to Treasury .....	2	2	2
0742 Downward reestimate paid to receipt account .....	1	12	.....
0900 Total new obligations .....	18	19	9
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	54	82	81
Financing authority:			
Spending authority from offsetting collections, mandatory:			
1800 Collected .....	44	18	19
1801 Change in uncollected payments, Federal sources .....	2	.....	.....
1850 Spending auth from offsetting collections, mand (total) .....	46	18	19
1900 Financing authority (total) .....	46	18	19
1930 Total budgetary resources available .....	100	100	100
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	82	81	91
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	1	.....	19
3001 Adjustments to unpaid obligations, brought forward, Oct 1 .....	-2	.....	.....
3010 Obligations incurred, unexpired accounts .....	18	19	9

3020	Financing disbursements (gross) .....	-17	.....	.....
3050	Unpaid obligations, end of year .....	19	28	.....
	Uncollected payments:			
3060	Uncollected pymts, Fed sources, brought forward, Oct 1 .....	-1	-3	-3
3070	Change in uncollected pymts, Fed sources, unexpired .....	-2	.....	.....
3090	Uncollected pymts, Fed sources, end of year .....	-3	-3	-3
	Memorandum (non-add) entries:			
3100	Obligated balance, start of year .....	-2	-3	16
3200	Obligated balance, end of year .....	-3	16	25

#### Financing authority and disbursements, net:

Mandatory:				
4090	Financing authority, gross .....	46	18	19
	Financing disbursements:			
4110	Financing disbursements, gross .....	17	.....	.....
	Offsets against gross financing authority and disbursements:			
	Offsetting collections (collected) from:			
4120	Federal sources: Payments from program account .....	-28	-12	-4
4122	Interest on uninvested funds .....	-3	-2	-3
4123	Non-Federal sources .....	-13	-4	-12
4130	Offsets against gross financing auth and disbursements (total) .....	-44	-18	-19
	Additional offsets against financing authority only (total):			
4140	Change in uncollected pymts, Fed sources, unexpired .....	-2	.....	.....
4170	Financing disbursements, net (mandatory) .....	-27	-18	-19
4190	Financing disbursements, net (total) .....	-27	-18	-19

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

Identification code 86-4104-0-3-604	2012 actual	2013 CR	2014 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	360	360	1,818
2121 Limitation available from carry-forward .....	440	8	.....
2143 Uncommitted limitation carried forward .....	-8	.....	.....
2150 Total guaranteed loan commitments .....	792	368	1,818
2199 Guaranteed amount of guaranteed loan commitments .....	792	368	1,818
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	2,189	2,841	3,671
2231 Disbursements of new guaranteed loans .....	671	850	1,050
2251 Repayments and prepayments .....	-4	-4	-4
2263 Adjustments: Terminations for default that result in claim payments .....	-15	-16	-16
2290 Outstanding, end of year .....	2,841	3,671	4,701
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	2,841	3,671	4,701

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

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

Identification code 86-4104-0-3-604	2011 actual	2012 actual
<b>ASSETS:</b>		
1101 Federal assets: Fund balances with Treasury .....	34	67
1504 Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable: Foreclosed property .....	.....	19
1999 Total assets .....	34	86
<b>LIABILITIES:</b>		
2103 Federal liabilities: Debt Payable to Treasury .....	10	20
<b>Non-Federal liabilities:</b>		
2204 Liabilities for loan guarantees .....	4	48
2207 Unearned revenues and advances .....	20	18
2999 Total liabilities .....	34	86

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

Identification code 86-4104-0-3-604	2011 actual	2012 actual
4999 Total liabilities and net position .....	34	86

## NATIVE HAWAIIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

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

Identification code 86-0233-0-1-371	2012 actual	2013 CR	2014 est.
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	5	5	5
1930 Total budgetary resources available .....	5	5	5
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	5	5	5
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	-3	1	1
3001 Adjustments to unpaid obligations, brought forward, Oct 1 .....	4		
3020 Outlays (gross) .....			-1
3050 Unpaid obligations, end of year .....	1	1	
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	1	1	1
3200 Obligated balance, end of year .....	1	1	
<b>Budget authority and outlays, net:</b>			
Discretionary:			
Outlays, gross:			
4011 Outlays from discretionary balances .....			1
4190 Outlays, net (total) .....			1

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

Identification code 86-0233-0-1-371	2012 actual	2013 CR	2014 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Native Hawaiian Housing Loan Guarantees .....	4	14	38
215999 Total loan guarantee levels .....	4	14	38
Guaranteed loan subsidy (in percent):			
232001 Native Hawaiian Housing Loan Guarantees .....	0.93	0.50	0.53
232999 Weighted average subsidy rate .....	0.93	0.50	0.53
Guaranteed loan subsidy budget authority:			
233001 Native Hawaiian Housing Loan Guarantees .....		1	1
233999 Total subsidy budget authority .....		1	1
Guaranteed loan downward reestimates:			
237001 Native Hawaiian Housing Loan Guarantees .....		-1	
237999 Total downward reestimate subsidy budget authority .....		-1	

The Native Hawaiian Housing Loan Guarantee program provides access to private financing to eligible Native Hawaiian families who reside on the Hawaiian Home Lands and who otherwise could not acquire private financing because of the unique legal status of the Hawaiian Home Lands. Because the program has sufficient carryover funds, the 2014 Budget does not provide any new credit subsidy budget authority.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the loan guarantees committed in 2001 and beyond (including modifications of guarantees that resulted from obligations in any

year). The subsidy amounts are estimated on a net present value basis. The administrative expenses are shown on a cash basis.

## NATIVE HAWAIIAN HOUSING LOAN GUARANTEE FUND FINANCING ACCOUNT

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

Identification code 86-4351-0-3-371	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
Credit program obligations:			
0742 Downward reestimate paid to receipt account .....		1	
0900 Total new obligations .....		1	
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	8	2	1
1020 Adjustment of unobligated bal brought forward, Oct 1 .....	-6		
1050 Unobligated balance (total) .....	2	2	1
1930 Total budgetary resources available .....	2	2	1
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	2	1	1
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....			1
3010 Obligations incurred, unexpired accounts .....		1	
3050 Unpaid obligations, end of year .....		1	1
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....			1
3200 Obligated balance, end of year .....		1	1

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

Identification code 86-4351-0-3-371	2012 actual	2013 CR	2014 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	42	42	38
2121 Limitation available from carry-forward .....	545	583	611
2143 Uncommitted limitation carried forward .....	-583	-611	-611
2150 Total guaranteed loan commitments .....	4	14	38
2199 Guaranteed amount of guaranteed loan commitments .....	4	14	38
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	119	124	150
2231 Disbursements of new guaranteed loans .....	5	30	30
2251 Repayments and prepayments .....		-4	-4
2290 Outstanding, end of year .....	124	150	176
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	69	28	28

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

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

Identification code 86-4351-0-3-371	2011 actual	2012 actual
<b>ASSETS:</b>		
1101 Federal assets: Fund balances with Treasury .....	1	1
1999 Total assets .....	1	1
<b>LIABILITIES:</b>		
2204 Non-Federal liabilities: Liabilities for loan guarantees .....	1	1

4999	Total liabilities and net position .....	1	1
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## TITLE VI INDIAN FEDERAL GUARANTEES FINANCING ACCOUNT

## Program and Financing (in millions of dollars)

Identification code 86-4244-0-3-604	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
Credit program obligations:			
0711 Default claim payments on principal .....		1	1
0712 Default claim payments on interest .....		1	1
0742 Downward reestimate paid to receipt account .....	2	3	
0743 Interest on downward reestimates .....	1	1	
0900 Total new obligations .....	3	6	2
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	10	12	10
Financing authority:			
Spending authority from offsetting collections, mandatory:			
1800 Collected .....	4	4	2
1801 Change in uncollected payments, Federal sources .....	1		
1850 Spending auth from offsetting collections, mand (total) .....	5	4	2
1930 Total budgetary resources available .....	15	16	12
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	12	10	10
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....			3
3010 Obligations incurred, unexpired accounts .....	3	6	2
3020 Financing disbursements (gross) .....	-3	-3	-3
3050 Unpaid obligations, end of year .....		3	2
Uncollected payments:			
3060 Uncollected pymts, Fed sources, brought forward, Oct 1 .....		-1	-1
3070 Change in uncollected pymts, Fed sources, unexpired .....	-1		
3090 Uncollected pymts, Fed sources, end of year .....	-1	-1	-1
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....		-1	2
3200 Obligated balance, end of year .....	-1	2	1
<b>Financing authority and disbursements, net:</b>			
Mandatory:			
4090 Financing authority, gross .....	5	4	2
Financing disbursements:			
4110 Financing disbursements, gross .....	3	3	3
Offsets against gross financing authority and disbursements:			
Offsetting collections (collected) from:			
4120 Federal sources .....	-3	-3	-1
4122 Interest on uninvested funds .....	-1	-1	-1
4130 Offsets against gross financing auth and disbursements (total) .....	-4	-4	-2
Additional offsets against financing authority only (total):			
4140 Change in uncollected pymts, Fed sources, unexpired .....	-1		
4170 Financing disbursements, net (mandatory) .....	-1	-1	1
4190 Financing disbursements, net (total) .....	-1	-1	1

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

Identification code 86-4244-0-3-604	2012 actual	2013 CR	2014 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	20	20	18
2121 Limitation available from carry-forward .....	52	52	27
2143 Uncommitted limitation carried forward .....	-52	-27	
2150 Total guaranteed loan commitments .....	20	45	45
2199 Guaranteed amount of guaranteed loan commitments .....	20	20	18
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	122	135	148
2231 Disbursements of new guaranteed loans .....	20	20	18
2251 Repayments and prepayments .....	-5	-5	-5
2263 Adjustments: Terminations for default that result in claim payments .....	-2	-2	-2

2290	Outstanding, end of year .....	135	148	159
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## Memorandum:

2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	135	146	146
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As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

## Balance Sheet (in millions of dollars)

Identification code 86-4244-0-3-604	2011 actual	2012 actual
<b>ASSETS:</b>		
1101 Federal assets: Fund balances with Treasury .....	11	11
1999 Total assets .....	11	11
<b>LIABILITIES:</b>		
2204 Non-Federal liabilities: Liabilities for loan guarantees .....	11	11
4999 Total liabilities and net position .....	11	11

## COMMUNITY PLANNING AND DEVELOPMENT

## Federal Funds

## COMMUNITY PLANNING AND DEVELOPMENT

## HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

*For carrying out the Housing Opportunities for Persons with AIDS program, as authorized by the AIDS Housing Opportunity Act (42 U.S.C. 12901 et seq.), \$332,000,000, to remain available until September 30, 2015, except that amounts allocated pursuant to section 854(c)(3) of such Act shall remain available until September 30, 2016: Provided, That the Secretary shall renew all expiring contracts for permanent supportive housing that were funded under section 854(c)(3) of such Act that meet all program requirements before awarding funds for new contracts and activities authorized under this section.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

## Program and Financing (in millions of dollars)

Identification code 86-0308-0-1-604	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 HOPWA Formula Grants .....	319	301	297
0002 HOPWA Competitive Grants .....	33	34	33
0900 Total new obligations (object class 41.0) .....	352	335	330
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	90	70	69
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	332	334	332
1120 Appropriations transferred to other accts [86-0308] .....	-33	-33	-33
1120 Appropriations transferred to other accts [86-0402] .....			-2
1121 Appropriations transferred from other accts [86-0308] ....	33	33	33
1160 Appropriation, discretionary (total) .....	332	334	330
1930 Total budgetary resources available .....	422	404	399
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	70	69	69
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	468	485	495
3010 Obligations incurred, unexpired accounts .....	352	335	330

COMMUNITY PLANNING AND DEVELOPMENT—Continued  
Program and Financing—Continued

Identification code 86-0308-0-1-604		2012 actual	2013 CR	2014 est.
3020	Outlays (gross) .....	-334	-325	-316
3041	Recoveries of prior year unpaid obligations, expired .....	-1		
3050	Unpaid obligations, end of year .....	485	495	509
Memorandum (non-add) entries:				
3100	Obligated balance, start of year .....	468	485	495
3200	Obligated balance, end of year .....	485	495	509
<b>Budget authority and outlays, net:</b>				
Discretionary:				
4000	Budget authority, gross .....	332	334	330
Outlays, gross:				
4010	Outlays from new discretionary authority .....	2	3	3
4011	Outlays from discretionary balances .....	332	322	313
4020	Outlays, gross (total) .....	334	325	316
4180	Budget authority, net (total) .....	332	334	330
4190	Outlays, net (total) .....	334	325	316

The 2014 Budget provides \$332 million for the Housing Opportunities for Persons with AIDS (HOPWA) program, the only Federal program dedicated to address the urgent housing needs of low-income Americans living with HIV and AIDS. HOPWA funding provides States and localities with resources and incentives to devise long-term comprehensive strategies for planning and providing housing and supportive services to meet the complex, multiple needs of persons living with HIV and AIDS and their families. HOPWA funds have been demonstrated to help reduce the risk of homelessness, increase housing stability, and improve access to HIV care and health outcomes for program participants.

Ninety percent of HOPWA funds are distributed to States and eligible metropolitan areas according to a formula, which is based on the number of AIDS cases in the jurisdiction. The remaining ten percent are awarded competitively to States, local governments, and private nonprofit entities for projects of national significance and for projects in non-formula areas. However, the HOPWA formula does not reflect the current nature and distribution of the epidemic. To modernize the program, the Administration is proposing an updated formula based on living cases of HIV and adjusted for an area's fair market rent and poverty rates, focusing HOPWA funds on areas that have the most need. The proposal also includes several changes that will allow better targeting of HOPWA resources and more flexibility for grantees to provide the most cost-effective, timely interventions. These changes, which will be proposed in separate legislation, will improve the nation's response to the specialized housing needs of HIV/AIDS patients and will further the Administration's National HIV/AIDS Strategy.

In addition, the Department will seek to develop a strategy to effectively integrate HOPWA housing activities with homeless assistance and prevention programs under the Homeless Assistance Grants program while integrating HOPWA in Continuum of Care coordinated planning, centralized intake and assessment, and Homeless Management Information Systems. The integration of HOPWA resources with other homelessness prevention interventions will facilitate more collaborative local planning, better deploy limited resources to achieve the greatest impacts, and help synchronize program tools to reduce administrative burdens to give priority to ending homelessness for a greater number of persons who are homeless and who are also living with HIV/AIDS.

## COMMUNITY DEVELOPMENT FUND

For assistance to units of State and local government, and to other entities, for economic and community development activities, and for other purposes, \$3,143,100,000, to remain available until September 30, 2016, unless otherwise specified: Provided, That of the total amount provided, \$2,798,100,000 is for carrying out the community development block grant program under title I of the Housing and Community Development Act of 1974, as amended (the "Act" herein) (42 U.S.C. 5301 et seq.): Provided further, That unless explicitly provided for under this heading, not to exceed 20 percent of any grant made with funds appropriated under this heading shall be expended for planning and management development and administration: Provided further, That \$70,000,000 shall be for grants to Indian tribes notwithstanding section 106(a)(1) of such Act, of which, notwithstanding any other provision of law (including section 204 of this Act), up to \$3,960,000 may be used for emergencies that constitute imminent threats to health and safety, and up to \$10,000,000 may be used for mold remediation and prevention.

Of the amounts made available under this heading, \$200,000,000 shall be for the redevelopment of abandoned and foreclosed property as authorized under division B, title III of the Housing and Economic Recovery Act of 2008 (42 U.S.C. 5301 note): Provided, That the Act shall govern the use of such assistance except as otherwise provided in this paragraph: Provided further, That the Secretary shall competitively award such assistance to States and units of general local government: Provided further, That for the purposes of such assistance, including the previous proviso, the term "State" at section 102(a) of the Act shall be construed as including State housing finance agencies: Provided further, That the Secretary shall by notice published in the Federal Register establish criteria for awarding such assistance, including the extent of need, the demonstrated capacity of the applicant to execute projects, concentration of investment, the ability to leverage other resources (which may include loans guaranteed under section 108 of the Act [42 U.S.C. 5308]), and such other factors as the Secretary determines to be appropriate: Provided further, That the Secretary shall establish a minimum grant size for awards: Provided further, That loans guaranteed under section 108 of the Act [42 U.S.C. 5308] and used in conjunction with such assistance shall not be subject to subsection 108(b): Provided further, That the Secretary may use a portion of such assistance for grants under subsection 108(q): Provided further, That the Secretary shall make establishment and operation of land banks, demolition, and new housing construction eligible for assistance under this paragraph: Provided further, That grantees receiving such assistance under this paragraph may also use funds provided under Title I of the Act for the purposes specified in the previous proviso, upon approval of the Secretary.

Of the amounts made available under this heading, \$75,000,000 shall be made available for Integrated Planning and Investment Grants to support local and regional public investment plans and implementation efforts that align public and private investments in development and infrastructure to better attract businesses and improve quality of life, modernize zoning and building codes, reduce barriers to achieve affordable and economically vital communities, attract private capital to community revitalization efforts, and sponsor community engagement efforts: Provided, That the Secretary will consult with the Secretary of Transportation and the heads of other relevant agencies in evaluating grant proposals awarded under this paragraph.

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution as well as amounts from P.L. 113-2, the Disaster Relief Appropriations Act, 2013 (no language shown).

## Program and Financing (in millions of dollars)

Identification code 86-0162-0-1-451		2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>				
0001	Community Development Formula Grants .....	3,188	3,750	2,784
0003	Indian Tribes .....	57	61	70
0004	Administration, Operations and Management .....		1	1
0007	Economic Development Initiative Grants .....	6		
0008	Neighborhood Initiative Demonstration .....	2		
0010	Disaster Assistance .....	359	6,381	9,842
0013	Integrated Planning and Investment Strategies Grants .....	100		75

0014	Rural Fund .....	2		
0015	Neighborhood Stabilization Initiative .....			199
0900	Total new obligations (object class 41.0) .....	3,714	10,193	12,971
<b>Budgetary Resources:</b>				
Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1 .....	1,039	733	9,848
1021	Recoveries of prior year unpaid obligations .....	1		
1050	Unobligated balance (total) .....	1,040	733	9,848
Budget authority:				
Appropriations, discretionary:				
1100	Appropriation .....	3,407	3,328	3,143
1100	Appropriation .....		16,000	
1120	Appropriations transferred to other accts [86-0338] .....		-10	
1120	Appropriations transferred to other accts [86-0189] .....		-10	
1120	Appropriations transferred to other accts [86-0402] .....			-15
1160	Appropriation, discretionary (total) .....	3,407	19,308	3,128
Spending authority from offsetting collections, discretionary:				
1700	Collected .....	1		
1750	Spending auth from offsetting collections, disc (total) .....	1		
1900	Budget authority (total) .....	3,408	19,308	3,128
1930	Total budgetary resources available .....	4,448	20,041	12,976
Memorandum (non-add) entries:				
1940	Unobligated balance expiring .....	-1		
1941	Unexpired unobligated balance, end of year .....	733	9,848	5
<b>Change in obligated balance:</b>				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1 .....	18,136	15,036	18,827
3010	Obligations incurred, unexpired accounts .....	3,714	10,193	12,971
3020	Outlays (gross) .....	-6,795	-6,402	-10,066
3040	Recoveries of prior year unpaid obligations, unexpired .....	-1		
3041	Recoveries of prior year unpaid obligations, expired .....	-18		
3050	Unpaid obligations, end of year .....	15,036	18,827	21,732
Memorandum (non-add) entries:				
3100	Obligated balance, start of year .....	18,136	15,036	18,827
3200	Obligated balance, end of year .....	15,036	18,827	21,732
<b>Budget authority and outlays, net:</b>				
Discretionary:				
4000	Budget authority, gross .....	3,408	19,308	3,128
Outlays, gross:				
4010	Outlays from new discretionary authority .....	18	193	31
4011	Outlays from discretionary balances .....	6,777	6,209	10,035
4020	Outlays, gross (total) .....	6,795	6,402	10,066
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
4030	Federal sources .....	-1		
4180	Budget authority, net (total) .....	3,407	19,308	3,128
4190	Outlays, net (total) .....	6,794	6,402	10,066

The Community Development Fund account includes funding for the Community Development Block Grant (CDBG) program, Indian CDBG, Integrated Planning and Investment Strategies Grants, and a new competitive neighborhood stabilization grant program.

The Budget funds the CDBG formula grant program at \$2.8 billion to assist State and local governments in addressing local priorities and needs. The CDBG program provides over 1,200 flexible annual formula grants to States, local governments, and Insular Areas to benefit mainly low-to moderate-income persons. The funding is used for a wide range of community and economic development activities, such as public infrastructure improvements (approximately 33 percent of all CDBG funds), housing rehabilitation and construction (approximately 25 percent of funds), job creation and retention, and public services (e.g., child care). 70 percent of the CDBG formula grants are distributed to mainly urban areas (entitlement communities), and 30 percent is distributed to the States (non-entitlement communities).

The Administration recognizes that CDBG funds represent a significant expenditure that is not optimally targeted based on community need or used most effectively in many cases. The Budget includes several proposals to better target funds based on community need and ensure that communities receive grants

large enough to be more effective in advancing the goals of the program. The Budget proposes statutory changes to establish a minimum grant threshold and eliminate the community "grandfathering" provision. In addition, HUD will seek input from stakeholders over the coming months regarding further programmatic changes that would improve the targeting of formula funds and strengthen their accountability and performance.

The Budget also includes \$200 million for a new competitive set-aside grant program to provide funds to areas hit hardest by the foreclosure crisis to support specific activities that support neighborhood stabilization. This new initiative builds on the successes of the first three rounds of the Neighborhood Stabilization Program, and will target neighborhoods still feeling the effects of the foreclosure crisis, and allow them to manage foreclosures, put land back to effective uses, and begin to recover economically. Competitive grants will go to States, cities, and state housing financing agencies for a number of eligible uses, including purchasing and rehabilitating abandoned and foreclosed properties, establishing land banks, demolishing blighted structures, and redeveloping vacant or demolished property. Grantees will be encouraged to leverage these funds with Community Development Loan Guarantees and other Federal, State, and local funds to ensure that they have maximum impact.

The Budget requests \$75 million for Integrated Planning and Investment Grants, which is administered by HUD's Office of Economic Resilience. In partnership with the Department of Transportation (DOT) and the Environmental Protection Agency (EPA) and other Federal agencies, the Integrated Planning and Investment Grants aim to expand job opportunities and improve the quality of life for families by providing incentives to regions and communities to align planning efforts, invest public and private resources to attract businesses, modernize land use and building codes, attract private capital for community revitalization efforts, and sponsor robust community engagement efforts. This initiative complements DOT's funding to strengthen state and local infrastructure capacity, EPA's technical assistance, and efforts by other Federal agencies to advance economic development initiatives. Language is proposed to streamline HUD and DOT joint grant solicitations and implementation efforts to increase overall effectiveness and reduce burden on grantees.

The Budget increases the Indian Community Development program funding to \$70 million. This program provides eligible grantees with direct grants for use in developing viable Indian and Alaska Native Communities, including decent housing, a suitable living environment, and economic opportunities, primarily for low- and moderate-income persons. Within this account, \$10 million will be set aside to address mold issues in Indian housing.

This account reflects \$16 billion in CDBG funding appropriated by the Disaster Relief Appropriations Act, 2013 (Public Law 113-2). These funds are intended primarily to respond to the effects of Hurricane Sandy that impacted the Atlantic Coast in late October 2012, but will also be used to respond to other significant Presidentially-declared disasters that occurred in calendar years 2011, 2012, and 2013. Other amounts reflected in this account include prior year CDBG disaster supplemental funding, as well as funds provided by the 2009 American Recovery and Reinvestment Act (\$1 billion in CDBG formula grants and \$2 billion for Neighborhood Stabilization Program (NSP) II grants). The \$3.92 billion in NSP funding from the Housing and Economic Recovery Act of 2008 and the \$1 billion from the Dodd-Frank Wall Street



## COMMUNITY DEVELOPMENT FUND—Continued

Financial Reform and Consumer Protection Act are mandatory appropriations and are reflected in a separate account.

## EMPOWERMENT ZONES/ENTERPRISE COMMUNITIES/RENEWAL COMMUNITIES

*Unobligated balances, including recaptures and carryover, remaining from funds appropriated to the Department of Housing and Urban Development under this heading are hereby permanently cancelled.*

No new appropriation is requested for the Empowerment Zone (EZ) and Renewal Community (RC) programs in the 2014 Budget. Rather, a rescission of approximately \$25,000 in carryover is proposed. The tax incentives for RCs expired on December 31, 2009, while EZ tax incentives have been extended to December 31, 2013.

## BROWNFIELDS REDEVELOPMENT

## Program and Financing (in millions of dollars)

Identification code 86-0314-0-1-451	2012 actual	2013 CR	2014 est.
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	52	35	23
3020 Outlays (gross) .....	-16	-12	-12
3041 Recoveries of prior year unpaid obligations, expired .....	-1		
3050 Unpaid obligations, end of year .....	35	23	11
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	52	35	23
3200 Obligated balance, end of year .....	35	23	11
<b>Budget authority and outlays, net:</b>			
Discretionary:			
Outlays, gross:			
4011 Outlays from discretionary balances .....	16	12	12
4190 Outlays, net (total) .....	16	12	12

The 2014 Budget requests no funding for the Brownfields Economic Development Initiative (BEDI) program, which is a competitive grant program designed to assist cities with the redevelopment of brownfield sites for the purposes of economic development and job creation. Brownfields are abandoned, idled, and underused industrial and commercial facilities and land where expansion and redevelopment is burdened by real or potential environmental contamination. Local governments have access to other public and private funds, including Community Development Block Grant (CDBG) funds, which can serve similar purposes.

## HOME INVESTMENT PARTNERSHIPS PROGRAM

*For the HOME Investment Partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, \$950,000,000, to remain available until September 30, 2016: Provided, That of the amounts made available under this heading, up to \$10,000,000 shall be made available for the Self-Help and Assisted Homeownership Opportunity Program (SHOP), as authorized by Section 11 of the Housing Opportunity Program Extension Act of 1996, as amended.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

## Program and Financing (in millions of dollars)

Identification code 86-0205-0-1-604	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 HOME Investment Program .....	1,206	1,027	944
0002 Technical Assistance .....	2		
0003 SHOP .....			10
0900 Total new obligations (object class 41.0) .....	1,208	1,027	954
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	355	152	131
1021 Recoveries of prior year unpaid obligations .....	8		
1050 Unobligated balance (total) .....	363	152	131
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	1,000	1,006	950
1120 Appropriations transferred to other accts [86-0402] .....			-5
1160 Appropriation, discretionary (total) .....	1,000	1,006	945
1930 Total budgetary resources available .....	1,363	1,158	1,076
Memorandum (non-add) entries:			
1940 Unobligated balance expiring .....	-3		
1941 Unexpired unobligated balance, end of year .....	152	131	122
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	4,932	4,340	3,743
3010 Obligations incurred, unexpired accounts .....	1,208	1,027	954
3020 Outlays (gross) .....	-1,781	-1,624	-1,392
3040 Recoveries of prior year unpaid obligations, unexpired .....	-8		
3041 Recoveries of prior year unpaid obligations, expired .....	-11		
3050 Unpaid obligations, end of year .....	4,340	3,743	3,305
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	4,932	4,340	3,743
3200 Obligated balance, end of year .....	4,340	3,743	3,305
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....	1,000	1,006	945
Outlays, gross:			
4010 Outlays from new discretionary authority .....	5	10	9
4011 Outlays from discretionary balances .....	1,776	1,614	1,383
4020 Outlays, gross (total) .....	1,781	1,624	1,392
4180 Budget authority, net (total) .....	1,000	1,006	945
4190 Outlays, net (total) .....	1,781	1,624	1,392

The HOME Investment Partnerships Program is authorized by the National Affordable Housing Act (P.L. 101-625), as amended. This program provides flexible annual formula grant assistance to States and units of local government to increase the supply of affordable housing and expand homeownership for low- to very-low income persons. Sixty percent of the formula grant funds is awarded to participating local governments and 40 percent is awarded to states. These communities often use the funds in partnership with local non-profit organizations to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership, or to a much lesser extent, provide direct rental assistance to low-income people. Projects funded by HOME often leverage private dollars and are used in conjunction with the Low-Income Housing Tax Credit (LIHTC), Community Development Block Grant, and local funds. For example, 53 percent of almost 150,000 completed HOME assisted rental units were part of awarded LIHTC projects from 2007-2011.

The Budget requests \$950 million for HOME. Over time, this funding is estimated to result in the production of almost 39,500 units of affordable housing through new construction, rehabilitation, and/or acquisition. It is also estimated that communities will use a portion of their funding to support tenant-based rental assistance for about 9,500 units.

The 2014 Budget also proposes statutory changes that would allow recaptured Community Housing Development Organization

funds to be reallocated by formula; establish a single qualification threshold of \$500,000 irrespective of the appropriation amount; revise the current "grandfathering" provision so that participating jurisdictions that fall below the threshold three out of a five year period are ineligible for direct formula funds; and facilitate eviction of HOME rental unit tenants who pose an imminent threat. When implemented, these changes will improve the targeting focus and effectiveness of the overall administration of the program.

In addition to funding HOME, up to \$10 million will be eligible to specifically fund the Self-Help and Assisted Homeownership Opportunity Program (SHOP). SHOP is a competitive grant program that provides funds to increase the ability of non-profit organizations to assist low-income homebuyers willing to contribute "sweat equity" toward the construction of their homes. Communities can further leverage SHOP grants by using other sources of funding including HOME funds, which can also be used for sweat equity projects. The 2014 Budget also proposes statutory changes that would improve the administration of the SHOP program. These include allowing HUD to develop program regulations over five pages long, establishing a standard grant term of 36 months, establishing a deadline for completion of SHOP units, and explicitly naming planning, administrative, and management costs as eligible activities.

#### HOUSING TRUST FUND

(Legislative proposal, subject to PAYGO)

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

Identification code 86-5553-4-2-604	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Direct program activity .....			1,000
0900 Total new obligations (object class 41.0) .....			1,000
<b>Budgetary Resources:</b>			
Budget authority:			
Appropriations, mandatory:			
1200 Appropriation .....			1,000
1260 Appropriations, mandatory (total) .....			1,000
1930 Total budgetary resources available .....			1,000
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3010 Obligations incurred, unexpired accounts .....			1,000
3020 Outlays (gross) .....			-10
3050 Unpaid obligations, end of year .....			990
Memorandum (non-add) entries:			
3200 Obligated balance, end of year .....			990
<b>Budget authority and outlays, net:</b>			
Mandatory:			
4090 Budget authority, gross .....			1,000
Outlays, gross:			
4100 Outlays from new mandatory authority .....			10
4180 Budget authority, net (total) .....			1,000
4190 Outlays, net (total) .....			10

The Housing Trust Fund was originally authorized in the Housing and Economic Recovery Act of 2008 (Pub. L. 110-289) under section 1338 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (U.S.C. 1301 et. seq.) with a dedicated funding stream from assessments on Fannie Mae and Freddie Mac. However, the Federal Housing Finance Agency, the regulator for Fannie Mae and Freddie Mac, has indefinitely suspended these assessments.

The Budget proposes a \$1 billion mandatory appropriations to capitalize the Housing Trust Fund. The purpose of the Housing

Trust Fund is to provide grants to States to increase and preserve the supply of affordable rental housing and homeownership opportunities for extremely low- and very low-income families, and help address the growing shortage of affordable housing for these families. This program is similar to HOME, but is more income-targeted. The funding will be distributed by formula to States or State-designated entities that will target resources to areas with substantial affordable housing needs. The funding will be used primarily for construction, preservation, and rehabilitation of affordable rental housing, with up to ten percent of the funding for similar eligible activities that support homeownership. Of the total amounts made available, not less than 75 percent shall be used to benefit extremely low-income households, for whom the shortage of affordable housing is most acute. Over time, the funding provided for the Housing Trust Fund in 2014 is expected to produce approximately 16,000 affordable units using a mix of funding sources, including other public funds, tax credits, and private debt.

#### CAPACITY BUILDING

*Of the amounts made available under this heading, \$20,000,000 shall be made available for the second, third, and fourth capacity building activities authorized under section 4(a) of the HUD Demonstration Act of 1993 (42 U.S.C. 9816 note), of which not less than \$5,000,000 may be made available for rural capacity building activities.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

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

Identification code 86-0405-0-1-451	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Capacity Building .....			20
0900 Total new obligations (object class 41.0) .....			20
<b>Budgetary Resources:</b>			
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....			20
1160 Appropriation, discretionary (total) .....			20
1930 Total budgetary resources available .....			20
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3010 Obligations incurred, unexpired accounts .....			20
3050 Unpaid obligations, end of year .....			20
Memorandum (non-add) entries:			
3200 Obligated balance, end of year .....			20
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....			20
4180 Budget authority, net (total) .....			20

The 2014 Budget provides \$20 million for the Capacity Building for Community Development and Affordable Housing program, which is authorized by Section 4 of the HUD Demonstration Act of 1993. The Capacity Building program provides grants to national intermediaries to develop, enhance, and strengthen the technical and administrative capabilities of community development corporations to carry out community development and affordable housing activities for low- and moderate-income persons that support and address local needs and priorities. This program

## CAPACITY BUILDING—Continued

was previously funded as a part of the Self-Help and Assisted Homeownership Opportunity Program account.

## SELF-HELP AND ASSISTED HOMEOWNERSHIP OPPORTUNITY PROGRAM

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112–175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

## Program and Financing (in millions of dollars)

Identification code 86–0176–0–1–604	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Self Help Housing Opportunity Program .....	48	14	.....
0002 Capacity Building .....	27	35	.....
0003 Rural Capacity Building .....	.....	10	.....
0900 Total new obligations (object class 41.0) .....	75	59	.....
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	27	6	1
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	54	54	.....
1160 Appropriation, discretionary (total) .....	54	54	.....
1930 Total budgetary resources available .....	81	60	1
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	6	1	1
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	187	199	176
3010 Obligations incurred, unexpired accounts .....	75	59	.....
3020 Outlays (gross) .....	–63	–82	–66
3050 Unpaid obligations, end of year .....	199	176	110
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	187	199	176
3200 Obligated balance, end of year .....	199	176	110
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....	54	54	.....
Outlays, gross:			
4011 Outlays from discretionary balances .....	63	82	66
4180 Budget authority, net (total) .....	54	54	.....
4190 Outlays, net (total) .....	63	82	66

The 2014 Budget requests no separate funding for the Self-Help and Assisted Homeownership Opportunity Program (SHOP) account. Instead, SHOP is included as part of the request for the HOME Investment Partnerships Program. Activities under the Capacity Building for Community Development and Affordable Housing Program are requested separately under the Capacity Building account.

## NEIGHBORHOOD STABILIZATION PROGRAM

## Program and Financing (in millions of dollars)

Identification code 86–0344–0–1–451	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Abandoned and Foreclosed .....	1	.....	.....
0002 Technical Assistance .....	20	.....	.....
0003 Disaster Assistance .....	.....	19	.....
0900 Total new obligations (object class 41.0) .....	21	19	.....
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	31	19	.....
1010 Unobligated balance transfer to other accts [86–0338] .....	–3	.....	.....

1010 Unobligated balance transfer to other accts [86–4586] .....	–5	.....	.....
1010 Unobligated balance transfer to other accts [86–0335] .....	–2	.....	.....
1021 Recoveries of prior year unpaid obligations .....	19	.....	.....
1050 Unobligated balance (total) .....	40	19	.....
1930 Total budgetary resources available .....	40	19	.....
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	19	.....	.....

## Change in obligated balance:

Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	2,091	1,416	405
3010 Obligations incurred, unexpired accounts .....	21	19	.....
3020 Outlays (gross) .....	–677	–1,030	–329
3040 Recoveries of prior year unpaid obligations, unexpired .....	–19	.....	.....
3050 Unpaid obligations, end of year .....	1,416	405	76
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	2,091	1,416	405
3200 Obligated balance, end of year .....	1,416	405	76

## Budget authority and outlays, net:

Mandatory:			
Outlays, gross:			
4101 Outlays from mandatory balances .....	677	1,030	329
4190 Outlays, net (total) .....	677	1,030	329

## Summary of Budget Authority and Outlays (in millions of dollars)

	2012 actual	2013 CR	2014 est.
Enacted/requested:			
Outlays .....	677	1,030	329
Legislative proposal, subject to PAYGO:			
Budget Authority .....	.....	15,000	.....
Outlays .....	.....	.....	50
Total:			
Budget Authority .....	.....	15,000	.....
Outlays .....	677	1,030	379

The Neighborhood Stabilization Program (NSP) was authorized by the Housing and Economic Recovery Act of 2008 (HERA) and funded at \$3.92 billion. In response to the foreclosure crisis, HERA directed HUD to develop a formula to distribute the funds to State and local governments with the greatest need. To determine the areas with the greatest need, the allocation formula had to be based on home foreclosures, subprime loans, and mortgage defaults or delinquencies. Grantees may use NSP funds for a number of eligible activities, including establishing financing mechanisms; purchasing and rehabilitating abandoned or foreclosed properties; establishing land banks; demolishing blighted structures; and redeveloping vacant or demolished property. NSP grantees must use at least 25 percent of the funds appropriated for the purchase and redevelopment of abandoned or foreclosed residential properties that will be used to house individuals or families whose incomes do not exceed 50 percent of the area median income. In addition, all activities funded by NSP must benefit low- and moderate-income persons whose income does not exceed 120 percent of area median income.

In September 2008, HUD announced direct NSP allocations to 309 jurisdictions, including all 50 states, Puerto Rico and the Insular Areas. Pursuant to HERA, grantees had 18 months from the date funds were made available to obligate the funds. As of February 2013, grantees had expended more than 95 percent of this first round of NSP funding (NSP1).

The American Recovery and Reinvestment Act of 2009 (ARRA) made several changes to the NSP program as enacted by HERA and appropriated an additional \$2 billion in funding for the NSP program. The ARRA funding for the second round of NSP funding (NSP2) is reflected within the Community Development Fund account. In January 2010, HUD announced 56 awards under the NSP2 program and all funds were obligated on February 11, 2010. NSP2 grantees had until February 11, 2013, to expend their funds. All but four grantees met the February deadline and

HUD is imposing corrective actions and sanctions to resolve expenditure issues surrounding these grants. As of February 2013, grantees had collectively expended more than 100 percent of NSP2 funding, including program income.

The Dodd-Frank Financial Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) appropriated an additional \$1 billion for a third iteration of NSP (NSP3) in July 2010. The Department announced a formula allocation of these funds to 283 entities consisting of State and local governments in September 2010. Grantees submitted their plans for using the NSP3 funds by March 2011 and, from the date HUD made the funds available, grantees will have two years to expend 50 percent of the grant and three years to expend 100 percent. As of February 2013, NSP 3 grantees had expended more than 36 percent of funds.

The Budget provides \$200 million in new competitive funds for neighborhood stabilization activities as part of the Community Development Fund. The Administration continues to propose \$15 billion in mandatory funding for Project Rebuild which would build upon the success of the Neighborhood Stabilization Program and expand opportunities for grantees to address abandoned and foreclosed commercial properties for redevelopment purposes. Of the requested \$15 billion for Project Rebuild, \$10 billion is for a formula allocation to State and local governments while \$5 billion is reserved for competitive distribution to governmental entities as well as non-profit and for-profit entities.

**NEIGHBORHOOD STABILIZATION PROGRAM**  
(Legislative proposal, subject to PAYGO)

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

Identification code 86-0344-4-1-451	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0004 Project Rebuild .....		15,000	
0900 Total new obligations (object class 41.0) .....		15,000	
<b>Budgetary Resources:</b>			
Budget authority:			
Appropriations, mandatory:			
1200 Appropriation .....		15,000	
1260 Appropriations, mandatory (total) .....		15,000	
1930 Total budgetary resources available .....		15,000	
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....			15,000
3010 Obligations incurred, unexpired accounts .....		15,000	
3020 Outlays (gross) .....			-50
3050 Unpaid obligations, end of year .....		15,000	14,950
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....			15,000
3200 Obligated balance, end of year .....		15,000	14,950
<b>Budget authority and outlays, net:</b>			
Mandatory:			
4090 Budget authority, gross .....		15,000	
Outlays, gross:			
4101 Outlays from mandatory balances .....			50
4180 Budget authority, net (total) .....		15,000	
4190 Outlays, net (total) .....			50

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

*For the emergency solutions grants program as authorized under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act, as amended; and the continuum of care program as authorized under subtitle C of title IV of such Act; \$2,381,000,000, to remain available until September 30, 2016, and any rental assistance amounts that are recaptured under such*

*continuum of care program shall remain available until expended: Provided, That not less than \$346,000,000 of the funds appropriated under this heading shall be available for such emergency solutions grants program, of which \$60,000,000 shall be for rapid re-housing for high need communities as determined by the Secretary: Provided further, That not less than \$2,027,000,000 of the funds appropriated under this heading shall be available for such continuum of care program: Provided further, That up to \$8,000,000 of the funds appropriated under this heading shall be available for the national homeless data analysis project: Provided further, That all funds awarded for supportive services under the continuum of care program shall be matched by not less than 25 percent in cash or in kind by each grantee: Provided further, That for all match requirements applicable to funds made available under this heading for this fiscal year and prior years, a grantee may use (or could have used) as a source of match funds other funds administered by the Secretary and other Federal agencies unless there is (or was) a specific statutory prohibition on any such use of any such funds: Provided further, That the Secretary shall renew on an annual basis expiring contracts or amendments to contracts funded under the continuum of care program if the program is determined to be needed under the applicable continuum of care and meets appropriate program requirements and financial standards, as determined by the Secretary: Provided further, That all awards of assistance under this heading shall be required to coordinate and integrate homeless programs with other mainstream health, social services, and employment programs for which homeless populations may be eligible, including Medicaid, State Children's Health Insurance Program, Temporary Assistance for Needy Families, Food Stamps, and services funding through the Mental Health and Substance Abuse Block Grant, Workforce Investment Act, and the Welfare-to-Work grant program: Provided further, That all balances for Shelter Plus Care renewals previously funded from the Shelter Plus Care Renewal account and transferred to this account shall be available, if recaptured, for continuum of care renewals in fiscal year 2014.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

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

Identification code 86-0192-0-1-604	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Homeless Assistance Grants .....	1,743		
0002 National Homeless Data Analysis Project .....	13		8
0003 Technical Assistance .....	7		
0004 Sec. 8 Mod Rehab Amendments .....	2		
0009 Continuum of Care (SPC, SHP, Rural) .....		1,681	1,574
0010 Emergency Solutions Grants - Formula .....	314	314	356
0900 Total new obligations (object class 41.0) .....	2,079	1,995	1,938
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	2,192	2,023	1,961
1021 Recoveries of prior year unpaid obligations .....	35	20	20
1050 Unobligated balance (total) .....	2,227	2,043	1,981
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	1,901	1,913	2,381
1160 Appropriation, discretionary (total) .....	1,901	1,913	2,381
1930 Total budgetary resources available .....	4,128	3,956	4,362
Memorandum (non-add) entries:			
1940 Unobligated balance expiring .....	-26		
1941 Unexpired unobligated balance, end of year .....	2,023	1,961	2,424
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	2,516	2,474	2,731
3010 Obligations incurred, unexpired accounts .....	2,079	1,995	1,938
3011 Obligations incurred, expired accounts .....	1		
3020 Outlays (gross) .....	-1,955	-1,718	-1,652
3040 Recoveries of prior year unpaid obligations, unexpired .....	-35	-20	-20
3041 Recoveries of prior year unpaid obligations, expired .....	-132		
3050 Unpaid obligations, end of year .....	2,474	2,731	2,997

HOMELESS ASSISTANCE GRANTS—Continued  
Program and Financing—Continued

Identification code 86-0192-0-1-604	2012 actual	2013 CR	2014 est.
<b>Memorandum (non-add) entries:</b>			
3100 Obligated balance, start of year .....	2,516	2,474	2,731
3200 Obligated balance, end of year .....	2,474	2,731	2,997
<b>Budget authority and outlays, net:</b>			
<b>Discretionary:</b>			
4000 Budget authority, gross .....	1,901	1,913	2,381
<b>Outlays, gross:</b>			
4010 Outlays from new discretionary authority .....	4	10	12
4011 Outlays from discretionary balances .....	1,951	1,708	1,640
4020 Outlays, gross (total) .....	1,955	1,718	1,652
<b>Offsets against gross budget authority and outlays:</b>			
<b>Offsetting collections (collected) from:</b>			
4033 Non-Federal sources .....	-1		
<b>Additional offsets against gross budget authority only:</b>			
4052 Offsetting collections credited to expired accounts .....	1		
4070 Budget authority, net (discretionary) .....	1,901	1,913	2,381
4080 Outlays, net (discretionary) .....	1,954	1,718	1,652
4180 Budget authority, net (total) .....	1,901	1,913	2,381
4190 Outlays, net (total) .....	1,954	1,718	1,652

The Homeless Assistance Grants account provides funds for the Emergency Solutions Grant (ESG) and Continuum of Care (CoC) programs. These programs, which award funds through formula and competitive processes, enable localities to shape and implement comprehensive, flexible, coordinated approaches to address the multiple issues of homelessness. Many communities have made great strides in creating comprehensive approaches to ending chronic homelessness through the development of local plans.

The 2014 Budget provides \$2.38 billion for a wide range of activities to assist homeless persons and prevent future homelessness. HUD estimates it will use \$1.95 billion for competitive renewals in the CoC program and \$346 million for the Emergency Solutions Grant Program, \$60 million of which shall be used for rapid re-housing in high need communities. The Budget also includes \$40 million for new competitive permanent supportive housing projects in the CoC program, and \$8 million for the Homeless Data Analysis Project.

In 2014, HUD will continue the implementation of the McKinney-Vento Act as amended by the HEARTH Act. HUD began implementation of the HEARTH Act with the Emergency Solutions Grants, Consolidated Plan, and Homeless Definition interim rules effective January 2012, and the Continuum of Care interim rule effective August 2012.

The 2014 Budget helps make progress toward ending homelessness by supporting the goals of "Opening Doors: the Federal Strategic Plan to Prevent and End Homelessness," which was published by the U.S. Interagency Council on Homelessness in 2010.

## PERMANENT SUPPORTIVE HOUSING

## Program and Financing (in millions of dollars)

Identification code 86-0342-0-1-604	2012 actual	2013 CR	2014 est.
<b>Change in obligated balance:</b>			
<b>Unpaid obligations:</b>			
3000 Unpaid obligations, brought forward, Oct 1 .....	46	36	24
3020 Outlays (gross) .....	-10	-12	-7
3050 Unpaid obligations, end of year .....	36	24	17
<b>Memorandum (non-add) entries:</b>			
3100 Obligated balance, start of year .....	46	36	24
3200 Obligated balance, end of year .....	36	24	17

## Budget authority and outlays, net:

<b>Discretionary:</b>			
<b>Outlays, gross:</b>			
4011 Outlays from discretionary balances .....	10	12	7
4190 Outlays, net (total) .....	10	12	7

This program was created by the Supplemental Appropriations Act, 2008 (P.L. 110-252), which provided \$73 million for permanent supportive housing assistance as referenced in the Road Home Program of the Louisiana Recovery Authority (LRA). Of the total amount appropriated, \$50 million is for permanent supportive housing, which serves approximately 1,000 homeless individuals and families living with disabilities. These grants are administered under the Shelter Plus Care program, as authorized under subtitle F of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11403 et seq.). The LRA will be eligible to apply for Homeless Assistance Grants to renew this assistance. Additionally, this account provides \$23 million in project-based rental assistance vouchers to LRA to support an estimated 2,000 elderly and disabled disaster victims, as authorized, under section 8(o)(13) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(13)). Beginning in 2010, these vouchers have been renewed within the Tenant-Based Rental Assistance account upon the termination of the original subsidy.

## RURAL HOUSING AND ECONOMIC DEVELOPMENT

## Program and Financing (in millions of dollars)

Identification code 86-0324-0-1-604	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Rural Housing and Economic Development .....	3		
0002 Border Capital Community Initiative .....		3	1
0900 Total new obligations (object class 41.0) .....	3	3	1
<b>Budgetary Resources:</b>			
<b>Unobligated balance:</b>			
1000 Unobligated balance brought forward, Oct 1 .....	4	3	1
1021 Recoveries of prior year unpaid obligations .....	2	1	
1050 Unobligated balance (total) .....	6	4	1
1930 Total budgetary resources available .....	6	4	1
<b>Memorandum (non-add) entries:</b>			
1941 Unexpired unobligated balance, end of year .....	3	1	
<b>Change in obligated balance:</b>			
<b>Unpaid obligations:</b>			
3000 Unpaid obligations, brought forward, Oct 1 .....	34	24	6
3010 Obligations incurred, unexpired accounts .....	3	3	1
3020 Outlays (gross) .....	-11	-20	-7
3040 Recoveries of prior year unpaid obligations, unexpired .....	-2	-1	
3050 Unpaid obligations, end of year .....	24	6	
<b>Memorandum (non-add) entries:</b>			
3100 Obligated balance, start of year .....	34	24	6
3200 Obligated balance, end of year .....	24	6	

## Budget authority and outlays, net:

<b>Discretionary:</b>			
<b>Outlays, gross:</b>			
4011 Outlays from discretionary balances .....	11	20	7
4190 Outlays, net (total) .....	11	20	7

The 2014 Budget does not provide funding for the Rural Housing and Economic Development (RHED) program. RHED was created to encourage innovative approaches to serving the housing and economic development needs of the nation's rural communities.

## REVOLVING FUND (LIQUIDATING PROGRAMS)

## Program and Financing (in millions of dollars)

Identification code 86-4015-0-3-451	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Revolving Fund .....	2	1	1
0900 Total new obligations (object class 32.0) .....	2	1	1

## Budgetary Resources:

Budget authority:			
Appropriations, mandatory:			
1200 Appropriation .....	2	1	1
1260 Appropriations, mandatory (total) .....	2	1	1
1900 Budget authority (total) .....	2	1	1
1930 Total budgetary resources available .....	2	1	1

## Change in obligated balance:

Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	7	9	8
3010 Obligations incurred, unexpired accounts .....	2	1	1
3020 Outlays (gross) .....	-2	-2	-2
3050 Unpaid obligations, end of year .....	9	8	7
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	7	9	8
3200 Obligated balance, end of year .....	9	8	7

## Budget authority and outlays, net:

Mandatory:			
4090 Budget authority, gross .....	2	1	1
Outlays, gross:			
4100 Outlays from new mandatory authority .....	1	1	1
4101 Outlays from mandatory balances .....	1	1	1
4110 Outlays, gross (total) .....	2	2	2
4180 Budget authority, net (total) .....	2	1	1
4190 Outlays, net (total) .....	2	2	2

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

Identification code 86-4015-0-3-451	2012 actual	2013 CR	2014 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	5	5	5
1263 Write-offs for default: Direct loans .....			
1290 Outstanding, end of year .....	5	5	5

The Revolving Fund (liquidating programs) was established by the Independent Offices Appropriations Act of 1955 for the efficient liquidation of assets acquired under a number of housing and urban development programs, all of which are no longer active. The operational expenses are financed from a permanent, indefinite appropriation to administer the remaining repayments of loans and recaptures in the portfolio. Annually, any remaining unobligated balances in the account are returned as a dividend to the Treasury.

The Section 312 loan program portfolio, which provided first and junior lien financing at below market interest rates for the rehabilitation of homes in low-income neighborhoods, constituted a large portion of the account activities. This program ceased to originate new loans over 20 years ago. Since the sale of the Section 312 loan portfolio to the private sector in 2001, activity in this account has been minimal.

## Balance Sheet (in millions of dollars)

Identification code 86-4015-0-3-451	2011 actual	2012 actual
<b>ASSETS:</b>		
1101 Federal assets: Fund balances with Treasury .....	7	9
1601 Direct loans, gross .....	5	5
1603 Allowance for estimated uncollectible loans and interest (-) .....	-5	-5
1604 Direct loans and interest receivable, net .....		
1606 Foreclosed property .....	1	2

1699 Value of assets related to direct loans .....	1	2
1999 Total assets .....	8	11
<b>LIABILITIES:</b>		
2207 Non-Federal liabilities: Other .....	1	1
<b>NET POSITION:</b>		
3100 Unexpended appropriations .....	7	10
4999 Total liabilities and net position .....	8	11

## COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM ACCOUNT

*Subject to section 502 of the Congressional Budget Act of 1974, during fiscal year 2014 commitments to guarantee loans under section 108 of the Housing and Community Development Act of 1974, any part of which is guaranteed, shall not exceed a total principal amount of \$500,000,000, notwithstanding any aggregate limitation on outstanding obligations guaranteed in subsection (k) of such section 108: Provided, That the Secretary shall collect fees from borrowers, notwithstanding subsection (m) of such section 108, to result in a credit subsidy cost of zero, and such fees such be collected in accordance with section 502(7) of the Congressional Budget Act of 1974.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

## Program and Financing (in millions of dollars)

Identification code 86-0198-0-1-451	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
Credit program obligations:			
0702 Loan guarantee subsidy .....	5	9	
0707 Reestimates of loan guarantee subsidy .....	7	7	
0708 Interest on reestimates of loan guarantee subsidy .....	1	1	
0900 Total new obligations (object class 33.0) .....	13	17	

## Budgetary Resources:

Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	3	3	
1001 Discretionary unobligated balance brought fwd, Oct 1 .....	3	3	
1021 Recoveries of prior year unpaid obligations .....	1		
1050 Unobligated balance (total) .....	4	3	
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	6	6	
1160 Appropriation, discretionary (total) .....	6	6	
Appropriations, mandatory:			
1200 Appropriation .....	7	8	
1260 Appropriations, mandatory (total) .....	7	8	
1900 Budget authority (total) .....	13	14	
1930 Total budgetary resources available .....	17	17	
Memorandum (non-add) entries:			
1940 Unobligated balance expiring .....	-1		
1941 Unexpired unobligated balance, end of year .....	3		

## Change in obligated balance:

Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	14	14	15
3010 Obligations incurred, unexpired accounts .....	13	17	
3020 Outlays (gross) .....	-11	-16	-8
3040 Recoveries of prior year unpaid obligations, unexpired .....	-1		
3041 Recoveries of prior year unpaid obligations, expired .....	-1		
3050 Unpaid obligations, end of year .....	14	15	7
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	14	14	15
3200 Obligated balance, end of year .....	14	15	7

## Budget authority and outlays, net:

Discretionary:			
4000 Budget authority, gross .....	6	6	
Outlays, gross:			
4010 Outlays from new discretionary authority .....		1	
4011 Outlays from discretionary balances .....	4	7	8
4020 Outlays, gross (total) .....	4	8	8

**COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM**  
**ACCOUNT—Continued**  
**Program and Financing—Continued**

Identification code 86-0198-0-1-451	2012 actual	2013 CR	2014 est.
<b>Mandatory:</b>			
4090 Budget authority, gross .....	7	8	
Outlays, gross:			
4100 Outlays from new mandatory authority .....	7	8	
4180 Budget authority, net (total) .....	13	14	
4190 Outlays, net (total) .....	11	16	8

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

Identification code 86-0198-0-1-451	2012 actual	2013 CR	2014 est.
<b>Guaranteed loan levels supportable by subsidy budget authority:</b>			
215001 Community development loan guarantee levels .....	206	364	500
215999 Total loan guarantee levels .....	206	364	500
<b>Guaranteed loan subsidy (in percent):</b>			
232001 Community development loan guarantee levels .....	2.48	2.46	0.00
232999 Weighted average subsidy rate .....	2.48	2.46	0.00
<b>Guaranteed loan subsidy budget authority:</b>			
233001 Community development loan guarantee levels .....	5	9	
233999 Total subsidy budget authority .....	5	9	
<b>Guaranteed loan subsidy outlays:</b>			
234001 Community development loan guarantee levels .....	4	5	5
234999 Total subsidy outlays .....	4	5	5
<b>Guaranteed loan upward reestimates:</b>			
235001 Community development loan guarantee levels .....	7	8	
235999 Total upward reestimate budget authority .....	7	8	
<b>Guaranteed loan downward reestimates:</b>			
237001 Community development loan guarantee levels .....	-10	-3	
237999 Total downward reestimate subsidy budget authority .....	-10	-3	

The 2014 Budget increases the guaranteed loan limit to \$500 million, but does not request funding for the Community Development Loan Guarantee program (Section 108). Instead of subsidy, the Budget includes a legislative change to allow HUD to collect fees to offset credit subsidy costs and make related adjustments to the program. Carryover loan guarantee credit subsidy in this account will continue to be used until exhausted. The Budget requires that the program operate at a zero credit subsidy cost and provides for the collection of fees to fund program costs. Program activities include economic development projects, housing rehabilitation, public facilities rehabilitation, construction or installation for the benefit of low- to moderate-income persons, or to aid in the prevention of slums.

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

**COMMUNITY DEVELOPMENT LOAN GUARANTEES FINANCING ACCOUNT**  
**Program and Financing** (in millions of dollars)

Identification code 86-4096-0-3-451	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
<b>Credit program obligations:</b>			
0742 Downward reestimate paid to receipt account .....	5	2	
0743 Interest on downward reestimates .....	5	1	
0900 Total new obligations .....	10	3	
<b>Budgetary Resources:</b>			
<b>Unobligated balance:</b>			
1000 Unobligated balance brought forward, Oct 1 .....	104	109	119

<b>Financing authority:</b>			
<b>Spending authority from offsetting collections, mandatory:</b>			
1800 Collected .....	15	13	9
1850 Spending auth from offsetting collections, mand (total) .....	15	13	9
1930 Total budgetary resources available .....	119	122	128
<b>Memorandum (non-add) entries:</b>			
1941 Unexpired unobligated balance, end of year .....	109	119	128

<b>Change in obligated balance:</b>			
<b>Unpaid obligations:</b>			
3000 Unpaid obligations, brought forward, Oct 1 .....			3
3010 Obligations incurred, unexpired accounts .....	10	3	
3020 Financing disbursements (gross) .....	-10		
3050 Unpaid obligations, end of year .....		3	3
<b>Uncollected payments:</b>			
3060 Uncollected pymts, Fed sources, brought forward, Oct 1 .....	-14	-14	-14
3090 Uncollected pymts, Fed sources, end of year .....	-14	-14	-14
<b>Memorandum (non-add) entries:</b>			
3100 Obligated balance, start of year .....	-14	-14	-11
3200 Obligated balance, end of year .....	-14	-11	-11

<b>Financing authority and disbursements, net:</b>			
<b>Mandatory:</b>			
4090 Financing authority, gross .....	15	13	9
<b>Financing disbursements:</b>			
4110 Financing disbursements, gross .....	10		
<b>Offsets against gross financing authority and disbursements:</b>			
<b>Offsetting collections (collected) from:</b>			
4120 Federal Sources: Payments from Program Account .....	-11	-12	-5
4122 Interest on uninvested funds .....	-4	-1	-4
4130 Offsets against gross financing auth and disbursements (total) .....	-15	-13	-9
4170 Financing disbursements, net (mandatory) .....	-5	-13	-9
4190 Financing disbursements, net (total) .....	-5	-13	-9

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

Identification code 86-4096-0-3-451	2012 actual	2013 CR	2014 est.
<b>Position with respect to appropriations act limitation on commitments:</b>			
2111 Limitation on guaranteed loans made by private lenders .....	240	240	500
2121 Limitation available from carry-forward .....	125	124	
2142 Uncommitted loan guarantee limitation .....	-34		
2143 Uncommitted limitation carried forward .....	-124		
2150 Total guaranteed loan commitments .....	207	364	500
2199 Guaranteed amount of guaranteed loan commitments .....	206	364	500
<b>Cumulative balance of guaranteed loans outstanding:</b>			
2210 Outstanding, start of year .....	2,079	2,148	2,108
2231 Disbursements of new guaranteed loans .....	175	210	210
2251 Repayments and prepayments .....	-212	-250	-250
2264 Adjustments: Other adjustments, net .....	106		
2290 Outstanding, end of year .....	2,148	2,108	2,068
<b>Memorandum:</b>			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	2,148	1,999	1,999

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

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

Identification code 86-4096-0-3-451	2011 actual	2012 actual
<b>ASSETS:</b>		
1101 Federal assets: Fund balances with Treasury .....	95	96
1999 Total assets .....	95	96
<b>LIABILITIES:</b>		
2204 Non-Federal liabilities: Liabilities for loan guarantees .....	95	96



4999 Total liabilities and net position ..... 95 96

## COMMUNITY DEVELOPMENT LOAN GUARANTEES LIQUIDATING ACCOUNT

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

Identification code 86-4097-0-3-451	2012 actual	2013 CR	2014 est.
<b>Change in obligated balance:</b>			
Uncollected payments:			
3060 Uncollected pymts, Fed sources, brought forward, Oct 1 .....	-3	-3	-3
3090 Uncollected pymts, Fed sources, end of year .....	-3	-3	-3
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	-3	-3	-3
3200 Obligated balance, end of year .....	-3	-3	-3

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

Identification code 86-4097-0-3-451	2012 actual	2013 CR	2014 est.
<b>Cumulative balance of guaranteed loans outstanding:</b>			
2210 Outstanding, start of year .....	10	5	.....
2251 Repayments and prepayments .....	-5	-5	.....
2290 Outstanding, end of year .....	5	.....	.....
<b>Memorandum:</b>			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	5	.....	.....

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

### Balance Sheet (in millions of dollars)

Identification code 86-4097-0-3-451	2011 actual	2012 actual
<b>ASSETS:</b>		
Federal assets:		
1101 Fund balances with Treasury .....	3	3
Investments in US securities:		
1106 Receivables, net .....	3	3
1999 Total assets .....	6	6

## HOUSING PROGRAMS

### Federal Funds

#### HOUSING FOR THE ELDERLY

For amendments to capital advance contracts for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance for the elderly under section 202(c)(2) of such Act, including amendments to contracts for such assistance and renewal of expiring contracts for such assistance for up to a 1-year term, and for senior preservation rental assistance contracts, as authorized by section 811(e) of the American Housing and Economic Opportunity Act of 2000, as amended, and for supportive services associated with the housing, \$400,000,000 to remain available until September 30, 2017: Provided, That of the amount provided under this heading, up to \$70,000,000 shall be for service coordinators and the continuation of existing congregate service grants for residents of assisted housing projects: Provided further, That amounts under this heading shall be available for Real Estate Assessment Center inspections and inspection-related activities associated with section 202 projects: Provided further, That the Secretary may waive the provisions of section 202 governing the terms and conditions of project rental assistance, except that the initial contract term for such assistance shall not exceed 5 years in duration: Provided further, That upon the request of the Secretary of Housing and Urban Development, project funds that are held in residual receipts accounts for any project subject to a

section 202 project rental assistance contract and that upon termination of such contract are in excess of an amount to be determined by the Secretary shall be remitted to the Department and deposited in this account, to be available until expended: Provided further, That amounts deposited in this account pursuant to the previous proviso shall be available in addition to the amounts otherwise provided by this heading for the purposes authorized under this heading and, together with such other funds, may be used by the Secretary for demonstration programs to test housing with services models for the elderly: Provided further, That unobligated balances, including recaptures and carryover, remaining from funds transferred to or appropriated under this heading may be used for the current purposes authorized under this heading, notwithstanding the purposes for which such funds were originally appropriated.

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

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

Identification code 86-0320-0-1-604	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Construction and Expansion .....	654	29	31
0002 PRAC Renewal/Amendment .....	228	285	310
0003 Service Coordinators/Congregate Services .....	127	81	70
0004 Conversion to Assisted Living Facilities .....	24	26	22
0005 Pre-Construction Demonstration .....	21	.....	.....
0006 Senior Preservation Rental Assistance Contracts .....	.....	.....	16
0007 Technical Assistance .....	2	.....	.....
0900 Total new obligations (object class 41.0) .....	1,056	421	449

### Budgetary Resources:

<b>Unobligated balance:</b>			
1000 Unobligated balance brought forward, Oct 1 .....	865	183	139
1021 Recoveries of prior year unpaid obligations .....	7	.....	.....
1050 Unobligated balance (total) .....	872	183	139
<b>Budget authority:</b>			
<b>Appropriations, discretionary:</b>			
1100 Appropriation .....	375	377	400
1120 Appropriations transferred to other accts [86-0402] .....	.....	.....	-2
1160 Appropriation, discretionary (total) .....	375	377	398
<b>Spending authority from offsetting collections, discretionary:</b>			
1700 Collected .....	8	.....	28
1750 Spending auth from offsetting collections, disc (total) .....	8	.....	28
1900 Budget authority (total) .....	383	377	426
1930 Total budgetary resources available .....	1,255	560	565
<b>Memorandum (non-add) entries:</b>			
1940 Unobligated balance expiring .....	-16	.....	.....
1941 Unexpired unobligated balance, end of year .....	183	139	116

### Change in obligated balance:

<b>Unpaid obligations:</b>			
3000 Unpaid obligations, brought forward, Oct 1 .....	2,638	2,806	2,330
3010 Obligations incurred, unexpired accounts .....	1,056	421	449
3020 Outlays (gross) .....	-870	-897	-880
3040 Recoveries of prior year unpaid obligations, unexpired .....	-7	.....	.....
3041 Recoveries of prior year unpaid obligations, expired .....	-11	.....	.....
3050 Unpaid obligations, end of year .....	2,806	2,330	1,899
<b>Memorandum (non-add) entries:</b>			
3100 Obligated balance, start of year .....	2,638	2,806	2,330
3200 Obligated balance, end of year .....	2,806	2,330	1,899

### Budget authority and outlays, net:

<b>Discretionary:</b>			
4000 Budget authority, gross .....	383	377	426
<b>Outlays, gross:</b>			
4010 Outlays from new discretionary authority .....	71	117	126
4011 Outlays from discretionary balances .....	799	780	754
4020 Outlays, gross (total) .....	870	897	880
<b>Offsets against gross budget authority and outlays:</b>			
<b>Offsetting collections (collected) from:</b>			
4033 Non-Federal sources .....	-8	.....	-28
4180 Budget authority, net (total) .....	375	377	398
4190 Outlays, net (total) .....	862	897	852

## HOUSING FOR THE ELDERLY—Continued

Since 1959, the Housing for the Elderly program (Section 202) has supported both the construction and operation of supportive housing for very low-income elderly households, including frail elderly. The Budget provides \$310 million to renew and amend operating subsidy contracts for existing Section 202 housing, \$70 million to support service coordinators who work on-site to help residents obtain critical services, such as benefit counseling, and \$20 million to support a demonstration program to test and implement housing with services models for seniors.

As proposed in the 2013 Budget, the Administration continues to support legislative and administrative changes to permit a new generation of Section 202 housing with supportive services targeted at populations most in need of affordable housing. Building off emerging research on best practices, HUD will provide Section 202 operating assistance to States to fund innovative supportive housing projects in line with state housing and health care priorities. Funded projects—new or existing multifamily housing complexes—must be fully leveraged with other capital resources, such as Low-Income Housing Tax Credits, HOME funds, and other Federal, state, and local programs, and only require Section 202 for operating assistance. This will result in long-term strategies to increase the supply of affordable permanent housing units with structured access to appropriate services, but also enables the program to better facilitate cost savings to state and federal health care budgets through reduced institutionalization and emergency room utilization.

In addition, the Budget provides HUD with new authorities to make better use of existing resources. In 2014, HUD will review residual receipts collections, recaptures, and other unobligated balances to increase the amount available for awards to support housing with services models that serve as a platform for seniors to live independently and age in place.

## HOUSING FOR THE ELDERLY

	2012 actual	2013 est.	2014 est.
Units eligible for payment .....	115,112	119,698	125,661

## HOUSING FOR PERSONS WITH DISABILITIES

*For 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 (42 U.S.C. 8013), for project rental assistance for supportive housing for persons with disabilities under section 811(d)(2) of such Act and for project assistance contracts pursuant to section 202(h) of the Housing Act of 1959 (Public Law 86-372; 73 Stat. 667), including amendments to contracts for such assistance and renewal of expiring contracts for such assistance for up to a 1-year term, for project rental assistance to State housing finance agencies and other appropriate entities as authorized under section 811(b)(3) of the Cranston-Gonzalez National Housing Act, and for supportive services associated with the housing for persons with disabilities as authorized by section 811(b)(1) of such Act, \$126,000,000 to remain available until September 30, 2017: Provided, That amounts made available under this heading shall be available for Real Estate Assessment Center inspections and inspection-related activities associated with section 811 Projects. Provided further, That, notwithstanding any other provision of law, upon the request of the Secretary of Housing and Urban Development, project funds that are held in residual receipts accounts for any project subject to a section 811 project rental assistance contract and that upon termination of such contract are in excess of an amount to be determined by the Secretary shall be remitted to the Department and deposited in this account, to be available until expended: Provided further, That amounts deposited in this account pursuant to the previous proviso shall be available in addition to the amounts otherwise provided by this heading for the purposes authorized under this heading: Provided further, That unobligated balances, including recaptures and carryover, remaining from funds transferred to or appropriated*

*under this heading may be used for the current purposes authorized under this heading notwithstanding the purposes for which such funds originally were appropriated.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

## Program and Financing (in millions of dollars)

Identification code 86-0237-0-1-604	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Construction and Expansion .....	161	10	.....
0002 PRAC Renewals/Amendments .....	81	96	106
0003 Mainstream Voucher Renewals .....	1	1	.....
0004 State Housing Project Rental Assistance .....	.....	101	122
0900 Total new obligations (object class 41.0) .....	243	208	228
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	257	183	141
1021 Recoveries of prior year unpaid obligations .....	5	.....	.....
1050 Unobligated balance (total) .....	262	183	141
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	165	166	126
1120 Appropriations transferred to other accts [86-0402] .....	.....	.....	-1
1160 Appropriation, discretionary (total) .....	165	166	125
Spending authority from offsetting collections, discretionary:			
1700 Collected .....	.....	.....	12
1750 Spending auth from offsetting collections, disc (total) .....	.....	.....	12
1900 Budget authority (total) .....	165	166	137
1930 Total budgetary resources available .....	427	349	278
Memorandum (non-add) entries:			
1940 Unobligated balance expiring .....	-1	.....	.....
1941 Unexpired unobligated balance, end of year .....	183	141	50
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	656	664	601
3010 Obligations incurred, unexpired accounts .....	243	208	228
3020 Outlays (gross) .....	-226	-271	-202
3040 Recoveries of prior year unpaid obligations, unexpired .....	-5	.....	.....
3041 Recoveries of prior year unpaid obligations, expired .....	-4	.....	.....
3050 Unpaid obligations, end of year .....	664	601	627
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	656	664	601
3200 Obligated balance, end of year .....	664	601	627
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....	165	166	137
Outlays, gross:			
4010 Outlays from new discretionary authority .....	22	35	17
4011 Outlays from discretionary balances .....	204	236	185
4020 Outlays, gross (total) .....	226	271	202
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4033 Non-Federal sources .....	.....	.....	-12
4180 Budget authority, net (total) .....	165	166	125
4190 Outlays, net (total) .....	226	271	190

Since 1992, the Housing for Persons with Disabilities program (Section 811) has supported the development of supportive housing for very low-income people with disabilities. The Budget provides \$106 million to renew and amend operating subsidy contracts for existing Section 811 housing, and \$20 million for new Project Rental Assistance (PRA) awards.

In 2014, HUD will continue to fund supportive housing projects in line with state housing and health care priorities through the Section 811 PRA program. PRA projects must be fully leveraged with other capital resources, such as Low-Income Housing Tax Credits, HOME funds, and other Federal, state, and local programs, and only require Section 811 for operating assistance.

Section 811 allows for States to better leverage community-based care, to affirmatively address legal requirements for integrated housing, and to provide a platform for disabled persons to live independently in integrated community-based settings. Supportive housing can achieve significant savings for state and federal health care budgets through reduced institutionalization and emergency room utilization.

The inaugural competition of the Section 811 PRA program in 2012 provided funding to thirteen states to support 3,530 units specifically set-aside for persons with disabilities with appropriate community-based supports and services. The majority of state PRA programs are targeting persons with disabilities in institutions or at risk of institutionalization consistent with each State's Olmstead agreements or Olmstead plan.

The Budget also provides HUD with new authorities to make better use of existing resources. In 2014, HUD will review residual receipts collections, recaptures, and other unobligated balances to redirect available funds to make new additional investments in PRA awards.

#### HOUSING FOR PERSONS WITH DISABILITIES

	2012 actual	2013 est.	2014 est.
Units eligible for payment .....	32,187	33,469	36,040

#### HOUSING COUNSELING ASSISTANCE

*For contracts, grants, and other assistance excluding loans, as authorized under section 106 of the Housing and Urban Development Act of 1968, as amended, \$55,000,000, including up to \$4,500,000 for administrative contract services, to remain available until September 30, 2015: Provided, That funds shall be used for providing counseling and advice to tenants and homeowners, both current and prospective, with respect to property maintenance, financial management/literacy, and such other matters as may be appropriate to assist them in improving their housing conditions, meeting their financial needs, and fulfilling the responsibilities of tenancy or homeownership; for program administration; and for housing counselor training.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112–175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

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

Identification code 86–0156–0–1–604	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Housing Counseling Assistance .....	43	42	50
0002 Administrative Contract Services .....	2	3	5
0900 Total new obligations .....	45	45	55
<b>Budgetary Resources:</b>			
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	45	45	55
1160 Appropriation, discretionary (total) .....	45	45	55
1930 Total budgetary resources available .....	45	45	55
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	46	39	37
3010 Obligations incurred, unexpired accounts .....	45	45	55
3020 Outlays (gross) .....	–51	–47	–49
3041 Recoveries of prior year unpaid obligations, expired .....	–1		
3050 Unpaid obligations, end of year .....	39	37	43
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	46	39	37
3200 Obligated balance, end of year .....	39	37	43

#### Budget authority and outlays, net:

Discretionary:			
4000 Budget authority, gross .....	45	45	55
Outlays, gross:			
4010 Outlays from new discretionary authority .....	15	15	19
4011 Outlays from discretionary balances .....	36	32	30
4020 Outlays, gross (total) .....	51	47	49
4180 Budget authority, net (total) .....	45	45	55
4190 Outlays, net (total) .....	51	47	49

The Housing Counseling Assistance Program provides comprehensive housing counseling services to eligible homeowners and tenants through grants to non-profit intermediaries, state governmental entities, and other agencies with local to national presences. Eligible counseling activities include pre- and post-purchase education, personal financial management, reverse mortgage product education, foreclosure prevention/mitigation, and rental counseling. The Housing Counseling Assistance Program supports the delivery of a wide variety of housing counseling services to homebuyers, homeowners, low- to moderate-income renters, and elderly citizens including the Administration's current foreclosure mitigation efforts. The primary objectives of the Housing Counseling program are to expand homeownership opportunities, improve access to affordable housing, prevent foreclosure, increase financial literacy, and aid in HUD's commitment to bridging the minority homeownership gap. Additionally, the program supports a significant number of individuals with FHA-insured loans, which helps maintain the financial soundness of the FHA insurance funds. The 2014 Budget includes \$55 million for this program, the bulk of which funds grants for the direct provision of counseling.

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

Identification code 86–0156–0–1–604	2012 actual	2013 CR	2014 est.
<b>Direct obligations:</b>			
25.2 Other services from non-Federal sources .....		3	5
41.0 Grants, subsidies, and contributions .....	45	42	50
99.9 Total new obligations .....	45	45	55

#### ENERGY INNOVATION FUND

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

Identification code 86–0401–0–1–272	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Energy Efficient Mortgage Innovation Pilot .....	6	6	
0002 Multifamily Energy Pilot .....	23	2	
0900 Total new obligations (object class 41.0) .....	29	8	
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	37	8	
1930 Total budgetary resources available .....	37	8	
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	8		
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	12	40	34
3010 Obligations incurred, unexpired accounts .....	29	8	
3020 Outlays (gross) .....	–1	–14	–19
3050 Unpaid obligations, end of year .....	40	34	15
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	12	40	34
3200 Obligated balance, end of year .....	40	34	15

ENERGY INNOVATION FUND—Continued  
Program and Financing—Continued

Identification code 86-0401-0-1-272	2012 actual	2013 CR	2014 est.
<b>Budget authority and outlays, net:</b>			
Discretionary:			
Outlays, gross:			
4011 Outlays from discretionary balances .....	1	14	19
4190 Outlays, net (total) .....	1	14	19

The objective of the Energy Innovation Fund is to provide support for promising local initiatives that can be replicated across the nation and to stimulate and enhance private investment in cost-saving energy efficiency retrofits of existing housing, through improved use of FHA single family and multifamily mortgage products. In, 2010, \$50 million was appropriated for this initiative.

The single family Energy Efficient Mortgage Innovation Pilot provided up to \$25 million in incentive payments to support the new FHA PowerSaver loan guarantee program. PowerSaver is a partnership between HUD and 18 lenders that extends the benefits of Title I Energy Efficient Property Improvement loans to more homeowners and enabled them to borrow up to \$25,000 for terms as long as 20 years to make energy improvements of their choice, based on a list of proven measures developed by FHA and the U.S. Department of Energy (DOE).

The Multifamily Energy Innovation Fund Pilot provided \$25 million for financing and applied research demonstrations. The demonstrations will identify solutions to the primary and long-standing challenges to implementing energy efficiency and renewable energy improvements in existing affordable multifamily properties and leverage private capital and additional public funding to demonstrate proof of concept of specific models.

All funding for the program expires at the end of 2013. This schedule reflects the expenditure of prior year balances.

## EMERGENCY HOMEOWNERS' RELIEF FUND

## Program and Financing (in millions of dollars)

Identification code 86-0407-0-1-371	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
Credit program obligations:			
0701 Direct loan subsidy .....	18	22	.....
0900 Total new obligations (object class 41.0) .....	18	22	.....
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	472	185	163
1021 Recoveries of prior year unpaid obligations .....	106	.....	.....
1029 Other balances withdrawn .....	-375	.....	.....
1050 Unobligated balance (total) .....	203	185	163
1930 Total budgetary resources available .....	203	185	163
<b>Memorandum (non-add) entries:</b>			
1941 Unexpired unobligated balance, end of year .....	185	163	163
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	492	215	107
3010 Obligations incurred, unexpired accounts .....	18	22	.....
3020 Outlays (gross) .....	-189	-130	-69
3040 Recoveries of prior year unpaid obligations, unexpired .....	-106	.....	.....
3050 Unpaid obligations, end of year .....	215	107	38
<b>Memorandum (non-add) entries:</b>			
3100 Obligated balance, start of year .....	492	215	107
3200 Obligated balance, end of year .....	215	107	38

## Budget authority and outlays, net:

Mandatory:			
Outlays, gross:			
4101 Outlays from mandatory balances .....	189	130	69
4190 Outlays, net (total) .....	189	130	69

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

Identification code 86-0407-0-1-371	2012 actual	2013 CR	2014 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
115001 Emergency Homeowners' Relief .....	19	23	.....
115999 Total direct loan levels .....	19	23	.....
<b>Direct loan subsidy (in percent):</b>			
132001 Emergency Homeowners' Relief .....	97.72	97.71	.....
132999 Weighted average subsidy rate .....	97.72	97.71	.....
<b>Direct loan subsidy budget authority:</b>			
133001 Emergency Homeowners' Relief .....	18	22	.....
133999 Total subsidy budget authority .....	18	22	.....
<b>Direct loan subsidy outlays:</b>			
134001 Emergency Homeowners' Relief .....	67	32	18
134999 Total subsidy outlays .....	67	32	18

The Emergency Homeowners' Loan Program (EHLPL), authorized by the Dodd-Frank Wall Street Reform and Consumer Protection Act (P.L. 111-203), provided emergency mortgage assistance to homeowners who were unemployed or underemployed due to economic or medical conditions. EHLPL offered an eligible homeowner a declining balance, deferred payment, non-recourse, zero interest subordinate loan of up to \$50,000 to assist with paying all arrearages on the homeowner's first mortgage and up to 24 consecutive months of first mortgage assistance payments. EHLPL provided assistance to homeowners in Puerto Rico and the 32 states not assisted by the Treasury Department's Innovation Fund for Hardest Hit Housing Markets program. States with existing programs that provided substantially similar assistance to homeowners received grants to provide EHLPL assistance through such programs. The program became effective October 1, 2010 and, per statute, stopped accepting applications on September 30, 2011. As required by the Federal Credit Reform Act of 1990, this account records the administrative expenses for EHLPL, as well as the subsidy costs, associated with the direct loans obligated. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

## EMERGENCY HOMEOWNERS' RELIEF FINANCING ACCOUNT

## Program and Financing (in millions of dollars)

Identification code 86-4357-0-3-371	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
Credit program obligations:			
0710 Direct loan obligations .....	19	23	.....
0900 Total new obligations .....	19	23	.....
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	18	1	11
1020 Adjustment of unobligated bal brought forward, Oct 1 .....	-18	.....	.....
1021 Recoveries of prior year unpaid obligations .....	109	.....	.....
1050 Unobligated balance (total) .....	109	1	11
<b>Financing authority:</b>			
Spending authority from offsetting collections, mandatory:			
1800 Positive Subsidy .....	67	32	18
1800 Repayments .....	.....	1	1
1801 Change in uncollected payments, Federal sources .....	-156	.....	.....
1850 Spending auth from offsetting collections, mand (total) .....	-89	33	19
1900 Financing authority (total) .....	-89	33	19
1930 Total budgetary resources available .....	20	34	30

Memorandum (non-add) entries:			
1941	Unexpired unobligated balance, end of year .....	1	11 30
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000	Unpaid obligations, brought forward, Oct 1 .....	210	52 41
3010	Obligations incurred, unexpired accounts .....	19	23
3020	Financing disbursements (gross) .....	-68	-34 -19
3040	Recoveries of prior year unpaid obligations, unexpired .....	-109	.....
3050	Unpaid obligations, end of year .....	52	41 22
Uncollected payments:			
3060	Uncollected pymts, Fed sources, brought forward, Oct 1 .....	-205	-49 -49
3070	Change in uncollected pymts, Fed sources, unexpired .....	156	.....
3090	Uncollected pymts, Fed sources, end of year .....	-49	-49 -49
Memorandum (non-add) entries:			
3100	Obligated balance, start of year .....	5	3 -8
3200	Obligated balance, end of year .....	3	-8 -27

<b>Financing authority and disbursements, net:</b>			
Mandatory:			
4090	Financing authority, gross .....	-89	33 19
Financing disbursements:			
4110	Financing disbursements, gross .....	68	34 19
Offsets against gross financing authority and disbursements:			
Offsetting collections (collected) from:			
4120	Federal sources .....	-67	-32 -18
4123	Repayments of principal, net .....	.....	-1 -1
4130	Offsets against gross financing auth and disbursements (total) .....	-67	-33 -19
Additional offsets against financing authority only (total):			
4140	Change in uncollected pymts, Fed sources, unexpired .....	156	.....
4170	Financing disbursements, net (mandatory) .....	1	1
4190	Financing disbursements, net (total) .....	1	1

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

Identification code 86-4357-0-3-371	2012 actual	2013 CR	2014 est.
Position with respect to appropriations act limitation on obligations:			
1121	Limitation available from carry-forward .....	790	771 748
1143	Unobligated limitation carried forward (P.L. xx) (-) .....	-771	-748 -748
1150	Total direct loan obligations .....	19	23
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year .....	68	77
1231	Disbursements: Direct loan disbursements .....	68	34 19
1251	Repayments: Repayments and prepayments .....	.....	-1 -1
1263	Write-offs for default: Direct loans .....	.....	-24 -20
1290	Outstanding, end of year .....	68	77 75

This non-budgetary account records all cash flows to and from the Government resulting from the loan guarantees (including modifications of loan guarantees that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals. No administrative expenses can be recorded in the financing account.

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

Identification code 86-4357-0-3-371	2011 actual	2012 actual
<b>ASSETS:</b>		
1101	Federal assets: Fund balances with Treasury .....	23 4
Net value of assets related to post-1991 direct loans receivable:		
1401	Direct loans receivable, gross .....	68
1405	Allowance for subsidy cost (-) .....	-68
1499	Net present value of assets related to direct loans .....	.....
1999	Total assets .....	23 4
<b>LIABILITIES:</b>		
2103	Federal liabilities: Debt payable to Treasury .....	23 4
4999	Total upward reestimate subsidy BA [86-0407] .....	23 4

**OTHER ASSISTED HOUSING PROGRAMS****RENTAL HOUSING ASSISTANCE**

*For amendments to contracts under section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s) and section 236(f)(2) of the National Housing Act (12 U.S.C. 1715z-1) in State-aided, noninsured rental housing projects, \$21,000,000, to remain available until expended: Provided, That such amount, together with unobligated balances from recaptured amounts appropriated prior to fiscal year 2006 from terminated contracts under such sections of law, and any unobligated balances, including recaptures and carryover, remaining from funds appropriated under this heading after fiscal year 2005, shall also be available for extensions of up to one year for expiring contracts under such sections of law.*

**RENT SUPPLEMENT****(CANCELLATION)**

*Of the amounts recaptured from terminated contracts under section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s) and section 236 of the National Housing Act (12 U.S.C. 1715z-1) \$3,500,000 are hereby permanently cancelled: Provided, That no amounts may be cancelled from amounts that were designated by the Congress as an emergency requirement pursuant to the Concurrent Resolution on the Budget or the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

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

Identification code 86-0206-0-1-999	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001	Rent supplement .....	12	16 19
0002	Homeownership and rental housing assistance (Sections 235 and 236) .....	20	21 25
0900	Total new obligations (object class 41.0) .....	32	37 44
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000	Unobligated balance brought forward, Oct 1 .....	327	70 11
1021	Recoveries of prior year unpaid obligations .....	112	..... 27
1025	Unobligated balance of contract authority withdrawn .....	-99	.....
1029	Other balances withdrawn .....	-8	.....
1050	Unobligated balance (total) .....	332	70 38
Budget authority:			
Appropriations, discretionary:			
1100	Appropriation .....	1	1 21
1131	Unobligated balance permanently reduced .....	-232	-23 -4
1160	Appropriation, discretionary (total) .....	-231	-22 17
Appropriations, mandatory:			
1200	Appropriation .....	444	444 444
1238	Appropriations applied to liquidate contract authority .....	-444	-444 -444
Spending authority from offsetting collections, discretionary:			
1700	Collected .....	1	.....
1750	Spending auth from offsetting collections, disc (total) .....	1	.....
1900	Budget authority (total) .....	-230	-22 17
1930	Total budgetary resources available .....	102	48 55
Memorandum (non-add) entries:			
1941	Unexpired unobligated balance, end of year .....	70	11 11
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000	Unpaid obligations, brought forward, Oct 1 .....	2,487	1,961 1,619
3010	Obligations incurred, unexpired accounts .....	32	37 44
3020	Outlays (gross) .....	-446	-379 -367
3040	Recoveries of prior year unpaid obligations, unexpired .....	-112	..... -27
3050	Unpaid obligations, end of year .....	1,961	1,619 1,269
Memorandum (non-add) entries:			
3100	Obligated balance, start of year .....	2,487	1,961 1,619
3200	Obligated balance, end of year .....	1,961	1,619 1,269

OTHER ASSISTED HOUSING PROGRAMS—Continued  
Program and Financing—Continued

Identification code 86-0206-0-1-999	2012 actual	2013 CR	2014 est.
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....	-230	-22	17
Outlays, gross:			
4010 Outlays from new discretionary authority .....	1	1	10
4011 Outlays from discretionary balances .....	445	378	357
4020 Outlays, gross (total) .....	446	379	367
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4033 Non-Federal sources .....	-1		
4180 Budget authority, net (total) .....	-231	-22	17
4190 Outlays, net (total) .....	445	379	367
<b>Memorandum (non-add) entries:</b>			
5052 Obligated balance, SOY: Contract authority .....	1,415	872	428
5053 Obligated balance, EOY: Contract authority .....	872	428	
5055 Fund balance in excess of liquidating requirements, EOY:			
Contract authority .....			16

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 6,120 units that have not converted to Section 8.

**Section 235.**—The Housing and Urban-Rural Recovery Act of 1983 (P.L. 98-181) authorized a restructured Section 235 (Homeownership Assistance) program that provided homeowners a 10-year interest reduction subsidy on their mortgages.

**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. Some Section 236 properties (approximately 11,300 units) also have rental assistance contracts with HUD through the Rental Assistance Payment (RAP) program.

When Rent Supplement and RAP contracts are terminated due to prepayments, remaining balances are recovered. HUD has identified \$3.5 million in Section 236 Interest Reduction Payment recaptures that may be cancelled in 2014 without impacting current contract amendment and extension activities.

As an increasing number of Rent Supplement and RAP rental assistance contracts reach the ends of their terms, the funding needs of the account have shifted from amendments to short-term extensions that help preserve this affordable housing stock. In order to meet the growing need for extensions, the Budget proposes appropriations language to allow recaptured funds to be used for these purposes. In addition, the Rental Assistance Demonstration (RAD) enables owners of properties with expiring Rent Supplement or RAP contracts to convert their assistance to long-term, project-based voucher contracts. More information on this Demonstration is available under the RAD heading.

The table below provides a summary of outlays by program.

## SUMMARY OF OUTLAYS

(in millions of dollars)

	2012 actual	2013 est.	2014 est.
Total .....	446	379	367
Rent supplement .....	43	38	33
Homeownership assistance (Section 235) .....	1	1	1
Rental housing assistance (Section 236) .....	400	339	332
College housing grants .....	1	1	1

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

## Program and Financing (in millions of dollars)

Identification code 86-0196-0-1-604	2012 actual	2013 CR	2014 est.
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	1	1	
1029 Other balances withdrawn .....		-1	
1050 Unobligated balance (total) .....	1		
1930 Total budgetary resources available .....	1		
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	1		

The Homeownership and Opportunity for People Everywhere Program, funded from 1992-1995, provided affordable homeownership opportunities for low-income families. Units were converted to homeownership from public and Indian housing properties in HOPE I, from FHA-insured and Government-held multifamily properties in HOPE II, and from Government-owned or -held single family properties in HOPE III. 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.

## PAYMENT TO MANUFACTURED HOUSING FEES TRUST FUND

*For necessary expenses as authorized by the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5401 et seq.), up to \$7,530,000, to remain available until expended, of which \$6,530,000 is to be derived from the Manufactured Housing Fees Trust Fund: Provided, That not to exceed the total amount appropriated under this heading shall be available from the general fund of the Treasury to the extent necessary to incur obligations and make expenditures pending the receipt of collections to the Fund pursuant to section 620 of such Act: Provided further, That the amount made available under this heading from the general fund shall be reduced as such collections are received during fiscal year 2014 so as to result in a final fiscal year 2014 appropriation from the general fund estimated at not more than \$1,000,000 and fees pursuant to such section 620 shall be modified as necessary to ensure such a final fiscal year 2014 appropriation: Provided further, That for the dispute resolution and installation programs, the Secretary of Housing and Urban Development may assess and collect fees from any program participant: Provided further, That such collections shall be deposited into the Fund, and the Secretary, as provided herein, may use such collections, as well as fees collected under section 620, for necessary expenses of such Act: Provided further, That, notwithstanding the requirements of section 620 of such Act, the Secretary may carry out responsibilities of the Secretary under such Act through the use of approved service providers that are paid directly by the recipients of their services.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

## Program and Financing (in millions of dollars)

Identification code 86-0234-0-1-376	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Payment to Trust Fund .....	3	3	1
0900 Total new obligations (object class 94.0) .....	3	3	1
<b>Budgetary Resources:</b>			
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	3	3	1

1160	Appropriation, discretionary (total) .....	3	3	1
1930	Total budgetary resources available .....	3	3	1
<b>Change in obligated balance:</b>				
Unpaid obligations:				
3010	Obligations incurred, unexpired accounts .....	3	3	1
3020	Outlays (gross) .....	-3	-3	-1
<b>Budget authority and outlays, net:</b>				
Discretionary:				
4000	Budget authority, gross .....	3	3	1
Outlays, gross:				
4010	Outlays from new discretionary authority .....	3	3	1
4180	Budget authority, net (total) .....	3	3	1
4190	Outlays, net (total) .....	3	3	1

The Budget provides a total of \$7.53 million, including \$6.53 million in estimated fees, to support activities authorized by the National Manufactured Housing Construction and Safety Standards Act of 1974, as amended, including the development and enforcement of manufactured housing construction standards, as well as the development and implementation of new installation and dispute resolution programs required by the Manufactured Housing Improvement Act of 2000.

## GREEN RETROFIT PROGRAM FOR MULTIFAMILY HOUSING, RECOVERY ACT

## Program and Financing (in millions of dollars)

Identification code 86-0306-0-1-604	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
Credit program obligations:			
0705	Reestimates of direct loan subsidy .....	1	.....
0900	Total new obligations (object class 99.5) .....	1	.....
<b>Budgetary Resources:</b>			
Budget authority:			
Appropriations, mandatory:			
1200	Appropriation .....	1	.....
1260	Appropriations, mandatory (total) .....	1	.....
1900	Budget authority (total) .....	1	.....
1930	Total budgetary resources available .....	1	.....
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000	Unpaid obligations, brought forward, Oct 1 .....	32	4
3010	Obligations incurred, unexpired accounts .....	.....	1
3020	Outlays (gross) .....	-25	-1
3041	Recoveries of prior year unpaid obligations, expired .....	-3	-4
3050	Unpaid obligations, end of year .....	4	.....
Memorandum (non-add) entries:			
3100	Obligated balance, start of year .....	32	4
3200	Obligated balance, end of year .....	4	.....
<b>Budget authority and outlays, net:</b>			
Discretionary:			
Outlays, gross:			
4011	Outlays from discretionary balances .....	25	.....
Mandatory:			
4090	Budget authority, gross .....	.....	1
Outlays, gross:			
4100	Outlays from new mandatory authority .....	.....	1
4180	Budget authority, net (total) .....	.....	1
4190	Outlays, net (total) .....	25	1

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

Identification code 86-0306-0-1-604	2012 actual	2013 CR	2014 est.
Direct loan upward reestimates:			
135001	Energy Retrofit Loans .....	1	.....
135999	Total upward reestimate budget authority .....	1	.....
Direct loan downward reestimates:			
137001	Energy Retrofit Loans .....	-1	.....

137999	Total downward reestimate budget authority .....	-1	.....
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The Green Retrofit Program (GRP) offered grants and loans to owners of eligible HUD-assisted multifamily housing properties to fund green retrofits, which are intended to reduce ongoing utility consumption, benefit resident health, and benefit the environment. This program was funded under Title XII of the American Recovery and Reinvestment Act of 2009 (P.L. 111-5). This account includes funds for grants, direct loan credit subsidy, and administrative expenses. All loan cash flows are recorded in the corresponding financing account (86-4589).

## GREEN RETROFIT PROGRAM FOR MULTIFAMILY HOUSING FINANCING ACCOUNT

## Program and Financing (in millions of dollars)

Identification code 86-4589-0-3-604	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
Credit program obligations:			
0713	Payment of interest to Treasury .....	1	.....
0743	Interest on downward reestimates .....	.....	1
0900	Total new obligations .....	1	1
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000	Unobligated balance brought forward, Oct 1 .....	3	3
Financing authority:			
Spending authority from offsetting collections, mandatory:			
1800	Collected .....	4	1
1850	Spending auth from offsetting collections, mand (total) .....	4	1
1900	Financing authority (total) .....	4	1
1930	Total budgetary resources available .....	4	4
Memorandum (non-add) entries:			
1941	Unexpired unobligated balance, end of year .....	3	3
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000	Unpaid obligations, brought forward, Oct 1 .....	.....	1
3010	Obligations incurred, unexpired accounts .....	1	1
3050	Unpaid obligations, end of year .....	1	2
Memorandum (non-add) entries:			
3100	Obligated balance, start of year .....	.....	1
3200	Obligated balance, end of year .....	1	2
<b>Financing authority and disbursements, net:</b>			
Mandatory:			
4090	Financing authority, gross .....	4	1
Offsets against gross financing authority and disbursements:			
Offsetting collections (collected) from:			
4120	Federal sources .....	.....	-1
4123	Non-Federal sources .....	-4	.....
4130	Offsets against gross financing auth and disbursements (total) .....	-4	-1
4170	Financing disbursements, net (mandatory) .....	-4	-1
4190	Financing disbursements, net (total) .....	-4	-1

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

Identification code 86-4589-0-3-604	2012 actual	2013 CR	2014 est.
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year .....	83	80
1251	Repayments: Repayments and prepayments .....	-3	.....
1290	Outstanding, end of year .....	80	80

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 in the Green Retrofit Program, which received one-time funding in the Recovery Act (P.L. 111-5). The program account is displayed under "Green Retrofit Program for Multifamily Housing, Recovery Act" (86-0306).



GREEN RETROFIT PROGRAM FOR MULTIFAMILY HOUSING FINANCING  
ACCOUNT—Continued

## Balance Sheet (in millions of dollars)

Identification code 86-4589-0-3-604	2011 actual	2012 actual
<b>ASSETS:</b>		
1101 Federal assets: Fund balances with Treasury .....		4
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross .....	83	80
1402 Interest receivable .....	1	1
1405 Allowance for subsidy cost (-) .....	-69	-70
1499 Net present value of assets related to direct loans .....	15	11
1999 Total assets .....	15	15
<b>LIABILITIES:</b>		
2103 Federal liabilities: Debt .....	15	15
4999 Total liabilities and net position .....	15	15

## RENTAL HOUSING ASSISTANCE FUND

## Program and Financing (in millions of dollars)

Identification code 86-4041-0-3-604	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0801 Transfer to HUD's Flexible Subsidy Fund .....	3	4	.....
0900 Total new obligations (object class 94.0) .....	3	4	.....
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	3	4	3
Budget authority:			
Spending authority from offsetting collections, mandatory:			
1800 Collected .....	4	3	3
1850 Spending auth from offsetting collections, mand (total) .....	4	3	3
1930 Total budgetary resources available .....	7	7	6
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	4	3	6
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3010 Obligations incurred, unexpired accounts .....	3	4	.....
3020 Outlays (gross) .....	-3	-4	.....
<b>Budget authority and outlays, net:</b>			
Mandatory:			
4090 Budget authority, gross .....	4	3	3
Outlays, gross:			
4101 Outlays from mandatory balances .....	3	4	.....
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4123 Non-Federal sources .....	-4	-3	-3
4190 Outlays, net (total) .....	-1	1	-3

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

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

The Budget proposes appropriation language in the general provisions at the end of this budget chapter to fully eliminate any authorities which mandate the transfer of excess resources from the Rental Housing Assistance Fund to the Flexible Subsidy Fund.

## Object Classification (in millions of dollars)

Identification code 86-4041-0-3-604	2012 actual	2013 CR	2014 est.
Reimbursable obligations:			
94.0 Financial transfers .....	3	4	.....
99.0 Reimbursable obligations .....	3	4	.....

## FLEXIBLE SUBSIDY FUND

## Program and Financing (in millions of dollars)

Identification code 86-4044-0-3-604	2012 actual	2013 CR	2014 est.
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	201	255	297
Budget authority:			
Spending authority from offsetting collections, discretionary:			
1700 Collected .....	54	42	38
1750 Spending auth from offsetting collections, disc (total) .....	54	42	38
1930 Total budgetary resources available .....	255	297	335
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	255	297	335
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....	54	42	38
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4030 Federal sources .....	-3	-4	.....
4033 Non-Federal sources .....	-51	-38	-38
4040 Offsets against gross budget authority and outlays (total) ....	-54	-42	-38
4080 Outlays, net (discretionary) .....	-54	-42	-38
4190 Outlays, net (total) .....	-54	-42	-38

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

Identification code 86-4044-0-3-604	2012 actual	2013 CR	2014 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	563	533	508
1251 Repayments: Repayments and prepayments .....	-41	-25	-25
1264 Write-offs for default: Writeoff for default: Other adjustments, net (+ or -) .....	11	.....	.....
1290 Outstanding, end of year .....	533	508	483

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

The Budget proposes appropriation language in the general provisions at the end of this budget chapter to fully eliminate any authorities which mandate the transfer of excess resources from the Rental Housing Assistance Fund to the Flexible Subsidy Fund.

## Balance Sheet (in millions of dollars)

Identification code 86-4044-0-3-604	2011 actual	2012 actual
<b>ASSETS:</b>		
1101 Federal assets: Fund balances with Treasury .....	201	255
1601 Direct loans, gross .....	537	508
1602 Interest receivable .....	105	96
1603 Allowance for estimated uncollectible loans and interest (-) .....	-573	-44
1699 Value of assets related to direct loans .....	69	560
1999 Total assets .....	270	815

NET POSITION:			
3100	Unexpended appropriations .....	201	255
3300	Cumulative results of operations .....	69	560
3999	Total net position .....	270	815
4999	Total liabilities and net position .....	270	815

## HOME OWNERSHIP PRESERVATION EQUITY FUND PROGRAM ACCOUNT

## Program and Financing (in millions of dollars)

Identification code 86-0343-0-1-371			
2012 actual      2013 CR      2014 est.			
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000	Unobligated balance brought forward, Oct 1 .....	459	459
1023	Unobligated balances applied to repay debt .....	-449	.....
1050	Unobligated balance (total) .....	459	10
1930	Total budgetary resources available .....	459	10
Memorandum (non-add) entries:			
1941	Unexpired unobligated balance, end of year .....	459	10
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000	Unpaid obligations, brought forward, Oct 1 .....	1	1
3050	Unpaid obligations, end of year .....	1	1
Memorandum (non-add) entries:			
3100	Obligated balance, start of year .....	1	1
3200	Obligated balance, end of year .....	1	1

The HOPE for Homeowners (H4H) program was created by the Housing and Economic Recovery Act of 2008 (Act) to help homeowners at risk of default and foreclosure refinance into more affordable, sustainable loans. Under the H4H Program, eligible homeowners refinanced their current mortgage loans into a new mortgage insured by FHA. The program ended on September 30, 2011.

As required by the Federal Credit Reform Act of 1990, this account records the administrative expenses for this program, as well as the subsidy costs, associated with the loan guarantees committed.

## HOME OWNERSHIP PRESERVATION ENTITY FUND FINANCING ACCOUNT

## Program and Financing (in millions of dollars)

Identification code 86-4353-0-3-371			
2012 actual      2013 CR      2014 est.			
<b>Obligations by program activity:</b>			
Credit program obligations:			
0711	Default claim payments on principal .....	1	2
0712	Default claim payments on interest .....	.....	1
0900	Total new obligations .....	1	3
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000	Unobligated balance brought forward, Oct 1 .....	19	20
Financing authority:			
Spending authority from offsetting collections, mandatory:			
1800	Collected .....	2	1
1850	Spending auth from offsetting collections, mand (total) .....	2	1
1930	Total budgetary resources available .....	21	21
Memorandum (non-add) entries:			
1941	Unexpired unobligated balance, end of year .....	20	18
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000	Unpaid obligations, brought forward, Oct 1 .....	.....	1
3010	Obligations incurred, unexpired accounts .....	1	3
3020	Financing disbursements (gross) .....	-1	-2
3050	Unpaid obligations, end of year .....	.....	1

Memorandum (non-add) entries:			
3100	Obligated balance, start of year .....	.....	1
3200	Obligated balance, end of year .....	1	1

## Financing authority and disbursements, net:

Mandatory:			
4090	Financing authority, gross .....	2	1
Financing disbursements:			
4110	Financing disbursements, gross .....	1	2
Offsets against gross financing authority and disbursements:			
Offsetting collections (collected) from:			
4122	Interest on uninvested funds .....	-1	.....
4123	Premiums .....	-1	.....
4123	Recoveries on defaults .....	.....	-1
4130	Offsets against gross financing auth and disbursements (total) .....	-2	-1
4170	Financing disbursements, net (mandatory) .....	-1	1
4190	Financing disbursements, net (total) .....	-1	1

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

Identification code 86-4353-0-3-371			
2012 actual      2013 CR      2014 est.			
Position with respect to appropriations act limitation on commitments:			
2143	Uncommitted limitation carried forward .....	.....	.....
2150	Total guaranteed loan commitments .....	.....	.....
Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year .....	120	122
2251	Repayments and prepayments .....	-1	-2
Adjustments:			
2262	Terminations for default that result in acquisition of property .....	-1	-2
2264	Other adjustments, net .....	4 <sup>1</sup>	.....
2290	Outstanding, end of year .....	122	118
Memorandum:			
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	122	112

<sup>1</sup>Correction to start of year balance

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loans insured in 1992 and thereafter. The amounts in this account are considered a means of financing and are not included in the budget totals.

## Balance Sheet (in millions of dollars)

Identification code 86-4353-0-3-371		
2011 actual      2012 actual		
<b>ASSETS:</b>		
1101	Federal assets: Fund balances with Treasury .....	16
1999	Total assets .....	16
<b>LIABILITIES:</b>		
2204	Non-Federal liabilities: Liabilities for loan guarantees .....	16
4999	Total liabilities and net position .....	16

## NEHEMIAH HOUSING OPPORTUNITY FUND

## Program and Financing (in millions of dollars)

Identification code 86-4071-0-3-604			
2012 actual      2013 CR      2014 est.			
<b>Budgetary Resources:</b>			
Unobligated balance:			
1021	Recoveries of prior year unpaid obligations .....	3	.....
1029	Other balances withdrawn .....	-3	.....
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000	Unpaid obligations, brought forward, Oct 1 .....	4	1
3040	Recoveries of prior year unpaid obligations, unexpired .....	-3	.....
3050	Unpaid obligations, end of year .....	1	1

NEHEMIAH HOUSING OPPORTUNITY FUND—Continued  
Program and Financing—Continued

Identification code 86-4071-0-3-604	2012 actual	2013 CR	2014 est.
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	4	1	1
3200 Obligated balance, end of year .....	1	1	1

The Nehemiah Grants program was authorized by the Housing and Community Development Act of 1987 to provide loans to eligible families to assist in the purchase of new or substantially rehabilitated units.

## FEDERAL HOUSING ADMINISTRATION

## MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

*New commitments to guarantee single family loans insured under the Mutual Mortgage Insurance Fund shall not exceed \$400,000,000,000, to remain available until September 30, 2015: Provided, That during fiscal year 2014, obligations to make direct loans to carry out the purposes of section 204(g) of the National Housing Act, as amended, shall not exceed \$20,000,000: Provided further, That the foregoing amount in the previous proviso shall be for loans to nonprofit and governmental entities in connection with sales of single family real properties owned by the Secretary and formerly insured under the Mutual Mortgage Insurance Fund. For administrative contract expenses of the Federal Housing Administration, \$127,000,000, to remain available until September 30, 2015: Provided further, That to the extent guaranteed loan commitments exceed \$200,000,000,000 on or before April 1, 2013, an additional \$1,400 for administrative contract expenses shall be available for each \$1,000,000 in additional guaranteed loan commitments (including a pro rata amount for any amount below \$1,000,000), but in no case shall funds made available by this proviso exceed \$30,000,000.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

## Program and Financing (in millions of dollars)

Identification code 86-0183-0-1-371	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
Credit program obligations:			
0707 Reestimates of loan guarantee subsidy .....	10,983	22,744	.....
0708 Interest on reestimates of loan guarantee subsidy .....	2,885	4,929	.....
0709 Administrative expenses .....	120	211	138
0900 Total new obligations .....	13,988	27,884	138
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	.....	15	12
1001 Discretionary unobligated balance brought fwd, Oct 1 .....	.....	15	.....
1011 Unobligated balance transfer from other accts [86-0236] ....	4,685	3,299	.....
1050 Unobligated balance (total) .....	4,685	3,314	12
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation - Administrative Expenses .....	207	208	127
1120 Appropriations transferred to other accts [86-4586] .....	-72	.....	.....
1120 Appropriations transferred to other accts [86-0402] .....	.....	.....	-1
1160 Appropriation, discretionary (total) .....	135	208	126
Appropriations, mandatory:			
1200 Appropriation .....	.....	943	.....
1260 Appropriations, mandatory (total) .....	.....	943	.....
Spending authority from offsetting collections, mandatory:			
1811 Spending authority from offsetting collections transferred from other accounts [86-0236] .....	9,183	23,431	.....
1850 Spending auth from offsetting collections, mand (total) .....	9,183	23,431	.....
1900 Budget authority (total) .....	9,318	24,582	126
1930 Total budgetary resources available .....	14,003	27,896	138

1941	Memorandum (non-add) entries:		
	Unexpired unobligated balance, end of year .....	15	12

## Change in obligated balance:

Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	145	155	245
3010 Obligations incurred, unexpired accounts .....	13,988	27,884	138
3011 Obligations incurred, expired accounts .....	1	.....	.....
3020 Outlays (gross) .....	-13,969	-27,794	-188
3041 Recoveries of prior year unpaid obligations, expired .....	-10	.....	.....
3050 Unpaid obligations, end of year .....	155	245	195
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	145	155	245
3200 Obligated balance, end of year .....	155	245	195

## Budget authority and outlays, net:

Discretionary:			
4000 Budget authority, gross .....	135	208	126
Outlays, gross:			
4010 Outlays from new discretionary authority .....	11	21	13
4011 Outlays from discretionary balances .....	91	100	175
4020 Outlays, gross (total) .....	102	121	188
Mandatory:			
4090 Budget authority, gross .....	9,183	24,374	.....
Outlays, gross:			
4100 Outlays from new mandatory authority .....	9,182	24,374	.....
4101 Outlays from mandatory balances .....	4,685	3,299	.....
4110 Outlays, gross (total) .....	13,867	27,673	.....
4180 Budget authority, net (total) .....	9,318	24,582	126
4190 Outlays, net (total) .....	13,969	27,794	188

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

Identification code 86-0183-0-1-371	2012 actual	2013 CR	2014 est.
Direct loan levels supportable by subsidy budget authority:			
115001 MMI Fund, Direct loans .....	.....	50	20
115999 Total direct loan levels .....	.....	50	20
Direct loan subsidy (in percent):			
132001 MMI Fund, Direct loans .....	.....	0.00	0.00
132999 Weighted average subsidy rate .....	.....	0.00	0.00
Guaranteed loan levels supportable by subsidy budget authority:			
215002 MMI Fund .....	213,126	248,000	178,000
215004 MMI HECM .....	13,164	11,723	6,397
215007 MMI Refi .....	233	10,457	14,939
215999 Total loan guarantee levels .....	226,523	270,180	199,336
Guaranteed loan subsidy (in percent):			
232002 MMI Fund .....	-2.53	-7.22	-7.25
232004 MMI HECM .....	-1.52	-2.29	-0.90
232007 MMI Refi .....	0.00	0.00	0.00
232999 Weighted average subsidy rate .....	-2.47	-6.73	-6.50
Guaranteed loan subsidy budget authority:			
233002 MMI Fund .....	-5,382	-17,908	-12,902
233004 MMI HECM .....	-200	-269	-57
233999 Total subsidy budget authority .....	-5,582	-18,177	-12,959
Guaranteed loan subsidy outlays:			
234002 MMI Fund .....	-5,382	-17,908	-12,902
234004 MMI HECM .....	-200	-269	-57
234999 Total subsidy outlays .....	-5,582	-18,177	-12,959
Guaranteed loan upward reestimates:			
235002 MMI Fund .....	13,802	22,156	.....
235004 MMI HECM .....	66	5,517	.....
235999 Total upward reestimate budget authority .....	13,868	27,673	.....
Guaranteed loan downward reestimates:			
237002 MMI Fund .....	-4,304	-5,241	.....
237004 MMI HECM .....	-1,352	.....	.....
237999 Total downward reestimate subsidy budget authority .....	-5,656	-5,241	.....
Administrative expense data:			
3510 Budget authority .....	135	136	127
3580 Outlays from balances .....	90	100	128
3590 Outlays from new authority .....	11	14	13

The Federal Housing Administration (FHA) provides mortgage insurance to encourage lenders to make credit available to borrowers for which the conventional market does not adequately

serve. These include first-time homebuyers, minorities, lower-income families, and residents of underserved areas (central cities and rural areas). In recent years, FHA has also served broader populations, providing access as conventional financing became scarce.

In 2014, the Budget requests a limitation of \$400 billion on loan guarantees for the Mutual Mortgage Insurance (MMI) Fund. The Budget projects insurance of \$178 billion in single family forward mortgages, \$14.9 billion in FHA short refinances, and \$6.4 billion in Home Equity Conversion Mortgages (HECMs) with additional commitment authority available in case these amounts are exceeded during execution. Since October 2010, FHA has increased its annual premium five times, the most recent increase announced in January of 2013. Additionally, FHA also announced at that time that it would reverse a prior policy whereby borrowers were permitted to stop paying annual insurance premiums when their loans amortized to a certain percentage of the original principal balance. Due to this policy, FHA was forfeiting prematurely substantial premium revenue to which it was entitled, while still maintaining responsibility for the outstanding insurance guarantee for these loans. Also, FHA is now requiring manual underwriting for loans with credit scores below 620 and debt-to-income ratios greater than 43% in order to ensure that such borrowers possess compensating factors that accord with FHA underwriting guidelines. Finally, in addition to the premium increases that have placed premiums for loans with values above \$625,500 at their statutory maximum, FHA will also require a minimum down payment of 5% percent for these loans. These increases will bolster FHA's capital reserves, accelerating the point at which FHA will regain compliance with its target capital reserve ratio. These increases also contribute to higher receipts generated by FHA's loan guarantee volume.

Apart from the Budget, HUD is pursuing a comprehensive legislative package which will give FHA the tools it needs to build upon the many administrative steps it has taken since 2009 to strengthen FHA Single Family Programs. These items will allow FHA to enhance enforcement authority, create certainty for FHA approved lenders, protect reverse mortgage consumers, and enhance loss mitigation opportunities for borrowers with FHA approved loans. In total, all these steps will reduce losses to the MMIF.

**Enhanced Indemnification Authority to Obtain Indemnification for Direct Endorsement Lenders:** In order to originate FHA insured loans, lenders must be approved by FHA to be either a Lender Insurance or a Direct Endorsement Lender. FHA can only seek indemnification from lenders with Lender Insurance approval. This authority would provide FHA the ability to treat both classes of FHA approved lenders equally with respect to non-compliant loans.

**Authority to Terminate Origination and Underwriting Approval:** In 2014, HUD will continue to seek authority to terminate lender approval on a broader geographic basis for institutions with default rates significantly higher than their peers.

**Transfer of Servicing:** This fiscal year, HUD will seek authority to approve servicers of FHA insured loans, enabling FHA to, on a case by case basis, transfer servicing of loans to institutions better equipped to reduce losses to the fund by assisting borrowers.

**Additional Authority to manage the Reverse Mortgage Program:** To address the expected losses to the MMIF from the Home Equity Conversation Mortgage Program, HUD intends to make significant revisions to the program including instituting a required financial assessment and establishing mandatory escrow accounts.

**Revise FHA's Compare Ratio:** In an effort to provide greater clarity and certainty to lenders while enabling FHA to more effectively minimize poor lender performance and resulting losses, HUD seeks legislative authority to revise the calculation for the Compare Ratio to better reflect the modern lending environment.

The Budget requests an appropriation of \$127 million in administrative expenses, which will allow FHA to implement improved risk management systems critical for FHA's oversight of its insured portfolio. The Budget discontinues the practice of transferring funds into the Information Technology Portfolio (formerly the Working Capital Fund) from this account.

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

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

Identification code 86-0183-0-1-371	2012 actual	2013 CR	2014 est.
Direct obligations:			
25.2 Other services from non-Federal sources .....	120	211	138
41.0 Grants, subsidies, and contributions .....	10,983	22,744	.....
43.0 Interest and dividends .....	2,885	4,929	.....
99.9 Total new obligations .....	13,988	27,884	138

#### FHA-MUTUAL MORTGAGE INSURANCE DIRECT LOAN FINANCING ACCOUNT

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

Identification code 86-4242-0-3-371	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0003 Claims & other .....		4	4
Credit program obligations:			
0710 Direct loan obligations .....		50	20
0713 Payment of interest to Treasury .....		2	2
0791 Direct program activities, subtotal .....		52	22
0900 Total new obligations .....		56	26
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	5	5	54
Financing authority:			
Borrowing authority, mandatory:			
1400 Borrowing authority .....		50	20
1440 Borrowing authority, mandatory (total) .....		50	20
Spending authority from offsetting collections, mandatory:			
1800 Collected .....		55	25
1850 Spending auth from offsetting collections, mand (total) .....		55	25
1900 Financing authority (total) .....		105	45
1930 Total budgetary resources available .....	5	110	99
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	5	54	73
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3010 Obligations incurred, unexpired accounts .....		56	26
3020 Financing disbursements (gross) .....		-56	-26
<b>Financing authority and disbursements, net:</b>			
Mandatory:			
4090 Financing authority, gross .....		105	45
Financing disbursements:			
4110 Financing disbursements, gross .....		56	26
Offsets against gross financing authority and disbursements:			
Offsetting collections (collected) from:			
4122 Interest on uninvested funds .....		-1	-1
4123 Repayment of Principal .....		-50	-20
4123 Repayment of interest .....		-4	-4
4130 Offsets against gross financing auth and disbursements (total) .....		-55	-25

**FHA-MUTUAL MORTGAGE INSURANCE DIRECT LOAN FINANCING**  
**ACCOUNT—Continued**  
**Program and Financing—Continued**

Identification code 86-4242-0-3-371	2012 actual	2013 CR	2014 est.
4160 Financing authority, net (mandatory) .....		50	20
4170 Financing disbursements, net (mandatory) .....		1	1
4180 Financing authority, net (total) .....		50	20
4190 Financing disbursements, net (total) .....		1	1

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

Identification code 86-4242-0-3-371	2012 actual	2013 CR	2014 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	50	50	20
1142 Unobligated direct loan limitation (-) .....	-50		
1150 Total direct loan obligations .....		50	20
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....			
1231 Disbursements: Direct loan disbursements .....		50	20
1251 Repayments: Repayments and prepayments .....		-50	-20
1290 Outstanding, end of year .....			

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

The 2014 direct loan limitation of \$20 million 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 non-profit organizations or local government entities, which would be expected to sell the properties to low- and moderate-income buyers. The use of PMMs provides a tool for State and local non-profit organizations to use in revitalizing communities, and creates enhanced homeownership opportunities for low- and moderate-income families.

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

Identification code 86-4242-0-3-371	2011 actual	2012 actual
<b>ASSETS:</b>		
1101 Federal assets: Fund balances with Treasury .....	5	5
1999 Total assets .....	5	5
<b>LIABILITIES:</b>		
Federal liabilities:		
2103 Federal Liabilities - Debt .....	1	1
2104 Resources payable to Treasury .....	4	4
2999 Total liabilities .....	5	5
4999 Total liabilities and net position .....	5	5

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

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

Identification code 86-4587-0-3-371	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0003 Other capital investment & operating expenses .....	1,930	4,789	4,959
Credit program obligations:			
0711 Default claim payments on principal .....	15,835	45,438	32,103
0712 Default claim payments on interest .....	1,759	748	
0713 Payment of interest to Treasury .....	305	525	765
0740 Negative subsidy obligations .....	5,582	18,176	12,959
0742 Downward reestimate paid to receipt account .....	5,355	5,102	

0743 Interest on downward reestimates .....	301	139	
0791 Direct program activities, subtotal .....	29,137	70,128	45,827
0900 Total new obligations .....	31,067	74,917	50,786

**Budgetary Resources:**

Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	27,044	33,167	27,203
1021 Recoveries of prior year unpaid obligations .....	103		
1050 Unobligated balance (total) .....	27,147	33,167	27,203
Financing authority:			
Borrowing authority, mandatory:			
1400 Borrowing authority .....	5,200	13,000	9,400
1440 Borrowing authority, mandatory (total) .....	5,200	13,000	9,400
Spending authority from offsetting collections, mandatory:			
1800 Offsetting collections .....	32,017	57,003	32,928
1825 Spending authority from offsetting collections applied to repay debt .....	-130	-1,050	-2,100
1850 Spending auth from offsetting collections, mand (total) .....	31,887	55,953	30,828
1900 Financing authority (total) .....	37,087	68,953	40,228
1930 Total budgetary resources available .....	64,234	102,120	67,431
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	33,167	27,203	16,645

**Change in obligated balance:**

Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	2,007	1,930	1,929
3010 Obligations incurred, unexpired accounts .....	31,067	74,917	50,786
3020 Financing disbursements (gross) .....	-31,041	-74,918	-50,786
3040 Recoveries of prior year unpaid obligations, unexpired .....	-103		
3050 Unpaid obligations, end of year .....	1,930	1,929	1,929
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	2,007	1,930	1,929
3200 Obligated balance, end of year .....	1,930	1,929	1,929

**Financing authority and disbursements, net:**

Mandatory:			
4090 Financing authority, gross .....	37,087	68,953	40,228
Financing disbursements:			
4110 Financing disbursements, gross .....	31,041	74,918	50,786
Offsets against gross financing authority and disbursements:			
Offsetting collections (collected) from:			
4120 Transfer of Reestimates from reserves in Capital Reserve account .....	-13,868	-27,673	
4122 Interest on uninvested funds .....	-1,474	-575	-575
4123 Fees and premiums .....	-16,675	-12,993	-13,290
4123 Recoveries on defaults .....		-15,762	-19,063
4130 Offsets against gross financing auth and disbursements (total) .....	-32,017	-57,003	-32,928
4160 Financing authority, net (mandatory) .....	5,070	11,950	7,300
4170 Financing disbursements, net (mandatory) .....	-976	17,915	17,858
4180 Financing authority, net (total) .....	5,070	11,950	7,300
4190 Financing disbursements, net (total) .....	-976	17,915	17,858

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

Identification code 86-4587-0-3-371	2012 actual	2013 CR	2014 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	400,000	400,000	400,000
2142 Uncommitted loan guarantee limitation .....	-173,477	-129,819	-200,664
2150 Total guaranteed loan commitments .....	226,523	270,181	199,336
2199 Guaranteed amount of guaranteed loan commitments .....	226,523	270,181	199,336
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	1,038,170	1,114,221	1,160,115
2231 Disbursements of new guaranteed loans .....	230,633	268,010	199,240
2251 Repayments and prepayments .....	-138,747	-176,678	-157,845
Adjustments:			
2261 Terminations for default that result in loans receivable .....	-2,813	-1,473	-1,786
2262 Terminations for default that result in acquisition of property .....	-12,412	-42,858	-29,861
2263 Terminations for default that result in claim payments .....	-610	-1,107	-897
2290 Outstanding, end of year .....	1,114,221	1,160,115	1,168,966
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	1,114,221	1,160,115	1,168,966

Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310	Outstanding, start of year .....	1,142	1,744
2331	Disbursements for guaranteed loan claims .....	1,785	1,463
2351	Repayments of loans receivable .....	-1,183	-589
2361	Write-offs of loans receivable .....	-126	-142
2390	Outstanding, end of year .....	1,744	2,492

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loans insured in 1992 and thereafter. The amounts in this account are considered a means of financing and are not included in the budget totals.

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

Identification code 86-4587-0-3-371		2011 actual	2012 actual
<b>ASSETS:</b>			
Federal assets:			
1101	Fund balances with Treasury .....	29,051	35,098
Investments in US securities:			
1106	Receivables, net .....	9,725	20,643
Non-Federal assets:			
1201	Investments in non-Federal securities, net .....	4	.....
1206	Receivables, net .....	505	621
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:			
1501	Defaulted guaranteed loans receivable, gross .....	1,142	1,744
1502	Interest receivable .....	4	41
1504	Foreclosed property .....	5,200	4,888
1505	Allowance for subsidy cost .....	-3,866	-4,482
1599	Net value of assets related to defaulted guaranteed loan .....	2,480	2,191
1901	Other Federal assets: Other assets .....	267	260
1999	Total assets .....	42,032	58,813
<b>LIABILITIES:</b>			
Federal liabilities:			
2101	Accounts payable .....	8,736	6,316
2103	Federal liabilities, Debt .....	3,585	8,655
Non-Federal liabilities:			
2201	Accounts payable .....	692	485
2204	Liabilities for loan guarantees .....	28,442	42,635
2207	Other .....	577	722
2999	Total liabilities .....	42,032	58,813
4999	Total liabilities and net position .....	42,032	58,813

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

Identification code 86-0236-0-1-371		2012 actual	2013 CR	2014 est.
<b>Budgetary Resources:</b>				
Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1 .....	4,685	3,309	.....
1010	Unobligated balance transfer to other accts [86-0183] .....	-4,685	-3,299	.....
1010	Unobligated balance transfer to other accts [86-4070] .....	.....	-10	.....
Budget authority:				
Spending authority from offsetting collections, mandatory:				
1800	Offsetting collections (negative subsidy) .....	5,582	18,176	12,959
1800	Offsetting collections (interest on investments) .....	1,273	14	208
1800	Offsetting collections (downward reestimate) .....	5,655	5,241	.....
1801	Change in uncollected payments, Federal sources .....	-18	.....	.....
1810	Spending authority from offsetting collections transferred to other accounts [86-0183] .....	-9,183	-23,431	.....
1810	Spending authority from offsetting collections transferred to other accounts [86-4070] .....	.....	.....	-8
1850	Spending auth from offsetting collections, mand (total) .....	3,309	.....	13,159
1930	Total budgetary resources available .....	3,309	.....	13,159
Memorandum (non-add) entries:				
1941	Unexpired unobligated balance, end of year .....	3,309	.....	13,159
<b>Change in obligated balance:</b>				
Uncollected payments:				
3060	Uncollected pymts, Fed sources, brought forward, Oct 1 .....	-19	-1	-1
3070	Change in uncollected pymts, Fed sources, unexpired .....	18	.....	.....

3090	Uncollected pymts, Fed sources, end of year .....	-1	-1	-1
Memorandum (non-add) entries:				
3100	Obligated balance, start of year .....	-19	-1	-1
3200	Obligated balance, end of year .....	-1	-1	-1

**Budget authority and outlays, net:**

Discretionary:				
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
4030	Federal sources .....	-5,582	-18,176	-12,959
Mandatory:				
4090	Budget authority, gross .....	3,309	.....	13,159
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
4120	Federal Sources: Downward Re-estimate .....	-5,655	-5,241	.....
4121	Interest on Federal securities .....	-1,273	-14	-208
4130	Offsets against gross budget authority and outlays (total) ....	-6,928	-5,255	-208
Additional offsets against gross budget authority only:				
4140	Change in uncollected pymts, Fed sources, unexpired .....	18	.....	.....
4160	Budget authority, net (mandatory) .....	-3,601	-5,255	12,951
4170	Outlays, net (mandatory) .....	-6,928	-5,255	-208
4180	Budget authority, net (total) .....	-9,183	-23,431	-8
4190	Outlays, net (total) .....	-12,510	-23,431	-13,167

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

5000	Total investments, SOY: Federal securities: Par value .....	4,157	2,774	.....
5001	Total investments, EOY: Federal securities: Par value .....	2,774	.....	13,166

In 2002, a Capital Reserve account was established for the Mutual Mortgage Insurance Fund. Financial reserves, including securities, of the MMI Fund were transferred from the liquidating account to the Capital Reserve account. The Liquidating account now only reflects cash flows related to pre-1992 books of business. In 2003, the Capital Reserve account started earning interest on Treasury investments, collecting negative subsidy and downward re-estimates from the Financing account, and paying upward re-estimates to the Program account. As such, this account is the ultimate depository for all resources collected by the MMI Fund. The amount of reserves held in this account fluctuates with changes in economic conditions, loan performance, and other factors that cause actual reserve levels in the future to vary from projections. The Budget estimates that reserves will be insufficient for the cost of the 2013 upward credit subsidy re-estimate. As a result, the Budget anticipates that FHA will use a permanent indefinite appropriation in the MMI Program Account of \$943 million in addition to \$26,730 million in reserves transferred from this account to pay for the upward re-estimate. Such use of permanent indefinite authority is authorized by the Federal Credit Reform Act. Based on the results of the 2012 FHA Actuarial Review, the capital reserve ratio will reach the target level of 2 percent in 2017.

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

Identification code 86-0236-0-1-371		2011 actual	2012 actual
<b>ASSETS:</b>			
Federal assets:			
1101	Fund balances with Treasury .....	266	537
Investments in US securities:			
1102	Treasury securities, net .....	4,127	2,772
1106	Receivables, net .....	6,908	21,051
1999	Total assets .....	11,301	24,360
<b>LIABILITIES:</b>			
2101	Federal liabilities: Accounts payable .....	3,542	20,643
<b>NET POSITION:</b>			
3300	Cumulative results of operations .....	7,759	3,717
4999	Total liabilities and net position .....	11,301	24,360

FHA-MUTUAL MORTGAGE AND COOPERATIVE HOUSING INSURANCE FUNDS  
LIQUIDATING ACCOUNT

## Program and Financing (in millions of dollars)

Identification code 86-4070-0-3-371	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0103 Acquisition of real properties .....	26	21	14
0107 Capitalized expenses .....	7	1	1
0108 Loss mitigation activities .....	1		
0191 Total capital investment .....	34	22	15
0202 Other Operation expenses .....	6	2	2
0900 Total new obligations .....	40	24	17
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	19	3	
1011 Unobligated balance transfer from other accts [86-0236] ....		10	
1021 Recoveries of prior year unpaid obligations .....	3		
1050 Unobligated balance (total) .....	22	13	
Budget authority:			
Spending authority from offsetting collections, mandatory:			
1800 Collected .....	21	11	9
1811 Spending authority from offsetting collections transferred from other accounts [86-0236] .....			8
1850 Spending auth from offsetting collections, mand (total) .....	21	11	17
1930 Total budgetary resources available .....	43	24	17
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	3		
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	155	156	95
3010 Obligations incurred, unexpired accounts .....	40	24	17
3020 Outlays (gross) .....	-36	-85	-82
3040 Recoveries of prior year unpaid obligations, unexpired .....	-3		
3050 Unpaid obligations, end of year .....	156	95	30
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	155	156	95
3200 Obligated balance, end of year .....	156	95	30
<b>Budget authority and outlays, net:</b>			
Mandatory:			
4090 Budget authority, gross .....	21	11	17
Outlays, gross:			
4100 Outlays from new mandatory authority .....	1	10	16
4101 Outlays from mandatory balances .....	35	75	66
4110 Outlays, gross (total) .....	36	85	82
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4123 Non-Federal sources - Fees & Premiums .....	-21	-3	-2
4123 Non-Federal sources - Recoveries .....		-8	-7
4130 Offsets against gross budget authority and outlays (total) ....	-21	-11	-9
4160 Budget authority, net (mandatory) .....			8
4170 Outlays, net (mandatory) .....	15	74	73
4180 Budget authority, net (total) .....			8
4190 Outlays, net (total) .....	15	74	73
<b>Status of Guaranteed Loans (in millions of dollars)</b>			
Identification code 86-4070-0-3-371	2012 actual	2013 CR	2014 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	4,602	3,680	2,983
2251 Repayments and prepayments .....	-908	-676	-677
Adjustments:			
2262 Terminations for default that result in acquisition of property .....	-13	-19	-12
2263 Terminations for default that result in claim payments .....	-1	-2	-1
2290 Outstanding, end of year .....	3,680	2,983	2,293
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	3,680	2,983	2,293

## Addendum:

Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year .....	17	17	17
2390	Outstanding, end of year .....	17	17	17

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

In order to present more clearly the operations of the various funds, FHA's budget transactions are separated into two major business segments. The basic single family insurance programs, including the Condominium, Section 203(k) rehabilitation, and Home Equity Conversion Mortgage programs, in the Mutual Mortgage Insurance (MMI) fund and the multifamily Cooperative Management Housing Insurance (CMHI) funds form one segment. All other multifamily and other specialized insurance programs are in the General Insurance and Special Risk Insurance funds (GI/SRI).

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 loans insured prior to 1992 and is shown on a cash basis. All new activity in this program in 1992 and thereafter (including modifications of loans insured in any year) is recorded in the corresponding program (86-0183) and financing (86-4587 and 86-4242) accounts.

In 2002, the MMI Capital Reserve account was established to maintain reserves required by statute that were previously deposited in the liquidating account.

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

## Balance Sheet (in millions of dollars)

Identification code 86-4070-0-3-371	2011 actual	2012 actual
<b>ASSETS:</b>		
1101 Federal assets: Fund balances with Treasury .....	174	159
1206 Non-Federal assets: Receivables, net .....	3	5
1701 Defaulted guaranteed loans, gross .....	17	17
1703 Allowance for estimated uncollectible loans and interest (-) .....	-15	-10
1799 Value of assets related to loan guarantees .....	2	7
1901 Other Federal assets: Other assets .....	1	1
1999 Total assets .....	180	172
<b>LIABILITIES:</b>		
Non-Federal liabilities:		
2201 Accounts payable .....	145	136
2204 Liabilities for loan guarantees .....	18	11
2207 Unearned revenue and advances, and other .....	11	14
2999 Total liabilities .....	174	161
<b>NET POSITION:</b>		
3300 Cumulative results of operations .....	6	11
4999 Total liabilities and net position .....	180	172

## Object Classification (in millions of dollars)

Identification code 86-4070-0-3-371	2012 actual	2013 CR	2014 est.
Direct obligations:			
25.2 Other services from non-Federal sources .....	13		2



32.0	Land and structures .....	26	22	14
42.0	Insurance claims and indemnities .....	1	2	1
99.9	Total new obligations .....	40	24	17

## GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

*New commitments to guarantee loans insured under the General and Special Risk Insurance Funds, as authorized by sections 238 and 519 of the National Housing Act (12 U.S.C. 1715z-3 and 1735c), shall not exceed \$30,000,000,000 in total loan principal, any part of which is to be guaranteed, to remain available until September 30, 2015: Provided, That during fiscal year 2014, gross obligations for the principal amount of direct loans, as authorized by sections 204(g), 207(l), 238, and 519(a) of the National Housing Act, shall not exceed \$20,000,000, which 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.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

## Program and Financing (in millions of dollars)

Identification code 86-0200-0-1-371	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
Credit program obligations:			
0707 Reestimates of loan guarantee subsidy .....	523	4,096	
0708 Interest on reestimates of loan guarantee subsidy .....	223	1,586	
0900 Total new obligations (object class 41.0) .....	746	5,682	
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	17	17	17
Budget authority:			
Appropriations, mandatory:			
1200 Appropriation .....	746	5,682	
1260 Appropriations, mandatory (total) .....	746	5,682	
1900 Budget authority (total) .....	746	5,682	
1930 Total budgetary resources available .....	763	5,699	17
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	17	17	17
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	17	8	
3010 Obligations incurred, unexpired accounts .....	746	5,682	
3020 Outlays (gross) .....	-749	-5,690	
3041 Recoveries of prior year unpaid obligations, expired .....	-6		
3050 Unpaid obligations, end of year .....	8		
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	17	8	
3200 Obligated balance, end of year .....	8		
<b>Budget authority and outlays, net:</b>			
Discretionary:			
Outlays, gross:			
4011 Outlays from discretionary balances .....	3	8	
Mandatory:			
4090 Budget authority, gross .....	746	5,682	
Outlays, gross:			
4100 Outlays from new mandatory authority .....	746	5,682	
4180 Budget authority, net (total) .....	746	5,682	
4190 Outlays, net (total) .....	749	5,690	

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

Identification code 86-0200-0-1-371	2012 actual	2013 CR	2014 est.
Direct loan levels supportable by subsidy budget authority:			
115001 GI/SRI Direct Loans .....		1	1
115999 Total direct loan levels .....		1	1
Direct loan subsidy (in percent):			
132001 GI/SRI Direct Loans .....		0.00	0.00

132999	Weighted average subsidy rate .....	0.00	0.00	
Guaranteed loan levels supportable by subsidy budget authority:				
215001	Multifamily Development .....	2,584	2,500	2,711
215003	Tax Credit New Construction .....	1,283	1,252	1,501
215004	238(c) Military Impact Area .....	32		
215005	Apartments Refinance .....	11,144	12,802	10,889
215008	Housing Finance Authority Risk Sharing .....	166	170	187
215009	GSE Risk Sharing .....	128	135	137
215010	Health Care and Nursing Homes .....	266	256	224
215011	Health Care Refinances .....	5,688	5,486	4,785
215012	Hospitals .....	295	675	1,025
215013	Other Rental .....	331	242	287
215017	Title 1 Property Improvement .....	101	128	140
215018	Title 1 Manufactured Housing .....	32	24	26
215999	Total loan guarantee levels .....	22,050	23,670	21,912
Guaranteed loan subsidy (in percent):				
232001	Multifamily Development .....	-1.09	-2.51	-3.58
232003	Tax Credit New Construction .....	-2.30	-3.15	-3.24
232004	238(c) Military Impact Area .....	0.45		
232005	Apartments Refinance .....	-2.17	-4.65	-4.19
232008	Housing Finance Authority Risk Sharing .....	-0.99	-3.41	-2.85
232009	GSE Risk Sharing .....	-0.99	-2.15	-1.16
232010	Health Care and Nursing Homes .....	-1.34	-3.15	-1.16
232011	Health Care Refinances .....	-1.96	-4.29	-4.04
232012	Hospitals .....	-3.82	-6.41	-4.09
232013	Other Rental .....	-1.70	-1.08	-0.41
232017	Title 1 Property Improvement .....	-0.67	0.00	-0.10
232018	Title 1 Manufactured Housing .....	-2.14	-2.58	-1.66
232999	Weighted average subsidy rate .....	-1.98	-4.21	-3.87
Guaranteed loan subsidy budget authority:				
233001	Multifamily Development .....	-29	-63	-97
233003	Tax Credit New Construction .....	-30	-39	-49
233005	Apartments Refinance .....	-242	-595	-456
233008	Housing Finance Authority Risk Sharing .....	-2	-6	-5
233009	GSE Risk Sharing .....	-1	-3	-2
233010	Health Care and Nursing Homes .....	-4	-8	-3
233011	Health Care Refinances .....	-111	-235	-193
233012	Hospitals .....	-11	-43	-42
233013	Other Rental .....	-6	-3	-1
233017	Title 1 Property Improvement .....	-1		
233018	Title 1 Manufactured Housing .....	-1	-1	
233999	Total subsidy budget authority .....	-438	-996	-848
Guaranteed loan subsidy outlays:				
234001	Multifamily Development .....	-26	-56	-88
234003	Tax Credit New Construction .....	-26	-36	-46
234005	Apartments Refinance .....	-227	-531	-491
234007	Multifamily Operating Loss Loans .....	1		
234008	Housing Finance Authority Risk Sharing .....	-1	-6	-5
234009	GSE Risk Sharing .....	-1	-2	-2
234010	Health Care and Nursing Homes .....	-3	-8	-4
234011	Health Care Refinances .....	-94	-206	-204
234012	Hospitals .....	-12	-40	-42
234013	Other Rental .....	-4	-4	-2
234017	Title 1 Property Improvement .....	-1		
234018	Title 1 Manufactured Housing .....	-1	-1	-1
234999	Total subsidy outlays .....	-395	-890	-885
Guaranteed loan upward reestimates:				
235023	GI/SRI Reestimates .....	746	5,682	
235999	Total upward reestimate budget authority .....	746	5,682	
Guaranteed loan downward reestimates:				
237023	GI/SRI Reestimates .....	-2,216	-529	
237999	Total downward reestimate subsidy budget authority .....	-2,216	-529	

This account includes credit subsidy budget authority and outlays for FHA's General Insurance and Special Risk Insurance Fund programs, including reestimates and modifications. These programs provide mortgage insurance for a variety of purposes including financing for the development or rehabilitation of multifamily housing, nursing homes, and hospitals. The Budget does not request an appropriation of new credit subsidy funds and assumes that HUD will continue to suspend issuance of new insurance on the two types of loans that currently require positive credit subsidy: Section 221(d)(3) multifamily housing loans for projects with non-profit sponsors and Section 223(d) operating loss loans to multifamily housing projects with a primary FHA mortgage. Neither suspension is expected to have a detrimental impact on the production and preservation of rental housing.

## GENERAL AND SPECIAL RISK PROGRAM ACCOUNT—Continued

Effective October 1, 2012, Section 223(d) operating loss loans to healthcare facilities with a primary 232 mortgage and Section 241(a) supplemental loans to FHA-financed multifamily housing loans are reported under the budget risk category of the primary FHA mortgage.

Credit subsidy rates for 2014 reflect a continuation of 2013 mortgage insurance premium increases for newly insured market rate multifamily housing and healthcare facility loans.

As required by the Federal Credit Reform Act of 1990, this account records the subsidy costs associated with loan guarantees committed or direct loans obligated in 1992 and thereafter. The subsidy amounts are estimated on a present value basis. This account no longer includes appropriations for administrative contract costs, which were moved to the MMI Fund in 2010.

## FHA-GENERAL AND SPECIAL RISK GUARANTEED LOAN FINANCING ACCOUNT

## Program and Financing (in millions of dollars)

Identification code 86-4077-0-3-371	2012 actual	2013 CR	2014 est.
Capital investment, claims and other			
0003 Other capital investments and operating expenses .....	32	45	36
0014 Contract Costs .....	42	75	123
0091 Direct program activities, subtotal .....	74	120	159
Credit program obligations:			
0711 Default claim payments on principal .....	2,008	4,313	3,338
0712 Default claim payments on interest .....	223	431	334
0713 Payment of interest to Treasury .....	158	175	175
0740 Negative subsidy obligations .....	438	996	848
0742 Downward reestimate paid to receipt account .....	1,723	470	
0743 Interest on downward reestimates .....	494	59	
0791 Direct program activities, subtotal .....	5,044	6,444	4,695
0900 Total new obligations .....	5,118	6,564	4,854
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	9,181	7,083	9,104
1021 Recoveries of prior year unpaid obligations .....	19		
1023 Unobligated balances applied to repay debt .....		-200	-200
1050 Unobligated balance (total) .....	9,200	6,883	8,904
Financing authority:			
Borrowing authority, mandatory:			
1400 Borrowing authority .....	560	800	800
1440 Borrowing authority, mandatory (total) .....	560	800	800
Spending authority from offsetting collections, mandatory:			
1800 Collected .....	2,576	8,185	2,714
1825 Spending authority from offsetting collections applied to repay debt .....	-135	-200	-200
1850 Spending auth from offsetting collections, mand (total) .....	2,441	7,985	2,514
1900 Financing authority (total) .....	3,001	8,785	3,314
1930 Total budgetary resources available .....	12,201	15,668	12,218
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	7,083	9,104	7,364
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	313	542	2,144
3010 Obligations incurred, unexpired accounts .....	5,118	6,564	4,854
3020 Financing disbursements (gross) .....	-4,870	-4,962	-3,212
3040 Recoveries of prior year unpaid obligations, unexpired .....	-19		
3050 Unpaid obligations, end of year .....	542	2,144	3,786
Uncollected payments:			
3060 Uncollected pymts, Fed sources, brought forward, Oct 1 .....	-1	-1	-1
3090 Uncollected pymts, Fed sources, end of year .....	-1	-1	-1
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	312	541	2,143
3200 Obligated balance, end of year .....	541	2,143	3,785
<b>Financing authority and disbursements, net:</b>			
Mandatory:			
4090 Financing authority, gross .....	3,001	8,785	3,314

Financing disbursements:			
4110 Financing disbursements, gross .....	4,870	4,962	3,212
Offsets against gross financing authority and disbursements:			
Offsetting collections (collected) from:			
4120 Subsidy reestimate from program account .....	-746	-5,682	
4120 Other payments from FHA Accounts .....	-1	-1	
4122 Interest on uninvested funds .....	-405	-405	-405
4123 Fees and premiums .....	-796	-947	-1,015
4123 Recoveries on HUD-Held Notes .....	-128	-312	-547
4123 Title I recoveries .....	-10		
4123 Single family property recoveries .....	-320	-659	-517
4123 Gross Proceeds from Mortgage Note Sales .....	-160	-179	-230
4123 Non-Federal Resources-other .....	-10		
4130 Offsets against gross financing auth and disbursements (total) .....	-2,576	-8,185	-2,714
4160 Financing authority, net (mandatory) .....	425	600	600
4170 Financing disbursements, net (mandatory) .....	2,294	-3,223	498
4180 Financing authority, net (total) .....	425	600	600
4190 Financing disbursements, net (total) .....	2,294	-3,223	498

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

Identification code 86-4077-0-3-371	2012 actual	2013 CR	2014 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	25,000	25,000	30,000
2142 Uncommitted loan guarantee limitation .....	-2,950	-1,330	-8,088
2150 Total guaranteed loan commitments .....	22,050	23,670	21,912
2199 Guaranteed amount of guaranteed loan commitments .....	21,613	23,559	21,750
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	136,016	141,710	156,238
2231 Disbursements of new guaranteed loans .....	19,957	26,708	23,937
2251 Repayments and prepayments .....	-12,032	-6,955	-5,965
Adjustments:			
2261 Terminations for default that result in loans receivable .....	-1,399	-2,816	-1,943
2262 Terminations for default that result in acquisition of property .....	-678	-1,141	-712
2263 Terminations for default that result in claim payments .....	-154	-1,268	-2,557
2290 Outstanding, end of year .....	141,710	156,238	168,998
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	138,455	152,650	165,117
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year .....	2,120	2,458	4,197
2331 Disbursements for guaranteed loan claims .....	1,399	2,816	1,930
2351 Repayments of loans receivable .....	-231	-115	-551
2361 Write-offs of loans receivable .....	-830	-962	-1,166
2390 Outstanding, end of year .....	2,458	4,197	4,410

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

## Balance Sheet (in millions of dollars)

Identification code 86-4077-0-3-371	2011 actual	2012 actual
<b>ASSETS:</b>		
Federal assets:		
1101 Fund balances with Treasury .....	9,493	7,624
Investments in US securities:		
1106 Receivables, net .....	562	6,452
Non-Federal assets:		
1201 Investments in non-Federal securities, net .....	56	57
1206 Receivables, net .....	45	47
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:		
1501 Defaulted guaranteed loans receivable, gross .....	2,120	2,458

1502	Interest receivable .....	503	846
1504	Foreclosed property .....	479	254
1505	Allowance for subsidy cost .....	-1,167	-1,531
1599	Net value of assets related to defaulted guaranteed loan .....	1,935	2,027
1901	Other Federal assets: Other assets .....	2,292	8
1999	Total assets .....	14,383	16,215
<b>LIABILITIES:</b>			
Federal liabilities:			
2101	Accounts payable Intragovernmental .....	1,801	609
2103	Debt .....	2,447	2,873
Non-Federal liabilities:			
2201	Accounts payable .....	126	330
2204	Liabilities for loan guarantees .....	7,608	12,311
2207	Other .....	115	92
2999	Total liabilities .....	12,097	16,215
<b>NET POSITION:</b>			
3300	Cumulative results of operations .....	2,286	
4999	Total liabilities and net position .....	14,383	16,215

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

Identification code 86-4105-0-3-371	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
Credit program obligations:			
0710	Direct loan obligations .....	1	1
0900	Total new obligations .....	1	1
<b>Budgetary Resources:</b>			
Financing authority:			
Borrowing authority, mandatory:			
1400	Borrowing authority .....	1	1
1440	Borrowing authority, mandatory (total) .....	1	1
Spending authority from offsetting collections, mandatory:			
1800	Collected .....	1	1
1825	Spending authority from offsetting collections applied to repay debt .....	-1	-1
1900	Financing authority (total) .....	1	1
1930	Total budgetary resources available .....	1	1
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3010	Obligations incurred, unexpired accounts .....	1	1
3020	Financing disbursements (gross) .....	-1	-1
<b>Financing authority and disbursements, net:</b>			
Mandatory:			
4090	Financing authority, gross .....	1	1
Financing disbursements:			
4110	Financing disbursements, gross .....	1	1
Offsets against gross financing authority and disbursements:			
Offsetting collections (collected) from:			
4123	Repayment of Principal .....	-1	-1

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

Identification code 86-4105-0-3-371	2012 actual	2013 CR	2014 est.
Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans .....	20	20
1142	Unobligated direct loan limitation (-) .....	-20	-19
1150	Total direct loan obligations .....	1	1

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and thereafter (including loan modifications) for FHA's General Insurance and Special Risk Insurance Fund programs. The amounts in this account are a means of financing and are not included in the budget

totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

**FHA-LOAN GUARANTEE RECOVERY FUND FINANCING ACCOUNT****Program and Financing** (in millions of dollars)

Identification code 86-4106-0-3-371	2012 actual	2013 CR	2014 est.
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000	Unobligated balance brought forward, Oct 1 .....	4	4
1930	Total budgetary resources available .....	4	4
Memorandum (non-add) entries:			
1941	Unexpired unobligated balance, end of year .....	4	4
<b>Change in obligated balance:</b>			
Uncollected payments:			
3060	Uncollected pymts, Fed sources, brought forward, Oct 1 .....	-1	-1
3090	Uncollected pymts, Fed sources, end of year .....	-1	-1
Memorandum (non-add) entries:			
3100	Obligated balance, start of year .....	-1	-1
3200	Obligated balance, end of year .....	-1	-1

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

Identification code 86-4106-0-3-371	2012 actual	2013 CR	2014 est.
Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year .....	6	6
2251	Repayments and prepayments .....	-1	-1
2290	Outstanding, end of year .....	6	5
Memorandum:			
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	6	4

Section 4 of the Church Arson Prevention Act of 1996 (P.L. 104-155), entitled "Loan Guarantee Recovery Fund," authorizes the Secretary of Housing and Urban Development to guarantee loans made by financial institutions to assist certain non-profit organizations that were damaged as a result of acts of arson or terrorism. 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 a means of financing and are not included in the budget totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

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

Identification code 86-4106-0-3-371	2011 actual	2012 actual
<b>ASSETS:</b>		
1101	Federal assets: Fund balances with Treasury .....	4
1999	Total assets .....	4
<b>LIABILITIES:</b>		
2204	Non-Federal liabilities: Liabilities for loan guarantees .....	4
4999	Total liabilities and net position .....	4

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

Identification code 86-4072-0-3-371	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
Capital investment: Claims and other			
0101	Interest on Debentures .....	1	
0102	Assignment and Property Acquisition Claims .....	20	10
0104	Mark-To-Market Restructures .....	9	

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

## Program and Financing—Continued

Identification code 86-4072-0-3-371	2012 actual	2013 CR	2014 est.
0110 Capitalized Expenses .....	4	.....	.....
0111 HUD Held Notes Escrow Activity .....	58	58	53
0112 Upfront Grants .....	4	.....	.....
0113 Other .....	4	.....	.....
0900 Total new obligations .....	80	78	63
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	253	182	.....
1021 Recoveries of prior year unpaid obligations .....	8	.....	.....
1022 Capital transfer of unobligated balances to general fund .....	-253	-182	.....
1050 Unobligated balance (total) .....	8	.....	.....
Budget authority:			
Appropriations, mandatory:			
1200 Appropriation .....	30	30	30
1260 Appropriations, mandatory (total) .....	30	30	30
Spending authority from offsetting collections, mandatory:			
1800 Collected .....	234	105	57
1820 Capital transfer of spending authority from offsetting collections to general fund .....	.....	-57	-24
1825 Spending authority from offsetting collections applied to repay debt .....	-10	.....	.....
1850 Spending auth from offsetting collections, mand (total) .....	224	48	33
1900 Budget authority (total) .....	254	78	63
1930 Total budgetary resources available .....	262	78	63
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	182	.....	.....
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	396	366	346
3010 Obligations incurred, unexpired accounts .....	80	78	63
3020 Outlays (gross) .....	-102	-98	-83
3040 Recoveries of prior year unpaid obligations, unexpired .....	-8	.....	.....
3050 Unpaid obligations, end of year .....	366	346	326
Uncollected payments:			
3060 Uncollected pymts, Fed sources, brought forward, Oct 1 .....	-1	-1	-1
3090 Uncollected pymts, Fed sources, end of year .....	-1	-1	-1
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	395	365	345
3200 Obligated balance, end of year .....	365	345	325
<b>Budget authority and outlays, net:</b>			
Mandatory:			
4090 Budget authority, gross .....	254	78	63
Outlays, gross:			
4100 Outlays from new mandatory authority .....	80	75	60
4101 Outlays from mandatory balances .....	22	23	23
4110 Outlays, gross (total) .....	102	98	83
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4123 Non-Federal sources - Other .....	-234	-105	-57
4180 Budget authority, net (total) .....	20	-27	6
4190 Outlays, net (total) .....	-132	-7	26
<b>Memorandum (non-add) entries:</b>			
5000 Total investments, SOY: Federal securities: Par value .....	3	3	.....
5001 Total investments, EOY: Federal securities: Par value .....	3	.....	.....

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

Identification code 86-4072-0-3-371	2012 actual	2013 CR	2014 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	2,332	1,755	1,477
2251 Repayments and prepayments .....	-566	-258	-176
Adjustments:			
2261 Terminations for default that result in loans receivable .....	-9	-19	-10
2262 Terminations for default that result in acquisition of property .....	-2	-1	-1
2290 Outstanding, end of year .....	1,755	1,477	1,290

Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	1,755	1,477	1,290
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year .....	2,483	2,359	2,322
2331	Disbursements for guaranteed loan claims .....	9	19	10
2351	Repayments of loans receivable .....	-133	-56	-54
2390	Outstanding, end of year .....	2,359	2,322	2,278

The General and Special Risk Insurance funds provide insurance for a large number of specialized mortgage insurance programs, including insurance of loans for property improvements, cooperatives, condominiums, nursing homes, rental housing and nonprofit hospitals.

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

## Balance Sheet (in millions of dollars)

Identification code 86-4072-0-3-371	2011 actual	2012 actual
<b>ASSETS:</b>		
Federal assets:		
1101 Fund balances with Treasury .....	645	544
Investments in US securities:		
1102 Treasury securities, par .....	3	3
Non-Federal assets:		
1201 Investments in non-Federal securities, net .....	3	3
1206 Receivables, net .....	11	3
1701 Defaulted guaranteed loans, gross .....	2,483	2,359
1702 Interest receivable .....	226	231
1703 Allowance for estimated uncollectible loans and interest (-) .....	-1,671	-1,371
1799 Value of assets related to loan guarantees .....	1,038	1,219
1901 Other Federal assets: Other assets .....	115	251
1999 Total assets .....	1,815	2,023
<b>LIABILITIES:</b>		
Non-Federal liabilities:		
2201 Accounts payable .....	13	7
2203 Debt .....	10	.....
2204 Liabilities for loan guarantees .....	16	7
2207 Other .....	192	165
2999 Total liabilities .....	231	179
<b>NET POSITION:</b>		
3100 Unexpended appropriations .....	68	89
3300 Cumulative results of operations .....	1,516	1,755
3999 Total net position .....	1,584	1,844
4999 Total liabilities and net position .....	1,815	2,023

## Object Classification (in millions of dollars)

Identification code 86-4072-0-3-371	2012 actual	2013 CR	2014 est.
Direct obligations:			
32.0 Land and structures .....	2	1	1
33.0 Investments and loans .....	78	77	62
99.9 Total new obligations .....	80	78	63

## HOUSING FOR THE ELDERLY OR HANDICAPPED FUND LIQUIDATING ACCOUNT

## Program and Financing (in millions of dollars)

Identification code 86-4115-0-3-371	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0102 Loan Management, Liquidations and Property Dispositions .....	2	6	6

0900	Total new obligations (object class 32.0) .....	2	6	6
<b>Budgetary Resources:</b>				
Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1 .....	6	35	.....
1022	Capital transfer of unobligated balances to general fund .....	-6	-35	.....
Budget authority:				
Spending authority from offsetting collections, mandatory:				
1800	Collected .....	572	550	400
1820	Capital transfer of spending authority from offsetting collections to general fund .....	-535	-544	-394
1850	Spending auth from offsetting collections, mand (total) .....	37	6	6
1930	Total budgetary resources available .....	37	6	6
Memorandum (non-add) entries:				
1941	Unexpired unobligated balance, end of year .....	35	.....	.....

<b>Change in obligated balance:</b>				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1 .....	5	5	8
3010	Obligations incurred, unexpired accounts .....	2	6	6
3020	Outlays (gross) .....	-2	-3	-5
3050	Unpaid obligations, end of year .....	5	8	9
Memorandum (non-add) entries:				
3100	Obligated balance, start of year .....	5	5	8
3200	Obligated balance, end of year .....	5	8	9

<b>Budget authority and outlays, net:</b>				
Mandatory:				
4090	Budget authority, gross .....	37	6	6
Outlays, gross:				
4100	Outlays from new mandatory authority .....	.....	2	2
4101	Outlays from mandatory balances .....	2	1	3
4110	Outlays, gross (total) .....	2	3	5
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
4123	Non-Federal sources .....	-572	-550	-400
4180	Budget authority, net (total) .....	-535	-544	-394
4190	Outlays, net (total) .....	-570	-547	-395

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

Identification code 86-4115-0-3-371		2012 actual	2013 CR	2014 est.
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	2,846	2,493	2,155
1251	Repayments: Repayments and prepayments .....	-348	-332	-332
1264	Write-offs for default: Other adjustments, net (+ or -) .....	-5	-6	-6
1290	Outstanding, end of year .....	2,493	2,155	1,817

The Housing for the Elderly or Handicapped Loan Fund was established pursuant to section 202 of the Housing Act of 1959, as amended. The fund provided direct loans to non-profit organizations sponsoring the construction and management of rental housing for the elderly or non-elderly persons with disabilities. No new loan commitments were made after 1991; however, projects developed under it continue to operate. After April 1, 1992, all projects for which there were administrative reservations converted to the capital advance assistance program. Any remaining activity for the loan program includes amendments for projects reaching final endorsement.

As required by the Federal Credit Reform Act of 1990, this account records all cash flows to and from the Government resulting from this program.

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

Identification code 86-4115-0-3-371	2011 actual	2012 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury .....	11	40
1206 Non-Federal assets: Interest Receivable: Public .....	29	27
1601 Direct loans, gross .....	2,846	2,493
1603 Allowance for estimated uncollectible loans and interest (-) .....	-9	-21
1604 Direct loans and interest receivable, net .....	2,837	2,472
1606 Acquired Real Property .....	1	.....
1699 Value of assets related to direct loans .....	2,838	2,472

1999	Total assets .....	2,878	2,539
<b>LIABILITIES:</b>			
2207	Non-Federal liabilities: Other .....	6	3
<b>NET POSITION:</b>			
3100	Unexpended Appropriations .....	10	8
3300	Revolving Fund: Cumulative results of operations .....	2,862	2,528
3999	Total net position .....	2,872	2,536
4999	Total liabilities and net position .....	2,878	2,539

**Trust Funds****MANUFACTURED HOUSING FEES TRUST FUND****Special and Trust Fund Receipts** (in millions of dollars)

Identification code 86-8119-0-7-376		2012 actual	2013 CR	2014 est.
0100	Balance, start of year .....	1	1	1
Receipts:				
0240	General Fund Payment, Manufactured Housing Fee Trust Fund .....	3	3	1
0260	Mobile Home Inspection and Monitoring Fees, Manufactured Housing Fee Trust Fund .....	3	3	7
0299	Total receipts and collections .....	6	6	8
0400	Total: Balances and collections .....	7	7	9
Appropriations:				
0500	Manufactured Housing Fees Trust Fund .....	-6	-6	-8
0799	Balance, end of year .....	1	1	1

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

Identification code 86-8119-0-7-376		2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>				
0002	Manufactured Housing Program Costs — Fees .....	8	6	6
0004	Manufactured Housing Program Costs — Direct Appropriations .....	2	4	4
0900	Total new obligations .....	10	10	10

<b>Budgetary Resources:</b>				
Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1 .....	15	11	7
Budget authority:				
Appropriations, discretionary:				
1101	Appropriation (special or trust fund) .....	6	6	8
1160	Appropriation, discretionary (total) .....	6	6	8
1930	Total budgetary resources available .....	21	17	15
Memorandum (non-add) entries:				
1941	Unexpired unobligated balance, end of year .....	11	7	5

<b>Change in obligated balance:</b>				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1 .....	2	5	6
3010	Obligations incurred, unexpired accounts .....	10	10	10
3020	Outlays (gross) .....	-7	-9	-8
3050	Unpaid obligations, end of year .....	5	6	8
Memorandum (non-add) entries:				
3100	Obligated balance, start of year .....	2	5	6
3200	Obligated balance, end of year .....	5	6	8

<b>Budget authority and outlays, net:</b>				
Discretionary:				
4000	Budget authority, gross .....	6	6	8
Outlays, gross:				
4010	Outlays from new discretionary authority .....	1	2	3
4011	Outlays from discretionary balances .....	6	7	5
4020	Outlays, gross (total) .....	7	9	8
4180	Budget authority, net (total) .....	6	6	8
4190	Outlays, net (total) .....	7	9	8

The National Manufactured Housing Construction and Safety Standards Act of 1974, as amended, authorizes the development and enforcement of appropriate standards for the construction, design, and performance of manufactured homes to assure their

## MANUFACTURED HOUSING FEES TRUST FUND—Continued

quality, durability, affordability, and safety. All manufactured homes produced, since the standards took effect in 1976, must comply with Federal construction and safety standards. A majority of States participate in the program under compliance plans approved by HUD. Program requirements mandated by the Manufactured Housing Improvement Act of 2000 include procurement of an Administering Organization, formation of a Consensus Committee to recommend revisions to and interpretations of the manufactured housing standards, development and implementation of standards for installation of manufactured housing, and development and implementation of a dispute resolution program.

Fees are charged to the manufacturers for each transportable section produced and may be charged to any dispute resolution and installation program participant. Prior to 2009, this fee income was sufficient to fully support program operations. However, due to a significant decline in manufactured housing production rates in recent years, fee collections have been insufficient to maintain program requirements. The 2014 Budget proposes to fund the costs of authorized activities necessary to carry out all aspects of the manufactured housing legislation with a direct appropriation of \$1 million and approximately \$6.53 million in estimated fees. In order to achieve this level of collections, HUD is also proposing to increase the label fee in 2014 from \$39 to up to \$100 per label. This fee increase is necessary to ensure that HUD can continue to fulfill its statutory responsibilities.

## Object Classification (in millions of dollars)

Identification code 86–8119–0–7–376	2012 actual	2013 CR	2014 est.
Direct obligations:			
25.2 Other services from non-Federal sources .....	7	7	7
41.0 Grants, subsidies, and contributions .....	3	3	3
99.9 Total new obligations .....	10	10	10

## GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

The Government National Mortgage Association (GNMA) was formed by Congress in 1968. It is a wholly owned government corporation within the U.S. Department of Housing and Urban Development (HUD). It was established to support Federal housing initiatives by providing liquidity to the secondary mortgage market and to attract capital from the global capital markets for the nation's mortgage markets. Its primary function is to guarantee the timely payment of principal and interest on Mortgage-Backed Securities (MBS) that are backed by loans insured or guaranteed by the Federal Housing Administration (FHA), the Department of Veterans Affairs (VA), Rural Development in the U.S. Department of Agriculture, and HUD's Office of Public and Indian Housing.

## Federal Funds

## GUARANTEES OF MORTGAGE-BACKED SECURITIES CAPITAL RESERVE ACCOUNT

## Program and Financing (in millions of dollars)

Identification code 86–0238–0–1–371	2012 actual	2013 CR	2014 est.
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....			8,489
1010 Unobligated balance transfer to other accts [86–0186] .....			–100
1011 Unobligated balance transfer from other accts [86–4238] ....		1,576	
1011 Unobligated balance transfer from other accts [86–4240] ....		200	200

1050 Unobligated balance (total) .....	1,776	8,589
<b>Budget authority:</b>		
Appropriations, mandatory:		
1221 Appropriations transferred from other accts [86–0186] ....	6,083	
1260 Appropriations, mandatory (total) .....	6,083	
Spending authority from offsetting collections, mandatory:		
1800 Offsetting collections (negative subsidy) .....	580	542
1800 Offsetting collections (interest on investments) .....	50	130
1850 Spending auth from offsetting collections, mand (total) .....	630	672
1900 Budget authority (total) .....	6,713	672
1930 Total budgetary resources available .....	8,489	9,261
<b>Memorandum (non-add) entries:</b>		
1941 Unexpired unobligated balance, end of year .....	8,489	9,261

## Budget authority and outlays, net:

<b>Discretionary:</b>		
Offsets against gross budget authority and outlays:		
Offsetting collections (collected) from:		
4030 Federal sources .....	–580	–542
<b>Mandatory:</b>		
4090 Budget authority, gross .....	6,713	672
Offsets against gross budget authority and outlays:		
Offsetting collections (collected) from:		
4121 Interest on Federal securities .....	–50	–130
4180 Budget authority, net (total) .....	6,083	
4190 Outlays, net (total) .....	–630	–672

## Memorandum (non-add) entries:

5000 Total investments, SOY: Federal securities: Par value .....		7,659
5001 Total investments, EOY: Federal securities: Par value .....	7,659	7,678

In 2013, a Capital Reserve account was established for the Government National Mortgage Association. Financial reserves of the Association were transferred from the reserve receipt and liquidating accounts to the Capital Reserve account. This mandatory account earns interest on Treasury investments and is the eventual depository for all resources collected by the Association. The amount of reserves held in this account fluctuates with changes in economic conditions, issuer performance, and other factors that cause actual reserve levels in the future to vary from projections. The Liquidating account now only reflects cash flows related to pre-1998 books of business.

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

*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 \$500,000,000, to remain available until September 30, 2015: Provided, That \$21,200,000 shall be available for necessary salaries and expenses of the Office of Government National Mortgage Association: Provided further, That to the extent that guaranteed loan commitments will and do exceed \$155,000,000,000 on or before April 1, 2014, an additional \$100 for necessary salaries and expenses shall be available until expended for each \$1,000,000 in additional guaranteed loan commitments (including a pro rata amount for any amount below \$1,000,000), but in no case shall funds made available by this proviso exceed \$3,000,000: Provided further, That receipts from Commitment and Multiclass fees collected pursuant to title III of the National Housing Act, as amended, shall be credited as offsetting collections to this account.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112–175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

## Special and Trust Fund Receipts (in millions of dollars)

Identification code 86–0186–0–1–371	2012 actual	2013 CR	2014 est.
0100 Balance, start of year .....	5,486	6,083	
<b>Receipts:</b>			
0220 GNMA-guarantees of Mortgage Backed Securities Guarantee			
Loans, Negative Subsidies .....	737		
0400 Total: Balances and collections .....	6,223	6,083	

Appropriations:			
0500	Guarantees of Mortgage-backed Securities Loan Guarantee Program Account .....	-140	.....
0501	Guarantees of Mortgage-backed Securities Loan Guarantee Program Account .....	-6,083	.....
0599	Total appropriations .....	-140	-6,083
0799	Balance, end of year .....	6,083	.....

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

Identification code 86-0186-0-1-371		2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>				
Credit program obligations:				
0707	Reestimates of loan guarantee subsidy .....	132	97	.....
0708	Interest on reestimates of loan guarantee subsidy .....	8	5	.....
0709	Administrative expenses .....	14	20	164
0799	Total direct obligations .....	154	122	164
0801	Servicing Expenses .....	.....	72	62
0900	Total new obligations .....	154	194	226
<b>Budgetary Resources:</b>				
Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1 .....	.....	.....	21
1011	Unobligated balance transfer from other accts [86-0238] ....	.....	.....	100
1050	Unobligated balance (total) .....	.....	.....	121
Budget authority:				
Appropriations, mandatory:				
1201	Appropriation (special or trust fund) .....	140	.....	.....
1201	Pre-2013 Accumulated GNMA Receipts .....	.....	6,083	.....
1220	Appropriations transferred to other accts [86-0186] .....	-140	.....	.....
1220	Receipts transferred to GNMA Capital Reserve [86-0238] .....	.....	-6,083	.....
1221	Appropriations transferred from other accts [86-0186] ....	140	.....	.....
1260	Appropriations, mandatory (total) .....	140	.....	.....
Spending authority from offsetting collections, discretionary:				
1700	Collected .....	121	79	77
1725	Spending authority from offsetting collections precluded from obligation (limitation on obligations) .....	-102	-59	-56
1750	Spending auth from offsetting collections, disc (total) .....	19	20	21
Spending authority from offsetting collections, mandatory:				
1800	Collected .....	.....	195	120
1850	Spending auth from offsetting collections, mand (total) .....	.....	195	120
1900	Budget authority (total) .....	159	215	141
1930	Total budgetary resources available .....	159	215	262
Memorandum (non-add) entries:				
1940	Unobligated balance expiring .....	-5	.....	.....
1941	Unexpired unobligated balance, end of year .....	.....	21	36
<b>Change in obligated balance:</b>				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1 .....	.....	1	3
3010	Obligations incurred, unexpired accounts .....	154	194	226
3020	Outlays (gross) .....	-153	-192	-226
3050	Unpaid obligations, end of year .....	1	3	3
Memorandum (non-add) entries:				
3100	Obligated balance, start of year .....	.....	1	3
3200	Obligated balance, end of year .....	1	3	3

<b>Budget authority and outlays, net:</b>				
Discretionary:				
4000	Budget authority, gross .....	19	20	21
Outlays, gross:				
4010	Outlays from new discretionary authority .....	13	18	19
4011	Outlays from discretionary balances .....	.....	.....	2
4020	Outlays, gross (total) .....	13	18	21
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
4033	Non-Federal sources .....	-121	-79	-77
Mandatory:				
4090	Budget authority, gross .....	140	195	120
Outlays, gross:				
4100	Outlays from new mandatory authority .....	140	72	62
4101	Outlays from mandatory balances .....	.....	102	143
4110	Outlays, gross (total) .....	140	174	205
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
4123	Non-Federal sources .....	.....	-195	-120

4180	Budget authority, net (total) .....	38	-59	-56
4190	Outlays, net (total) .....	32	-82	29

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

5090	Unavailable balance, SOY: Offsetting collections .....	.....	102	161
5091	Unavailable balance, EOY: Offsetting collections .....	102	161	217

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

Identification code 86-0186-0-1-371		2012 actual	2013 CR	2014 est.
Guaranteed loan levels supportable by subsidy budget authority:				
215001	Guarantees of Mortgage-Backed Securities .....	388,029	252,000	246,500
215999	Total loan guarantee levels .....	388,029	252,000	246,500
Guaranteed loan subsidy (in percent):				
232001	Guarantees of Mortgage-Backed Securities .....	-0.19	-0.23	-0.22
232999	Weighted average subsidy rate .....	-0.19	-0.23	-0.22
Guaranteed loan subsidy budget authority:				
233001	Guarantees of Mortgage-Backed Securities .....	-737	-580	-542
233999	Total subsidy budget authority .....	-737	-580	-542
Guaranteed loan subsidy outlays:				
234001	Guarantees of Mortgage-Backed Securities .....	-737	-580	-542
234999	Total subsidy outlays .....	-737	-580	-542
Guaranteed loan upward reestimates:				
235001	Guarantees of Mortgage-Backed Securities .....	140	102	.....
235999	Total upward reestimate budget authority .....	140	102	.....
Guaranteed loan downward reestimates:				
Administrative expense data:				
3510	Budget authority .....	20	20	21
3590	Outlays from new authority .....	13	18	18

The Budget requests loan commitment authority of \$500 billion in 2014. The Budget also requests \$21 million for the personnel costs of the Government National Mortgage Association (GNMA), to be offset by Commitment and Multiclass fees. Before 2012, personnel expenses were funded in the "Office of Government National Mortgage Association" appropriation under the Management and Administration section of the HUD budget.

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

Identification code 86-0186-0-1-371		2012 actual	2013 CR	2014 est.
Direct obligations:				
11.1	Personnel compensation: Full-time permanent .....	10	15	17
12.1	Civilian personnel benefits .....	3	4	3
21.0	Travel and transportation of persons .....	.....	1	1
25.2	Other services from non-Federal sources .....	1	.....	143
41.0	Grants, subsidies, and contributions .....	140	97	.....
43.0	Interest and dividends .....	.....	5	.....
99.0	Direct obligations .....	154	122	164
99.0	Reimbursable obligations .....	.....	72	62
99.9	Total new obligations .....	154	194	226

**Employment Summary**

Identification code 86-0186-0-1-371		2012 actual	2013 CR	2014 est.
1001	Direct civilian full-time equivalent employment .....	89	122	130

**GUARANTEES OF MORTGAGE-BACKED SECURITIES FINANCING ACCOUNT****Program and Financing** (in millions of dollars)

Identification code 86-4240-0-3-371		2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>				
0003	Advances and other .....	2,808	5,259	4,056
0004	Preservation of collateral .....	.....	245	265
0091	Subtotal - Advances and Operating Expenses .....	2,808	5,504	4,321
Credit program obligations:				
0740	Negative subsidy obligations .....	737	580	542

**GUARANTEES OF MORTGAGE-BACKED SECURITIES FINANCING  
ACCOUNT—Continued**  
**Program and Financing—Continued**

Identification code 86-4240-0-3-371	2012 actual	2013 CR	2014 est.
0900 Total new obligations .....	3,545	6,084	4,863
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	1,138	680	881
1010 Unobligated balance transfer to other accts [86-0238] .....	.....	-200	-200
1050 Unobligated balance (total) .....	1,138	480	681
Financing authority:			
Spending authority from offsetting collections, mandatory:			
1800 Collected .....	3,082	6,485	4,234
1801 Change in uncollected payments, Federal sources .....	5	.....	.....
1850 Spending auth from offsetting collections, mand (total) .....	3,087	6,485	4,234
1930 Total budgetary resources available .....	4,225	6,965	4,915
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	680	881	52
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	466	209	309
3010 Obligations incurred, unexpired accounts .....	3,545	6,084	4,863
3020 Financing disbursements (gross) .....	-3,802	-5,984	-4,786
3050 Unpaid obligations, end of year .....	209	309	386
Uncollected payments:			
3060 Uncollected pymts, Fed sources, brought forward, Oct 1 .....	-2	-7	-7
3070 Change in uncollected pymts, Fed sources, unexpired .....	-5	.....	.....
3090 Uncollected pymts, Fed sources, end of year .....	-7	-7	-7
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	464	202	302
3200 Obligated balance, end of year .....	202	302	379
<b>Financing authority and disbursements, net:</b>			
Mandatory:			
4090 Financing authority, gross .....	3,087	6,485	4,234
Financing disbursements:			
4110 Financing disbursements, gross .....	3,802	5,984	4,786
Offsets against gross financing authority and disbursements:			
Offsetting collections (collected) from:			
4120 Federal sources .....	-140	-102	.....
4122 Interest on uninvested funds .....	-35	-89	-31
4123 Guarantee Fees .....	-774	-724	-834
4123 Commitment and other fees .....	-3	.....	.....
4123 Multiclass fees .....	-22	.....	.....
4123 Repayment of advances .....	-2,051	-5,570	-3,369
4123 Servicing Fees .....	-57	.....	.....
4130 Offsets against gross financing auth and disbursements (total) .....	-3,082	-6,485	-4,234
Additional offsets against financing authority only (total):			
4140 Change in uncollected pymts, Fed sources, unexpired .....	-5	.....	.....
4170 Financing disbursements, net (mandatory) .....	720	-501	552
4190 Financing disbursements, net (total) .....	720	-501	552
<b>Status of Guaranteed Loans (in millions of dollars)</b>			
Identification code 86-4240-0-3-371	2012 actual	2013 CR	2014 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	500,000	500,000	500,000
2121 Limitation available from carry-forward .....	321,036	414,768	500,000
2142 Uncommitted loan guarantee limitation .....	-18,239	-162,768	-253,500
2143 Uncommitted limitation carried forward .....	-414,768	-500,000	-500,000
2150 Total guaranteed loan commitments .....	388,029	252,000	246,500
2199 Guaranteed amount of guaranteed loan commitments .....	388,029	252,000	246,500
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	1,221,685	1,341,405	1,425,405
2231 Disbursements of new guaranteed loans .....	388,029	252,000	246,500
2251 Repayments and prepayments .....	-268,309	-168,000	-199,557
2290 Outstanding, end of year .....	1,341,405	1,425,405	1,472,348
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	1,341,405	1,425,405	1,472,348

This non-budgetary account records all cash flows to and from the Government resulting from the loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals. No administrative expenses can be recorded in the financing account.

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

Identification code 86-4240-0-3-371	2011 actual	2012 actual
<b>ASSETS:</b>		
1101 Federal assets: Fund balances with Treasury .....	1,602	882
1206 Non-Federal assets: Receivables, net .....	2,478	6,882
1401 Net value of assets related to post-1991 direct loans receivable:		
Direct loans receivable, gross .....	7,451	7,946
1505 Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable: Allowance for subsidy cost (-) .....	-462	-342
1999 Total assets .....	11,069	15,368
<b>LIABILITIES:</b>		
Non-Federal liabilities:		
2201 Accounts payable .....	313	111
2207 Other .....	2,724	7,089
2999 Total liabilities .....	3,037	7,200
<b>NET POSITION:</b>		
3300 Cumulative results of operations .....	8,032	8,168
4999 Total liabilities and net position .....	11,069	15,368

**GUARANTEES OF MORTGAGE-BACKED SECURITIES LIQUIDATING ACCOUNT**

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

Identification code 86-4238-0-3-371	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Administrative contract expenses .....	243	353	.....
Operating expenses			
0003 Servicing expenses .....	24	.....	.....
0091 Direct program activities, subtotal .....	267	353	.....
Capital investment			
0101 Advances of guaranty payments .....	.....	4	3
0900 Total new obligations .....	267	357	3
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	2,199	1,991	107
1010 Unobligated balance transfer to other accts [86-0238] .....	.....	-1,576	.....
1050 Unobligated balance (total) .....	2,199	415	107
Budget authority:			
Spending authority from offsetting collections, mandatory:			
1800 Collected .....	61	49	.....
1801 Change in uncollected payments, Federal sources .....	-2	.....	.....
1850 Spending auth from offsetting collections, mand (total) .....	59	49	.....
1930 Total budgetary resources available .....	2,258	464	107
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	1,991	107	104
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	52	124	117
3010 Obligations incurred, unexpired accounts .....	267	357	3
3020 Outlays (gross) .....	-195	-364	-120
3050 Unpaid obligations, end of year .....	124	117	.....
Uncollected payments:			
3060 Uncollected pymts, Fed sources, brought forward, Oct 1 .....	-12	-10	-10
3070 Change in uncollected pymts, Fed sources, unexpired .....	2	.....	.....
3090 Uncollected pymts, Fed sources, end of year .....	-10	-10	-10
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	40	114	107
3200 Obligated balance, end of year .....	114	107	-10
<b>Budget authority and outlays, net:</b>			
Mandatory:			
4090 Budget authority, gross .....	59	49	.....



4100	Outlays, gross:			
4101	Outlays from new mandatory authority .....	1	49	.....
4101	Outlays from mandatory balances .....	194	315	120
4110	Outlays, gross (total) .....	195	364	120
	Offsets against gross budget authority and outlays:			
	Offsetting collections (collected) from:			
4121	Interest on Federal securities .....	-60	-40	.....
4123	Non-Federal sources .....	-1	-9	.....
4130	Offsets against gross budget authority and outlays (total) ....	-61	-49	.....
	Additional offsets against gross budget authority only:			
4140	Change in uncollected pymts, Fed sources, unexpired .....	2		.....
4170	Outlays, net (mandatory) .....	134	315	120
4190	Outlays, net (total) .....	134	315	120
<b>Memorandum (non-add) entries:</b>				
5000	Total investments, SOY: Federal securities: Par value .....	2,134	2,117	100
5001	Total investments, EOY: Federal securities: Par value .....	2,117	100	100

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

Identification code 86-4238-0-3-371	2012 actual	2013 CR	2014 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	8	8	7
1263 Write-offs for default: Direct loans .....		-1	-1
1290 Outstanding, end of year .....	8	7	6

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

Identification code 86-4238-0-3-371	2012 actual	2013 CR	2014 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	4	2	.....
2251 Repayments and prepayments .....	-2	-2	.....
2290 Outstanding, end of year .....	2		.....
<b>Memorandum:</b>			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	2		.....

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

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

Identification code 86-4238-0-3-371	2011 actual	2012 actual
<b>ASSETS:</b>		
Federal assets:		
1101 Fund balances with Treasury .....	119	.....
Investments in US securities:		
1102 Treasury securities, par .....	2,127	2,117
1106 Receivables, net .....	12	6
1601 Direct loans, gross .....	8	8
1603 Allowance for estimated uncollectible loans and interest (-) .....	-4	-4
1699 Value of assets related to direct loans .....	4	4
1901 Other Federal assets: Other assets .....	31	41
1999 Total assets .....	2,293	2,168
<b>LIABILITIES:</b>		
Non-Federal liabilities:		
2201 Accounts payable .....	52	123
2207 Other .....	1	1
2999 Total liabilities .....	53	124
<b>NET POSITION:</b>		
3300 Cumulative results of operations .....	2,240	2,044
4999 Total liabilities and net position .....	2,293	2,168

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

Identification code 86-4238-0-3-371	2012 actual	2013 CR	2014 est.
Direct obligations:			
25.2 Other services from non-Federal sources .....	267	353	.....

33.0	Investments and loans .....	4	3
99.9	Total new obligations .....	267	357
		3	

**POLICY DEVELOPMENT AND RESEARCH****Federal 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 (12 U.S.C. 1701z-1 et seq.), including carrying out the functions of the Secretary of Housing and Urban Development under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, \$50,000,000, to remain available until September 30, 2015: Provided, That with respect to amounts made available under this heading, notwithstanding section 204 of this title, the Secretary may enter into cooperative agreements funded with philanthropic entities, other Federal agencies, or State or local governments and their agencies for research projects: Provided further, That with respect to the previous proviso, such partners to the cooperative agreements must contribute at least a 50 percent match toward the cost of the project.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

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

Identification code 86-0108-0-1-451	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Contracts, Grants and Cooperative Agreements .....	51	46	50
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	3	5	5
1021 Recoveries of prior year unpaid obligations .....	7		
1050 Unobligated balance (total) .....	10	5	5
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	46	46	50
1160 Appropriation, discretionary (total) .....	46	46	50
1930 Total budgetary resources available .....	56	51	55
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	5	5	5
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	46	30	20
3010 Obligations incurred, unexpired accounts .....	51	46	50
3020 Outlays (gross) .....	-59	-56	-56
3040 Recoveries of prior year unpaid obligations, unexpired .....	-7		
3041 Recoveries of prior year unpaid obligations, expired .....	-1		
3050 Unpaid obligations, end of year .....	30	20	14
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	46	30	20
3200 Obligated balance, end of year .....	30	20	14
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....	46	46	50
Outlays, gross:			
4010 Outlays from new discretionary authority .....	34	34	37
4011 Outlays from discretionary balances .....	25	22	19
4020 Outlays, gross (total) .....	59	56	56
4180 Budget authority, net (total) .....	46	46	50
4190 Outlays, net (total) .....	59	56	56

The Housing and Urban Development Act of 1970 directs the Secretary to undertake programs of research, studies, testing, and demonstrations related to HUD's mission. These functions are carried out by HUD's Office of Policy Development and Re-

## RESEARCH AND TECHNOLOGY—Continued

search, and through contracts with industry, nonprofit research organizations, educational institutions, and through non-competitive cooperative agreements with State and local governments, other Federal agencies, and philanthropic entities.

The Budget requests \$50 million for HUD's Research and Technology program. This request includes funding to restore and enhance various national housing surveys that are rich sources of data on the nation's housing stock, including the American Housing Survey, the Survey of New Home Sales and Completions, the Survey of Market Absorption of Multifamily Units, the Survey of New Manufactured Housing Placements, and the Rental Housing Finance Survey. Also included in the request is funding for research dissemination activities, for the Urban Data Systems, for housing finance studies, and for Research Partnerships. Research will also be conducted as part of HUD's Transformation Initiative and other set-asides.

## Object Classification (in millions of dollars)

Identification code 86-0108-0-1-451	2012 actual	2013 CR	2014 est.
Direct obligations:			
25.2 Other services from non-Federal sources .....	9	7	10
25.3 Other goods and services from Federal sources .....	41	38	39
41.0 Grants, subsidies, and contributions .....	1	1	1
99.9 Total new obligations .....	51	46	50

## FAIR HOUSING AND EQUAL OPPORTUNITY

## Federal 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, \$71,000,000, to remain available until September 30, 2015, of which \$44,100,000 shall be to carry out activities pursuant to such section 561: Provided, That, notwithstanding 31 U.S.C. 3302, the Secretary may assess and collect fees to cover the costs of the Fair Housing Training Academy, and may use such funds to provide such training: Provided further, That no funds made available under this heading shall be used to lobby the executive or legislative branches of the Federal Government in connection with a specific contract, grant or loan: Provided further, That, of the funds made available under this heading, \$500,000 shall be available to the Secretary of Housing and Urban Development for the creation and promotion of translated materials and other programs that support the assistance of persons with limited English proficiency in utilizing the services provided by the Department of Housing and Urban Development.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

## Program and Financing (in millions of dollars)

Identification code 86-0144-0-1-751	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Fair Housing Assistance .....	77	36	24
0002 Fair Housing Initiatives .....		43	44
0004 Limited English Proficiency Program .....		1	1
0005 National Fair Housing Training Academy .....			2
0900 Total new obligations (object class 41.0) .....	77	80	71
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	15	9	

## Budget authority:

Appropriations, discretionary:			
1100 Appropriation .....	71	71	71
1160 Appropriation, discretionary (total) .....	71	71	71
1930 Total budgetary resources available .....	86	80	71
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	9		

## Change in obligated balance:

Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	96	102	110
3010 Obligations incurred, unexpired accounts .....	77	80	71
3020 Outlays (gross) .....	-70	-72	-79
3041 Recoveries of prior year unpaid obligations, expired .....	-1		
3050 Unpaid obligations, end of year .....	102	110	102
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	96	102	110
3200 Obligated balance, end of year .....	102	110	102

## Budget authority and outlays, net:

Discretionary:			
4000 Budget authority, gross .....	71	71	71
Outlays, gross:			
4010 Outlays from new discretionary authority .....	4	7	7
4011 Outlays from discretionary balances .....	66	65	72
4020 Outlays, gross (total) .....	70	72	79
4180 Budget authority, net (total) .....	71	71	71
4190 Outlays, net (total) .....	70	72	79

The Budget requests \$71 million for fair housing activities to support efforts to end housing discrimination. Of the amount requested, \$24.6 million is for the Fair Housing Assistance Program (FHAP), \$1.8 million is for the National Fair Housing Training Academy, \$44.1 million is for the Fair Housing Initiatives Program (FHIP), and \$500 thousand is for the Limited English Proficiency Initiative.

The National Fair Housing Training Academy (NFTHA) provides comprehensive fair housing and civil rights training for investigators, local agencies, educators, attorneys, industry representatives and other housing industry professionals.

FHAP, authorized by Title VIII of the Civil Rights Act of 1968, as amended, provides funding to State and local agencies to assure prompt and effective processing of Title VIII (Civil Rights Act of 1968) complaints under substantially equivalent State and local fair housing laws. To be eligible for assistance through FHAP, an agency must demonstrate that the fair housing law it administers is substantially equivalent to the Fair Housing Act. It is estimated that there will be a total of 100 FHAP jurisdictions in 2014. The funding requested for FHAP will support fair housing enforcement by funding State and local fair housing organizations to meet the needs of currently underserved populations. It will also address the persistently high rate of discrimination against minorities and people with disabilities as identified by HUD's 2000 Housing Discrimination Study and provide additional support to FHAP agencies on the heels of the State and local budget crisis.

FHIP, authorized by the Housing and Community Development Act of 1987, as amended by the Housing and Community Development Act of 1992, provides funding to States and local governments, and to public and private non-profit organizations that administer programs to prevent or eliminate discriminatory housing practices through enforcement, education, and outreach.

# OFFICE OF LEAD HAZARD CONTROL AND HEALTHY HOMES

## Federal Funds

### LEAD HAZARD REDUCTION

*For the Lead Hazard Reduction Program, as authorized by section 1011 of the Residential Lead-Based Paint Hazard Reduction Act of 1992, \$120,000,000, to remain available until September 30, 2015: Provided, That up to \$25,000,000 of that amount shall be for the Healthy Homes Initiative, pursuant to sections 501 and 502 of the Housing and Urban Development Act of 1970 that shall include research, studies, testing, and demonstration efforts, including education and outreach concerning lead-based paint poisoning and other housing-related diseases and hazards: Provided further, That for purposes of environmental review, pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other provisions of the law that further the purposes of such Act, a grant under the Healthy Homes Initiative or the Lead Technical Studies program under this heading or under prior appropriations Acts for such purposes under this heading, shall be considered to be funds for a special project for purposes of section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994: Provided further, That amounts made available under this heading in this or prior appropriations Acts, and that still remain available, may be used for any purpose under this heading notwithstanding the purpose for which such amounts were appropriated if a program competition is undersubscribed and there are other program competitions under this heading that are oversubscribed.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

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

Identification code 86-0174-0-1-451	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Lead Hazard Reduction Grants .....	73	67	90
0002 Lead Hazard Reduction Demonstration .....	32	45	.....
0003 Healthy Homes .....	13	11	25
0004 Lead Technical Studies .....	2	5	4
0900 Total new obligations (object class 41.0) .....	120	128	119
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	7	9	2
1021 Recoveries of prior year unpaid obligations .....	2	.....	.....
1050 Unobligated balance (total) .....	9	9	2
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	120	121	120
1120 Appropriations transferred to other accts [86-0402] .....	.....	.....	-1
1160 Appropriation, discretionary (total) .....	120	121	119
1930 Total budgetary resources available .....	129	130	121
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	9	2	2
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	410	371	369
3010 Obligations incurred, unexpired accounts .....	120	128	119
3020 Outlays (gross) .....	-148	-130	-130
3040 Recoveries of prior year unpaid obligations, unexpired .....	-2	.....	.....
3041 Recoveries of prior year unpaid obligations, expired .....	-9	.....	.....
3050 Unpaid obligations, end of year .....	371	369	358
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	410	371	369
3200 Obligated balance, end of year .....	371	369	358
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....	120	121	119
Outlays, gross:			
4010 Outlays from new discretionary authority .....	1	2	2
4011 Outlays from discretionary balances .....	147	128	128
4020 Outlays, gross (total) .....	148	130	130

4180 Budget authority, net (total) .....	120	121	119
4190 Outlays, net (total) .....	148	130	130

Title X of the Housing and Community Development Act of 1992 (Public Law 102-550), known as the Residential Lead-Based Paint Hazard Reduction Act, authorized the Secretary to establish the Lead-Based Paint Hazard Control Grant Program. The primary purpose of the program is to reduce the exposure of young children to lead-based paint and other environmental hazards in their homes, including protecting them from permanent developmental problems and asthma, and exposure to pesticides and carbon monoxide.

The program plays a critical role in addressing the number one environmental disease impacting children: lead poisoning. The Budget includes \$90 million for HUD's Lead Hazard Control Program, \$25 million for the Healthy Homes Program, and \$4 million for Technical Studies. The 2014 Budget also includes a provision that would allow the transfer of unobligated balances and recaptured funds from undersubscribed competitive programs to other competitive programs experiencing oversubscription.

The Lead Hazard Control Grant Programs provides grants of \$1 million to \$4 million to State and local governments and Indian tribes for control of lead-based paint hazards in low-income rental and owner-occupied housing. The grants are also designed to facilitate the development of a housing maintenance and rehabilitation workforce trained in lead-safe work practices and a certified hazard evaluation and control industry. In awarding grants, HUD promotes the use of new, low-cost approaches to hazard control that can be replicated across the nation.

The Healthy Homes Program enables the Department to assess and control housing-related hazards that contribute to childhood diseases and injuries. With funding from this program, grantees implement and evaluate methods for controlling two or more housing-related diseases through a single intervention.

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

## MANAGEMENT AND ADMINISTRATION

### Federal Funds

#### EXECUTIVE OFFICES

*For necessary salaries and expenses for Executive Offices, which shall be comprised of the offices of the Secretary, Deputy Secretary, Hearings and Appeals, Congressional and Intergovernmental Relations, Public Affairs, and Center for Faith-Based and Community Initiatives, \$14,540,000: Provided, That not to exceed \$25,000 of the amount made available under this heading shall be available to the Secretary for official reception and representation expenses as the Secretary may determine.*

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

Identification code 86-0332-0-1-604	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Personnel costs .....	.....	.....	14
0002 Non-Personnel cost .....	.....	.....	1
0900 Total new obligations .....	.....	.....	15

EXECUTIVE OFFICES—Continued  
Program and Financing—Continued

Identification code 86-0332-0-1-604	2012 actual	2013 CR	2014 est.
<b>Budgetary Resources:</b>			
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....			15
1160 Appropriation, discretionary (total) .....			15
1930 Total budgetary resources available .....			15
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3010 Obligations incurred, unexpired accounts .....			15
3020 Outlays (gross) .....			-15
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....			15
Outlays, gross:			
4010 Outlays from new discretionary authority .....			15
4180 Budget authority, net (total) .....			15
4190 Outlays, net (total) .....			15

The 2014 Budget proposes to streamline HUD's salaries and expenses accounts to provide greater flexibility in funding the executive and support offices. Funding for these functions is proposed to be consolidated in two accounts, Executive Offices and Administrative Support Offices. The Executive Offices account supports the total salaries and expenses of various high level management offices, including the immediate offices of the Secretary; Deputy Secretary; Congressional and Intergovernmental Relations; Public Affairs; Hearing and Appeals; and the Center for Faith-Based and Community Initiatives.

## Object Classification (in millions of dollars)

Identification code 86-0332-0-1-604	2012 actual	2013 CR	2014 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....			11
12.1 Civilian personnel benefits .....			3
25.2 Other services from non-Federal sources .....			1
99.9 Total new obligations .....			15

## Employment Summary

Identification code 86-0332-0-1-604	2012 actual	2013 CR	2014 est.
1001 Direct civilian full-time equivalent employment .....			89

【ADMINISTRATION, OPERATIONS, AND MANAGEMENT】ADMINISTRATIVE  
SUPPORT OFFICES

For necessary salaries and expenses for Administrative Support Offices, which shall be comprised of the offices of Chief Financial Officer, General Counsel, Administration, Chief Human Capital Officer, Field Policy and Management, Chief Procurement Officer, Departmental Equal Employment Opportunity, Strategic Planning and Management, and Chief Information Officer, \$505,313,000: Provided, That funds provided under this heading may be used for necessary administrative and non-administrative expenses of the Department of Housing and Urban Development, not otherwise provided for, including purchase of uniforms, or allowances therefore, as authorized by 5 U.S.C. 5901-5902; hire of passenger motor vehicles; services as authorized by 5 U.S.C. 3109: Provided further, That notwithstanding any other provision of law, funds appropriated under this heading may be used for advertising and promotional activities that support the Department's mission.

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The

amounts included for 2013 reflect the annualized level provided by the continuing resolution.

## Program and Financing (in millions of dollars)

Identification code 86-0335-0-1-999	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Personnel compensation & benefits .....	321	331	302
0002 Non-personnel costs .....	211	210	203
0003 Recovery Act Administrative Costs .....	4		
0900 Total new obligations .....	536	541	505
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	7	2	2
1011 Unobligated balance transfer from other accts [86-0344] ....	2		
1011 Unobligated balance transfer from other accts [86-0338] ....	2		
1011 Unobligated balance transfer from other accts [86-0337] ....	1		
1012 Unobligated balance transfers between expired and unexpired accounts .....	3		
1050 Unobligated balance (total) .....	15	2	2
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	538	541	505
1120 Appropriations transferred to other accts [86-4586] .....	-4		
1160 Appropriation, discretionary (total) .....	534	541	505
1930 Total budgetary resources available .....	549	543	507
Memorandum (non-add) entries:			
1940 Unobligated balance expiring .....	-11		
1941 Unexpired unobligated balance, end of year .....	2	2	2

## Change in obligated balance:

Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	158	153	154
3010 Obligations incurred, unexpired accounts .....	536	541	505
3011 Obligations incurred, expired accounts .....	18		
3020 Outlays (gross) .....	-539	-540	-570
3041 Recoveries of prior year unpaid obligations, expired .....	-20		
3050 Unpaid obligations, end of year .....	153	154	89
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	158	153	154
3200 Obligated balance, end of year .....	153	154	89

## Budget authority and outlays, net:

Discretionary:			
4000 Budget authority, gross .....	534	541	505
Outlays, gross:			
4010 Outlays from new discretionary authority .....	427	460	429
4011 Outlays from discretionary balances .....	112	80	141
4020 Outlays, gross (total) .....	539	540	570
4180 Budget authority, net (total) .....	534	541	505
4190 Outlays, net (total) .....	539	540	570

The proposed Administrative Support Offices (ASO) account funds central Departmental functions, including the offices of the Chief Human Capital Officer, Chief Financial Officer, Chief Procurement Officer, General Counsel, Field Policy and Management, Strategic Planning and Management, Departmental Equal Employment Opportunity, and Administration. The newly created Office of Administration reflects a grouping of similar functions, such as facilities and security, which were transferred from the Office of the Chief Human Capital Officer. The ASO account supports all personnel and non-personnel expenses for these offices.

## Object Classification (in millions of dollars)

Identification code 86-0335-0-1-999	2012 actual	2013 CR	2014 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	257	265	238
11.3 Other than full-time permanent .....	2	2	2
11.5 Other personnel compensation .....	2	2	2
11.9 Total personnel compensation .....	261	269	242
12.1 Civilian personnel benefits .....	60	62	60

21.0	Travel and transportation of persons .....	6	5	8
23.1	Rental payments to GSA .....	107	104	104
23.3	Communications, utilities, and miscellaneous charges .....	26	26	26
24.0	Printing and reproduction .....	1	1	1
25.2	Other services from non-Federal sources .....	61	58	53
25.4	Operation and maintenance of facilities .....	3	5	3
25.7	Operation and maintenance of equipment .....	5	5	2
26.0	Supplies and materials .....	3	3	3
31.0	Equipment .....	2	2	2
42.0	Insurance claims and indemnities .....	1	1	1
99.9	Total new obligations .....	536	541	505

**Employment Summary**

Identification code 86-0335-0-1-999	2012 actual	2013 CR	2014 est.
1001 Direct civilian full-time equivalent employment .....	2,239	2,341	2,109

**PROGRAM OFFICE SALARIES AND EXPENSES****PUBLIC AND INDIAN HOUSING**

*For necessary salaries and expenses of the Office of Public and Indian Housing, \$220,299,000.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

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

Identification code 86-0337-0-1-604	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Personnel costs .....	153	153	159
0002 Benefits .....	41	42	44
0003 Recovery Act - Personnel costs .....	2		
0004 Non-personnel expenses .....	6	6	17
0900 Total new obligations .....	202	201	220
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	3		
1010 Unobligated balance transfer to other accts [86-0335] .....	-1		
1050 Unobligated balance (total) .....	2		
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	200	201	220
1121 Appropriations transferred from other accts [86-0334] .....	2		
1160 Appropriation, discretionary (total) .....	202	201	220
1930 Total budgetary resources available .....	204	201	220
Memorandum (non-add) entries:			
1940 Unobligated balance expiring .....	-2		
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	3	8	6
3010 Obligations incurred, unexpired accounts .....	202	201	220
3011 Obligations incurred, expired accounts .....	9		
3020 Outlays (gross) .....	-198	-203	-222
3041 Recoveries of prior year unpaid obligations, expired .....	-8		
3050 Unpaid obligations, end of year .....	8	6	4
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	3	8	6
3200 Obligated balance, end of year .....	8	6	4
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....	202	201	220
Outlays, gross:			
4010 Outlays from new discretionary authority .....	192	199	217
4011 Outlays from discretionary balances .....	6	4	5
4020 Outlays, gross (total) .....	198	203	222
4180 Budget authority, net (total) .....	202	201	220
4190 Outlays, net (total) .....	198	203	222

This account provides funding for all salaries and expenses of the Office of Public and Indian Housing, including the Office of the Assistant Secretary. The Office's mission is to ensure safe, decent, and affordable housing for low-income families; create opportunities for residents' self-sufficiency and economic independence; reduce improper payments; and support mixed-income developments to replace distressed public housing.

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

Identification code 86-0337-0-1-604	2012 actual	2013 CR	2014 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	154	152	158
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	155	153	159
12.1 Civilian personnel benefits .....	41	42	44
21.0 Travel and transportation of persons .....	4	4	6
25.2 Other services from non-Federal sources .....	2	2	11
99.9 Total new obligations .....	202	201	220

**Employment Summary**

Identification code 86-0337-0-1-604	2012 actual	2013 CR	2014 est.
1001 Direct civilian full-time equivalent employment .....	1,542	1,493	1,551

**COMMUNITY PLANNING AND DEVELOPMENT**

*For necessary salaries and expenses of the Office of Community Planning and Development, \$109,740,000.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution as well as amounts from P.L. 113-2, the Disaster Relief Appropriations Act, 2013 (no language shown).

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

Identification code 86-0338-0-1-451	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Personnel costs .....	77	75	81
0002 Benefits .....	21	24	26
0003 Recovery Act - Personnel costs .....	4		
0004 Disaster Supplemental - PS .....	2	1	1
0005 Disaster Supplemental - NPS .....		3	1
0006 Non-personnel expenses .....		2	3
0900 Total new obligations .....	104	105	112
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	6	3	9
1010 Unobligated balance transfer to other accts [86-0335] .....	-2		
1011 Unobligated balance transfer from other accts [86-0344] .....	3		
1050 Unobligated balance (total) .....	7	3	9
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	100	101	110
1121 Appropriations transferred from other accts [86-0334] .....	1		
1121 Appropriations transferred from other accts [86-0340] .....	1		
1121 Appropriations transferred from other accts [86-0162] .....		10	
1160 Appropriation, discretionary (total) .....	102	111	110
1930 Total budgetary resources available .....	109	114	119
Memorandum (non-add) entries:			
1940 Unobligated balance expiring .....	-2		
1941 Unexpired unobligated balance, end of year .....	3	9	7
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	2	3	5
3010 Obligations incurred, unexpired accounts .....	104	105	112
3011 Obligations incurred, expired accounts .....	3		
3020 Outlays (gross) .....	-103	-103	-114

COMMUNITY PLANNING AND DEVELOPMENT—Continued  
Program and Financing—Continued

Identification code 86-0338-0-1-451	2012 actual	2013 CR	2014 est.
3041 Recoveries of prior year unpaid obligations, expired .....	-3		
3050 Unpaid obligations, end of year .....	3	5	3
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	2	3	5
3200 Obligated balance, end of year .....	3	5	3
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....	102	111	110
Outlays, gross:			
4010 Outlays from new discretionary authority .....	97	101	109
4011 Outlays from discretionary balances .....	6	2	5
4020 Outlays, gross (total) .....	103	103	114
4180 Budget authority, net (total) .....	102	111	110
4190 Outlays, net (total) .....	103	103	114

This account provides funding for all salaries and expenses of the Office of Community Planning and Development, including the Office of the Assistant Secretary. The Office provides funding to a broad array of state and local governments, non-profit and for-profit organizations to administer a wide range of housing, economic development, homeless assistance, infrastructure, disaster recovery, and other community development activities in urban and rural areas across the country. In partnership, the Office and its local funding recipients develop viable communities by providing decent housing, a suitable living environment, and expanded economic opportunities for low- and moderate-income persons.

## Object Classification (in millions of dollars)

Identification code 86-0338-0-1-451	2012 actual	2013 CR	2014 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	80	74	80
11.5 Other personnel compensation .....	1	2	2
11.9 Total personnel compensation .....	81	76	82
12.1 Civilian personnel benefits .....	21	24	26
21.0 Travel and transportation of persons .....	1	1	1
25.2 Other services from non-Federal sources .....	1	4	3
99.9 Total new obligations .....	104	105	112

## Employment Summary

Identification code 86-0338-0-1-451	2012 actual	2013 CR	2014 est.
1001 Direct civilian full-time equivalent employment .....	828	792	845

## HOUSING

*For necessary salaries and expenses of the Office of Housing, \$383,375,000.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

## Program and Financing (in millions of dollars)

Identification code 86-0334-0-1-604	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Personnel costs .....	298	304	296
0002 Benefits .....	80	82	80
0003 Non-Personnel Service .....	7	8	7

0900 Total new obligations .....	385	394	383
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....		1	1
1010 Unobligated balance transfer to other accts [86-4586] .....	-3		
1012 Unobligated balance transfers between expired and unexpired accounts .....	3		
1050 Unobligated balance (total) .....		1	1
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	392	394	383
1120 Appropriations transferred to other accts [86-0337] .....	-2		
1120 Appropriations transferred to other accts [86-0338] .....	-1		
1120 Appropriations transferred to other accts [86-4586] .....	-1		
1120 Appropriations transferred to other accts [86-0339] .....	-1		
1160 Appropriation, discretionary (total) .....	387	394	383
1930 Total budgetary resources available .....	387	395	384
Memorandum (non-add) entries:			
1940 Unobligated balance expiring .....	-1		
1941 Unexpired unobligated balance, end of year .....	1	1	1

## Change in obligated balance:

Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	8	11	10
3010 Obligations incurred, unexpired accounts .....	385	394	383
3011 Obligations incurred, expired accounts .....	13		
3020 Outlays (gross) .....	-382	-395	-387
3041 Recoveries of prior year unpaid obligations, expired .....	-13		
3050 Unpaid obligations, end of year .....	11	10	6
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	8	11	10
3200 Obligated balance, end of year .....	11	10	6

## Budget authority and outlays, net:

Discretionary:			
4000 Budget authority, gross .....	387	394	383
Outlays, gross:			
4010 Outlays from new discretionary authority .....	375	389	378
4011 Outlays from discretionary balances .....	7	6	9
4020 Outlays, gross (total) .....	382	395	387
4180 Budget authority, net (total) .....	387	394	383
4190 Outlays, net (total) .....	382	395	387

This account provides funding for all salaries and expenses of the Office of Housing, including the Office of the Federal Housing Commissioner. The mission of the Office is to maintain and expand homeownership, rental housing and healthcare opportunities; stabilize credit markets in times of economic disruption; contribute to building and preserving healthy neighborhoods and communities; operate with a high degree of public and fiscal accountability; and recognize and value its customers, staff, constituents, and partners.

## Object Classification (in millions of dollars)

Identification code 86-0334-0-1-604	2012 actual	2013 CR	2014 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	296	302	294
11.5 Other personnel compensation .....	2	2	2
11.9 Total personnel compensation .....	298	304	296
12.1 Civilian personnel benefits .....	80	82	80
21.0 Travel and transportation of persons .....	3	4	3
25.2 Other services from non-Federal sources .....	4	4	4
99.9 Total new obligations .....	385	394	383

## Employment Summary

Identification code 86-0334-0-1-604	2012 actual	2013 CR	2014 est.
1001 Direct civilian full-time equivalent employment .....	3,142	3,155	3,020

OFFICE OF THE GOVERNMENT NATIONAL MORTGAGE ASSOCIATION PERSONNEL  
COMPENSATION AND BENEFITS

## Program and Financing (in millions of dollars)

Identification code 86-0336-0-1-371	2012 actual	2013 CR	2014 est.
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3011 Obligations incurred, expired accounts .....	1		
3041 Recoveries of prior year unpaid obligations, expired .....	-1		

The 2012 Appropriations Act eliminated the Personnel Compensation and Benefits account for the Office of Government National Mortgage Association (GNMA) and approved funding for GNMA salaries and expenses under the "Guarantees of Mortgage-backed Securities Loan Guarantee Program" account, as requested. This funding structure allows GNMA to maintain sufficient staffing, to strengthen risk management and oversight, and to move in-house some functions performed by contractors.

## POLICY DEVELOPMENT AND RESEARCH

*For necessary salaries and expenses of the Office of Policy Development and Research, \$21,687,000.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

## Program and Financing (in millions of dollars)

Identification code 86-0339-0-1-451	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Personnel costs .....	16	16	16
0002 Benefits .....	4	4	4
0003 Non-personnel expenses .....	2	2	2
0900 Total new obligations .....	22	22	22
<b>Budgetary Resources:</b>			
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	22	22	22
1120 Appropriations transferred to other accts [86-4586] .....	-1		
1121 Appropriations transferred from other accts [86-0334] .....	1		
1160 Appropriation, discretionary (total) .....	22	22	22
1930 Total budgetary resources available .....	22	22	22
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....		1	
3010 Obligations incurred, unexpired accounts .....	22	22	22
3011 Obligations incurred, expired accounts .....	1		
3020 Outlays (gross) .....	-21	-23	-22
3041 Recoveries of prior year unpaid obligations, expired .....	-1		
3050 Unpaid obligations, end of year .....	1		
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....		1	
3200 Obligated balance, end of year .....	1		
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....	22	22	22
Outlays, gross:			
4010 Outlays from new discretionary authority .....	21	22	22
4011 Outlays from discretionary balances .....		1	
4020 Outlays, gross (total) .....	21	23	22
4180 Budget authority, net (total) .....	22	22	22
4190 Outlays, net (total) .....	21	23	22

This account provides funding for all salaries and expenses of the Office of Policy Development and Research, including the Office of the Assistant Secretary. The Office is responsible for

conducting research on priority housing and community development issues and maintaining current information on housing needs, market conditions, and existing programs. The Office also provides reliable and objective data, technical and statistical sampling support, and analysis to help inform policy decisions.

## Object Classification (in millions of dollars)

Identification code 86-0339-0-1-451	2012 actual	2013 CR	2014 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	16	16	16
12.1 Civilian personnel benefits .....	4	4	4
25.2 Other services from non-Federal sources .....	2	2	2
99.9 Total new obligations .....	22	22	22

## Employment Summary

Identification code 86-0339-0-1-451	2012 actual	2013 CR	2014 est.
1001 Direct civilian full-time equivalent employment .....	147	147	145

## FAIR HOUSING AND EQUAL OPPORTUNITY

*For necessary salaries and expenses of the Office of Fair Housing and Equal Opportunity, \$76,504,000.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

## Program and Financing (in millions of dollars)

Identification code 86-0340-0-1-751	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Personnel costs .....	55	57	60
0002 Benefits .....	14	14	15
0003 Non-personnel expenses .....	2	2	2
0900 Total new obligations .....	71	73	77
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....		1	1
1010 Unobligated balance transfer to other accts [86-4586] .....	-1		
1012 Unobligated balance transfers between expired and unexpired accounts .....	1		
1050 Unobligated balance (total) .....		1	1
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	73	73	77
1120 Appropriations transferred to other accts [86-0338] .....	-1		
1160 Appropriation, discretionary (total) .....	72	73	77
1930 Total budgetary resources available .....	72	74	78
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	1	1	1
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	2	2	1
3010 Obligations incurred, unexpired accounts .....	71	73	77
3011 Obligations incurred, expired accounts .....	3		
3020 Outlays (gross) .....	-71	-74	-78
3041 Recoveries of prior year unpaid obligations, expired .....	-3		
3050 Unpaid obligations, end of year .....	2	1	
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	2	2	1
3200 Obligated balance, end of year .....	2	1	

<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....	72	73	77
Outlays, gross:			
4010 Outlays from new discretionary authority .....	70	72	76

FAIR HOUSING AND EQUAL OPPORTUNITY—Continued  
Program and Financing—Continued

Identification code 86-0340-0-1-751	2012 actual	2013 CR	2014 est.
4011 Outlays from discretionary balances .....	1	2	2
4020 Outlays, gross (total) .....	71	74	78
4180 Budget authority, net (total) .....	72	73	77
4190 Outlays, net (total) .....	71	74	78

This account provides funding for all salaries and expenses of the Office of Fair Housing and Equal Opportunity, including the Office of the Assistant Secretary. The Office administers and enforces the Fair Housing Act and other civil rights laws and establishes policies to ensure all Americans have equal access to the housing of their choice.

## Object Classification (in millions of dollars)

Identification code 86-0340-0-1-751	2012 actual	2013 CR	2014 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	54	56	59
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	55	57	60
12.1 Civilian personnel benefits .....	14	14	15
21.0 Travel and transportation of persons .....	1	1	1
25.2 Other services from non-Federal sources .....	1	1	1
99.9 Total new obligations .....	71	73	77

## Employment Summary

Identification code 86-0340-0-1-751	2012 actual	2013 CR	2014 est.
1001 Direct civilian full-time equivalent employment .....	583	573	595

## OFFICE OF HEALTHY HOMES AND LEAD HAZARD CONTROL

*For necessary salaries and expenses of the Office of Healthy Homes and Lead Hazard Control, \$7,642,000.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

## Program and Financing (in millions of dollars)

Identification code 86-0341-0-1-451	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Personnel costs .....	6	6	7
0002 Benefits .....	1	1	1
0900 Total new obligations .....	7	7	8
<b>Budgetary Resources:</b>			
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	7	7	8
1160 Appropriation, discretionary (total) .....	7	7	8
1930 Total budgetary resources available .....	7	7	8

## Change in obligated balance:

Unpaid obligations:			
3010 Obligations incurred, unexpired accounts .....	7	7	8
3020 Outlays (gross) .....	-7	-7	-8

## Budget authority and outlays, net:

Discretionary:			
4000 Budget authority, gross .....	7	7	8
Outlays, gross:			
4010 Outlays from new discretionary authority .....	7	7	8
4180 Budget authority, net (total) .....	7	7	8

4190 Outlays, net (total) .....	7	7	8
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This account provides funding for all salaries and expenses of the Office of Healthy Homes and Lead Hazard Control. The Office seeks to eliminate lead-based paint hazards in America's privately-owned and low-income housing and to lead the nation in addressing other housing-related health hazards that threaten vulnerable residents.

## Object Classification (in millions of dollars)

Identification code 86-0341-0-1-451	2012 actual	2013 CR	2014 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	6	6	7
12.1 Civilian personnel benefits .....	1	1	1
99.9 Total new obligations .....	7	7	8

## Employment Summary

Identification code 86-0341-0-1-451	2012 actual	2013 CR	2014 est.
1001 Direct civilian full-time equivalent employment .....	57	56	59

## EXECUTIVE DIRECTION

## Program and Financing (in millions of dollars)

Identification code 86-0333-0-1-604	2012 actual	2013 CR	2014 est.
<b>Budgetary Resources:</b>			
Unobligated balance:			
1010 Unobligated balance transfer to other accts [86-4586] .....	-2		
1012 Unobligated balance transfers between expired and unexpired accounts .....	2		
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	1		
3011 Obligations incurred, expired accounts .....	1		
3020 Outlays (gross) .....	-1		
3041 Recoveries of prior year unpaid obligations, expired .....	-1		
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	1		

## Budget authority and outlays, net:

Discretionary:			
Outlays, gross:			
4011 Outlays from discretionary balances .....	1		
4190 Outlays, net (total) .....	1		

The Executive Direction account previously supported the salaries and expenses of various high level management offices including the immediate offices of the Secretary and Deputy Secretary, and offices of Assistant Secretaries. The 2012 Appropriations Act eliminated this account and funded these offices under administrative and program office accounts.

## SALARIES AND EXPENSES

## Program and Financing (in millions of dollars)

Identification code 86-0143-0-1-999	2012 actual	2013 CR	2014 est.
<b>Direct program:</b>			
0001 PL 109-234 .....	2	1	1
0801 Gulf Coast Disaster related activities .....		1	1
0802 Sandy Task Force .....		6	2
0899 Total reimbursable obligations .....		7	3
0900 Total new obligations .....	2	8	4



<b>Budgetary Resources:</b>				
Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1 .....	6	9	9
Budget authority:				
Spending authority from offsetting collections, discretionary:				
1700	Collected .....	5	8	
1750	Spending auth from offsetting collections, disc (total) .....	5	8	
1900	Budget authority (total) .....	5	8	
1930	Total budgetary resources available .....	11	17	9
Memorandum (non-add) entries:				
1941	Unexpired unobligated balance, end of year .....	9	9	5
<b>Change in obligated balance:</b>				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1 .....	6		
3010	Obligations incurred, unexpired accounts .....	2	8	4
3011	Obligations incurred, expired accounts .....	1		
3020	Outlays (gross) .....	-3	-8	-4
3041	Recoveries of prior year unpaid obligations, expired .....	-6		
Memorandum (non-add) entries:				
3100	Obligated balance, start of year .....	6		
<b>Budget authority and outlays, net:</b>				
Discretionary:				
4000	Budget authority, gross .....	5	8	
Outlays, gross:				
4010	Outlays from new discretionary authority .....		6	
4011	Outlays from discretionary balances .....	3	2	4
4020	Outlays, gross (total) .....	3	8	4
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
4030	Federal sources .....	-5	-8	
4190	Outlays, net (total) .....	-2		4

Beginning with the passage of the Consolidated Appropriations Act, 2008, this account no longer receives annual appropriations for Departmental administrative expenses. Instead, salary and expense funds are distributed across multiple accounts, achieving greater transparency and accountability within the Department. Resources in this account reflect prior-year appropriations, as well as funds for disaster-related administrative expenses and certain interagency agreements.

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

Identification code	2012 actual	2013 CR	2014 est.
86-0143-0-1-999			
25.3 Direct obligations: Other goods and services from Federal sources .....	2	1	1
99.0 Reimbursable obligations .....		7	3
99.9 Total new obligations .....	2	8	4

#### OFFICE OF INSPECTOR GENERAL

*For necessary salaries and expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, \$127,672,000.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution as well as amounts from P.L. 113-2, the Disaster Relief Appropriations Act, 2013 (no language shown).

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

Identification code 86-0189-0-1-451	2012 actual	2013 CR	2014 est.	
<b>Obligations by program activity:</b>				
0001	OIG Salaries and Expenses .....	124	125	128
0002	Gulf States Disaster related activities .....	2	1	.....
0003	Recovery Act related activities .....	4	3	.....
0004	Hurricane Sandy and Other Disaster related activities .....	.....	1	2
0900	Total new obligations .....	130	130	130

<b>Budgetary Resources:</b>				
Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1 .....	10	4	9
Budget authority:				
Appropriations, discretionary:				
1100	Appropriation .....	124	125	128
1121	Appropriations transferred from other accts [86-0162] ....		10	
1160	Appropriation, discretionary (total) .....	124	135	128
1930	Total budgetary resources available .....	134	139	137
Memorandum (non-add) entries:				
1941	Unexpired unobligated balance, end of year .....	4	9	7
<b>Change in obligated balance:</b>				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1 .....	17	17	26
3010	Obligations incurred, unexpired accounts .....	130	130	130
3011	Obligations incurred, expired accounts .....	5		
3020	Outlays (gross) .....	-129	-121	-134
3041	Recoveries of prior year unpaid obligations, expired .....	-6		
3050	Unpaid obligations, end of year .....	17	26	22
Memorandum (non-add) entries:				
3100	Obligated balance, start of year .....	17	17	26
3200	Obligated balance, end of year .....	17	26	22
<b>Budget authority and outlays, net:</b>				
Discretionary:				
4000	Budget authority, gross .....	124	135	128
Outlays, gross:				
4010	Outlays from new discretionary authority .....	109	105	106
4011	Outlays from discretionary balances .....	20	16	28
4020	Outlays, gross (total) .....	129	121	134
4180	Budget authority, net (total) .....	124	135	128
4190	Outlays, net (total) .....	129	121	134

The Office of the Inspector General (OIG) provides independent and objective reviews of the integrity, efficiency and effectiveness of Departmental programs and operations. Through various activities, the OIG seeks to promote efficiency and effectiveness in programs and operations, detect and deter fraud and abuse, investigate allegations of misconduct by HUD employees, and review and make recommendations regarding existing and proposed legislation and regulations affecting HUD. The Budget includes \$127.6 million to support agency-wide audit and investigative functions.

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

Identification code 86-0189-0-1-451		2012 actual	2013 CR	2014 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent .....	72	81	81
11.5	Other personnel compensation .....	1	1	.....
11.9	Total personnel compensation .....	73	82	81
12.1	Civilian personnel benefits .....	24	20	21
21.0	Travel and transportation of persons .....	5	5	5
23.1	Rental payments to GSA .....	9	9	9
25.2	Other services from non-Federal sources .....	18	13	14
26.0	Supplies and materials .....	.....	1	.....
31.0	Equipment .....	1	.....	.....
99.9	Total new obligations .....	130	130	130

#### Employment Summary

Identification code 86-0189-0-1-451	2012 actual	2013 CR	2014 est.
1001 Direct civilian full-time equivalent employment .....	660	665	665

#### 【WORKING CAPITAL FUND】INFORMATION TECHNOLOGY PORTFOLIO

*For the development of, modifications to, and infrastructure for Department-wide and program-specific information technology systems, for the continuing operation and maintenance of both Department-wide and program-specific information systems, and for program-related mainten-*

## INFORMATION TECHNOLOGY PORTFOLIO—Continued

ance activities, \$285,100,000, to remain available until September 30, 2015.

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112–175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

## Program and Financing (in millions of dollars)

Identification code 86–4586–0–4–451	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Information Technology Expenses .....	240	267	275
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	63	110	44
1011 Unobligated balance transfer from other accts [86–0333] ....	2	.....	.....
1011 Unobligated balance transfer from other accts [86–0334] ....	3	.....	.....
1011 Unobligated balance transfer from other accts [86–0340] ....	1	.....	.....
1011 Unobligated balance transfer from other accts [86–0344] ....	5	.....	.....
1021 Recoveries of prior year unpaid obligations .....	1	1	1
1050 Unobligated balance (total) .....	75	111	45
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	199	200	285
1121 Appropriations transferred from other accts [86–0183] ....	72	.....	.....
1121 Appropriations transferred from other accts [86–0334] ....	1	.....	.....
1121 Appropriations transferred from other accts [86–0335] ....	4	.....	.....
1121 Appropriations transferred from other accts [86–0339] ....	1	.....	.....
1160 Appropriation, discretionary (total) .....	277	200	285
Spending authority from offsetting collections, discretionary:			
1701 Change in uncollected payments, Federal sources .....	–1	.....	.....
1750 Spending auth from offsetting collections, disc (total) .....	–1	.....	.....
1900 Budget authority (total) .....	276	200	285
1930 Total budgetary resources available .....	351	311	330
Memorandum (non-add) entries:			
1940 Unobligated balance expiring .....	–1	.....	.....
1941 Unexpired unobligated balance, end of year .....	110	44	55
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	204	210	160
3010 Obligations incurred, unexpired accounts .....	240	267	275
3020 Outlays (gross) .....	–232	–316	–324
3040 Recoveries of prior year unpaid obligations, unexpired .....	–1	–1	–1
3041 Recoveries of prior year unpaid obligations, expired .....	–1	.....	.....
3050 Unpaid obligations, end of year .....	210	160	110
Uncollected payments:			
3060 Uncollected pymts, Fed sources, brought forward, Oct 1 .....	–2	–1	–1
3070 Change in uncollected pymts, Fed sources, unexpired .....	1	.....	.....
3090 Uncollected pymts, Fed sources, end of year .....	–1	–1	–1
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	202	209	159
3200 Obligated balance, end of year .....	209	159	109
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....	276	200	285
Outlays, gross:			
4010 Outlays from new discretionary authority .....	36	150	214
4011 Outlays from discretionary balances .....	196	166	110
4020 Outlays, gross (total) .....	232	316	324
Additional offsets against gross budget authority only:			
4050 Change in uncollected pymts, Fed sources, unexpired .....	1	.....	.....
4180 Budget authority, net (total) .....	277	200	285
4190 Outlays, net (total) .....	232	316	324

The Information Technology Portfolio (formerly the Working Capital Fund) funds the information technology (IT) systems that support Departmental programs and operations, including FHA Mortgage Insurance, housing assistance, grant and disaster relief programs, as well as core financial and general operations. The Budget provides \$285.1 million for the development, modernization, enhancement, operation and maintenance of HUD's IT infrastructure and systems. The Budget renames the Working

Capital Fund to more accurately describe the account, and consolidates all IT funding within the IT Portfolio to align to the integrated IT investment strategy and governance processes that HUD has instituted in recent years.

## Object Classification (in millions of dollars)

Identification code 86–4586–0–4–451	2012 actual	2013 CR	2014 est.
Direct obligations:			
23.3 Communications, utilities, and miscellaneous charges .....	148	177	183
25.3 Other goods and services from Federal sources .....	2	1	1
25.7 Operation and maintenance of equipment .....	89	86	88
31.0 Equipment .....	1	3	3
99.9 Total new obligations .....	240	267	275

## TRANSFORMATION INITIATIVE

## (INCLUDING TRANSFER OF FUNDS)

*Of the amounts made available in this Act under each of the following headings under this title, the Secretary may transfer to, and merge with, this account up to 0.5 percent from each such account, and such transferred amounts shall be available until September 30, 2016, for (1) research, evaluation, and program metrics; (2) program demonstrations; and (3) technical assistance and capacity building: "Capacity Building", "Choice Neighborhoods Initiative", "Community Development Fund", "Fair Housing Activities", "Family Self-Sufficiency", "HOME Investment Partnerships Program", "Homeless Assistance Grants", "Housing Counseling Assistance", "Housing for Persons with Disabilities", "Housing for the Elderly", "Housing Opportunities for Persons with AIDS", "Lead Hazard Reduction", "Mutual Mortgage Insurance Program Account", "Native American Housing Block Grants", "Native Hawaiian Housing Block Grant", "Payment to the Manufactured Housing Fees Trust Fund", "Project-Based Rental Assistance", "Public Housing Capital Fund", "Public Housing Operating Fund", "Rental Assistance Demonstration", "Rental Housing Assistance", and "Tenant-Based Rental Assistance": Provided, That any such amounts, or portion thereof, transferred to this account, may be transferred back to be merged with any such other account and to be available for the same purpose and same time period as provided under this Act: Provided further, That with respect to amounts made available under this heading, notwithstanding section 204 of this title, the Secretary may enter into cooperative agreements funded with philanthropic entities, other Federal agencies, or State or local governments and their agencies for projects: Provided further, That with respect to the previous proviso, such partners to the cooperative agreements must contribute at least a 50 percent match toward the cost of the project.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112–175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

## Program and Financing (in millions of dollars)

Identification code 86–0402–0–1–451	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 TI Research and Demonstrations .....	38	19	12
0002 TI Technical Assistance and Capacity Building .....	60	33	28
0003 TI Information Technology .....	108	71	.....
0004 Combat Mortgage Fraud .....	2	1	.....
0900 Total new obligations (object class 25.2) .....	208	124	40

## Budgetary Resources:

Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	278	126	52
1021 Recoveries of prior year unpaid obligations .....	9	.....	.....
1050 Unobligated balance (total) .....	287	126	52
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	50	50	.....
1121 Appropriations transferred from other accts [86–0162] ....	.....	.....	15
1121 Appropriations transferred from other accts [86–0205] ....	.....	.....	5

1121	Appropriations transferred from other accts [86-0308] .....	2		
1121	Appropriations transferred from other accts [86-0163] .....	8		
1121	Appropriations transferred from other accts [86-0320] .....	2		
1121	Appropriations transferred from other accts [86-0237] .....	1		
1121	Appropriations transferred from other accts [86-0174] .....	1		
1121	Appropriations transferred from other accts [86-0303] .....	15		
1121	Appropriations transferred from other accts [86-0304] .....	10		
1121	Appropriations transferred from other accts [86-0313] .....	3		
1121	Appropriations transferred from other accts [86-0349] .....	2		
1121	Appropriations transferred from other accts [86-0302] .....	15		
1121	Appropriations transferred from other accts [86-0183] .....	1		
1160	Appropriation, discretionary (total) .....	50	50	80
1930	Total budgetary resources available .....	337	176	132
Memorandum (non-add) entries:				
1940	Unobligated balance expiring .....	-3		
1941	Unexpired unobligated balance, end of year .....	126	52	92
<b>Change in obligated balance:</b>				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1 .....	106	210	233
3010	Obligations incurred, unexpired accounts .....	208	124	40
3020	Outlays (gross) .....	-95	-101	-103
3040	Recoveries of prior year unpaid obligations, unexpired .....	-9		
3050	Unpaid obligations, end of year .....	210	233	170
Memorandum (non-add) entries:				
3100	Obligated balance, start of year .....	106	210	233
3200	Obligated balance, end of year .....	210	233	170
<b>Budget authority and outlays, net:</b>				
Discretionary:				
4000	Budget authority, gross .....	50	50	80
Outlays, gross:				
4010	Outlays from new discretionary authority .....		1	1
4011	Outlays from discretionary balances .....	95	100	102
4020	Outlays, gross (total) .....	95	101	103
4180	Budget authority, net (total) .....	50	50	80
4190	Outlays, net (total) .....	95	101	103

Initiated in 2010, the Transformation Initiative (TI) is an ongoing effort aimed at increasing the effectiveness of program and service delivery, facilitating an evidence-based approach to improving program outcomes, and enabling innovative approaches to address the nation's housing and urban development problems. The 2014 Budget proposes TI transfers up to a maximum of 0.5 percent per program or \$15 million, whichever is less, and approximately \$80 million in total. The Budget proposes to use these funds for three complementary purposes: (1) research, evaluation and program metrics, (2) program demonstrations, and (3) technical assistance and capacity building.

Through an extensive consultation and prioritization process, HUD's Office of Policy Development and Research (PD&R) has developed the "Research Roadmap 2014–2018," which identifies research and evaluation priorities that will set HUD on a path to address the most pressing housing and urban development challenges. The TI provides a predictable stream of funding for these high quality research and evaluation projects and program demonstrations that will inform sound policymaking. The TI supplements HUD's Research and Technology appropriations, which are mainly dedicated to funding housing data, such as the American Housing Survey.

The TI also enables HUD to design and execute a series of major research demonstrations that rigorously test new program innovations. Demonstrations can be used to explore fundamental questions about housing market dynamics and their impact on economic, social and environmental objectives. The demonstrations will improve programs, help State and local governments, non-profits, and for profit organizations to develop more effective strategies for housing and community and economic development, and improve the delivery and reduce the cost of public services.

Traditionally, HUD has delivered program-oriented technical assistance to ensure that HUD grantees are fully aware of the rules governing the disparate programs. While awareness of rules

is necessary, effective responses to urban and housing challenges increasingly require coordination and awareness of diverse areas of knowledge: housing finance as well as land use, energy efficiency as well as healthy homes, community development as well as transportation planning, and accessibility as well as job creation. The TI enables HUD to develop enhanced and focused support to deliver cross-program technical assistance for States, local governments, and other HUD grantees for integrated management and planning across programs and jurisdictions, including improved use of data to drive decision-making and results. In 2014, HUD will strengthen its focus on using TI to deliver comprehensive capacity building to help distressed communities position themselves for revitalization and economic growth.

The following table illustrates the *maximum* and *estimated* transfers from HUD's programs into the Transformation Initiative account in 2014.

Program Name (amounts in thousands)	Treasury Account	2014 Maximum Transfer	2014 Estimated Transfer
Capacity Building .....	86-0405	100	100
Choice Neighborhoods .....	86-0349	2,000	2,000
Community Development Fund .....	86-0162	15,716	15,000
Fair Housing Activities .....	86-0144	355	355
Family Self Sufficiency .....	86-0350	375	375
HOME Investment Partnerships Program .....	86-0205	4,750	4,750
Homeless Assistance Grants .....	86-0192	11,905	0
Housing Counseling Assistance .....	86-0156	275	275
Housing for Persons with Disabilities .....	86-0237	630	630
Housing for the Elderly .....	86-0320	2,000	2,000
Housing Opportunities for Persons with AIDS .....	86-0308	1,660	1,660
Lead Hazard Reduction .....	86-0174	600	600
Mutual Mortgage Insurance Program Account .....	86-0183	635	635
Native American Housing Block Grants .....	86-0313	3,250	3,250
Native Hawaiian Housing Block Grants .....	86-0235	65	65
Payment to the Manufactured Housing Fees Trust Fund .....	86-0234	5	5
Project-Based Rental Assistance .....	86-0303	51,360	15,000
Public Housing Capital Fund .....	86-0304	10,000	10,000
Public Housing Operating Fund .....	86-0163	23,000	8,162
Rental Assistance Demonstration .....	86-0406	50	50
Rental Housing Assistance .....	86-0148	88	88
Tenant-Based Rental Assistance .....	86-0302	99,946	15,000
Transfer Total .....		228,764 <sup>1</sup>	80,000 <sup>2</sup>

<sup>1</sup>Amount represents maximum TI transfers in 2014 - 0.5% of program funding.

<sup>2</sup>Amount represents estimated TI transfers based on the 2014 Budget priorities and program requirements. Estimated TI transfers from CDF, HAG, PBRA, Operating Fund, and TBRA are less than the maximum.

### Trust Funds

#### GIFTS AND BEQUESTS

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

Identification code 86-8093-0-7-451	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Gifts and bequests .....	3		
0900 Total new obligations (object class 41.0) .....	3		
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	3		
1930 Total budgetary resources available .....	3		
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....		3	2
3010 Obligations incurred, unexpired accounts .....	3		
3020 Outlays (gross) .....		-1	-1
3050 Unpaid obligations, end of year .....	3	2	1
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....		3	2
3200 Obligated balance, end of year .....	3	2	1

GIFTS AND BEQUESTS—Continued  
Program and Financing—Continued

Identification code 86–8093–0–7–451	2012 actual	2013 CR	2014 est.
<b>Budget authority and outlays, net:</b>			
Mandatory:			
Outlays, gross:			
4101 Outlays from mandatory balances .....		1	1
4190 Outlays, net (total) .....		1	1

## GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

	2012 actual	2013 CR	2014 est.
Offsetting receipts from the public:			
86–271910 FHA-general and Special Risk, Negative Subsidies .....	395	890	885
86–271930 FHA-general and Special Risk, Downward Reestimates of Subsidies .....	2,216	529	
86–274330 Indian Housing Loan Guarantees, Downward Reestimates of Subsidies .....	1	12	
86–276230 Title VI Indian Loan Guarantee Downward Reestimate .....	3	3	
86–277330 Community Development Loan Guarantees, Downward Reestimates .....	10	3	
86–279930 Native Hawaiian Housing Loan Guarantees, Downward Reestimates of Subsidies .....		1	
86–322000 All Other General Fund Proprietary Receipts Including Budget Clearing Accounts .....	34	12	12
General Fund Offsetting receipts from the public .....	2,659	1,450	897
Intragovernmental payments:			
86–38510 Undistributed Intragovernmental Payments .....	23	7	7
General Fund Intragovernmental payments .....	23	7	7

## GENERAL PROVISIONS—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

(INCLUDING CANCELLATION AND TRANSFER OF FUNDS)

SEC. 201. Fifty percent of the amounts of budget authority, or in lieu thereof 50 percent of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 1437 note) shall be cancelled or in the case of cash, shall be remitted to the Treasury, and such amounts of budget authority or cash recaptured and not cancelled or remitted to the Treasury shall be used by State housing finance agencies or local governments or local housing agencies with projects approved by the Secretary of Housing and Urban Development for which settlement occurred after January 1, 1992, in accordance with such section. Notwithstanding the previous sentence, the Secretary may award up to 15 percent of the budget authority or cash recaptured and not cancelled or remitted to the Treasury to provide project owners with incentives to refinance their project at a lower interest rate.

SEC. 202. None of the amounts made available under this Act may be used during fiscal year 2014 to investigate or prosecute under the Fair Housing Act any otherwise lawful activity engaged in by one or more persons, including the filing or maintaining of a nonfrivolous legal action, that is engaged in solely for the purpose of achieving or preventing action by a Government official or entity, or a court of competent jurisdiction.

SEC. 203. Sections 203 and 209 of division C of Public Law 112–55 (125 Stat. 693–694) shall apply during fiscal year 2014 as if such sections were included in this title, except that during such fiscal year such sections shall be applied by substituting fiscal year 2014 for fiscal year 2011 and fiscal year 2012, each place such terms appear.

SEC. 204. Except as explicitly provided in law, any grant, cooperative agreement or other assistance made pursuant to title II of this Act shall be made on a competitive basis and in accordance with section 102 of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3545).

SEC. 205. Funds of the Department of Housing and Urban Development subject to the Government Corporation Control Act or section 402 of the

Housing Act of 1950 shall be available, without regard to the limitations on administrative expenses, for legal services on a contract or fee basis, and for utilizing and making payment for services and facilities of the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Financing Bank, Federal Reserve banks or any member thereof, Federal Home Loan banks, and any insured bank within the meaning of the Federal Deposit Insurance Corporation Act, as amended (12 U.S.C. 1811–1).

SEC. 206. Corporations and agencies of the Department of Housing and Urban Development which are subject to the Government Corporation Control Act are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of such Act as may be necessary in carrying out the programs set forth in the budget for 2014 for such corporation or agency except as hereinafter provided: Provided, That collections of these corporations and agencies may be used for new loan or mortgage purchase commitments only to the extent expressly provided for in this Act (unless such loans are in support of other forms of assistance provided for in this or prior appropriations Acts), except that this proviso shall not apply to the mortgage insurance or guaranty operations of these corporations, or where loans or mortgage purchases are necessary to protect the financial interest of the United States Government.

SEC. 207. The Secretary of Housing and Urban Development shall provide quarterly reports to the House and Senate Committees on Appropriations regarding all uncommitted, unobligated, recaptured and excess funds in each program and activity within the jurisdiction of the Department.

SEC. 208. A public housing agency or such other entity that administers Federal housing assistance for the Housing Authority of the county of Los Angeles, California, the States of Alaska, Iowa, and Mississippi shall not be required to include a resident of public housing or a recipient of assistance provided under section 8 of the United States Housing Act of 1937 on the board of directors or a similar governing board of such agency or entity as required under section (2)(b) of such Act. Each public housing agency or other entity that administers Federal housing assistance under section 8 for the Housing Authority of the county of Los Angeles, California and the States of Alaska, Iowa and Mississippi that chooses not to include a resident of public housing or a recipient of section 8 assistance on the board of directors or a similar governing board shall establish an advisory board of not less than six residents of public housing or recipients of section 8 assistance to provide advice and comment to the public housing agency or other administering entity on issues related to public housing and section 8. Such advisory board shall meet not less than quarterly.

SEC. 209. (a) Notwithstanding any other provision of law, subject to the conditions listed in subsections (c) and (e), for fiscal years 2014 and 2015, the Secretary of Housing and Urban Development may authorize the transfer of some or all project-based assistance, debt held or insured by the Secretary, and statutorily required low-income and very low-income use restrictions if any, associated with one or more multifamily housing project to another multifamily housing project or projects.

(b) PHASED TRANSFERS.—Transfers of project-based assistance under this section may be done in phases to accommodate the financing and other requirements related to rehabilitating or constructing the project or projects to which the assistance is transferred, to ensure that such project or projects meet the standards under section (c).

(c) The transfer authorized in subsection (a) is subject to the following conditions:

(1) NUMBER AND BEDROOM SIZE OF UNITS.—

(A) For occupied units in the transferring project: the number of low-income and very low-income units and the configuration (i.e. bedroom size) provided by the transferring project shall be no less than when transferred to the receiving project or projects and the net dollar amount of Federal assistance provided to the transferring project shall remain the same in the receiving project or projects.

(B) For unoccupied units in the transferring project: the Secretary may authorize a reduction in the number of dwelling units in the receiving project or projects to allow for a reconfiguration of bedroom sizes to meet current market demands, as determined by the Secretary and provided there is no increase in the project-based assistance budget authority.

(2) The transferring project shall, as determined by the Secretary, be either physically obsolete or economically nonviable.

(3) The receiving project or projects shall meet or exceed applicable physical standards established by the Secretary.

(4) The owner or mortgagor of the transferring project shall notify and consult with the tenants residing in the transferring project and provide a certification of approval by all appropriate local governmental officials.

(5) The tenants of the transferring project who remain eligible for assistance to be provided by the receiving project or projects shall not be required to vacate their units in the transferring project or projects until new units in the receiving project are available for occupancy.

(6) The Secretary determines that this transfer is in the best interest of the tenants.

(7) If either the transferring project or the receiving project or projects meets the condition specified in subsection (d)(2)(A), any lien on the receiving project resulting from additional financing obtained by the owner shall be subordinate to any FHA-insured mortgage lien transferred to, or placed on, such project by the Secretary, except that the Secretary may waive this requirement upon determination that such a waiver is necessary to facilitate the financing of acquisition, construction, and/or rehabilitation of the receiving project or projects.

(8) If the transferring project meets the requirements of subsection (d)(2)(F), the owner or mortgagor of the receiving project or projects shall execute and record either a continuation of the existing use agreement or a new use agreement for the project where, in either case, any use restrictions in such agreement are of no lesser duration than the existing use restrictions.

(9) The transfer does not increase the cost (as defined in section 502 of the Congressional Budget Act of 1974, as amended) of any FHA-insured mortgage, except to the extent that appropriations are provided in advance for the amount of any such increased cost.

(d) For purposes of this section—

(1) the terms "low-income" and "very low-income" shall have the meanings provided by the statute and/or regulations governing the program under which the project is insured or assisted;

(2) the term "multifamily housing project" means housing that meets one of the following conditions—

(A) housing that is subject to a mortgage insured under the National Housing Act;

(B) housing that has project-based assistance attached to the structure including projects undergoing mark to market debt restructuring under the Multifamily Assisted Housing Reform and Affordability Housing Act;

(C) housing that is assisted under section 202 of the Housing Act of 1959 as amended by section 801 of the Cranston-Gonzales National Affordable Housing Act;

(D) housing that is assisted under section 202 of the Housing Act of 1959, as such section existed before the enactment of the Cranston-Gonzales National Affordable Housing Act;

(E) housing that is assisted under section 811 of the Cranston-Gonzales National Affordable Housing Act; or

(F) housing or vacant land that is subject to a use agreement;

(3) the term "project-based assistance" means—

(A) assistance provided under section 8(b) of the United States Housing Act of 1937;

(B) assistance for housing constructed or substantially rehabilitated pursuant to assistance provided under section 8(b)(2) of such Act (as such section existed immediately before October 1, 1983);

(C) rent supplement payments under section 101 of the Housing and Urban Development Act of 1965;

(D) interest reduction payments under section 236 and/or additional assistance payments under section 236(f)(2) of the National Housing Act;

(E) assistance payments made under section 202(c)(2) of the Housing Act of 1959; and

(F) assistance payments made under section 811(d)(2) of the Cranston-Gonzales National Affordable Housing Act;

(4) the term "receiving project or projects" means the multifamily housing project or projects to which some or all of the project-based assistance, debt, and statutorily required low-income and very low-income use restrictions are to be transferred;

(5) the term "transferring project" means the multifamily housing project which is transferring some or all of the project-based assistance, debt and the statutorily required low-income and very low-income use restrictions to the receiving project or projects; and

(6) the term "Secretary" means the Secretary of Housing and Urban Development.

(e) Public Notice and Research Report.—

(1) The Secretary shall publish by notice in the Federal Register the terms and conditions, including criteria for HUD approval, of transfers pursuant to this section no later than 30 days before the effective date of such notice.

(2) The Secretary shall conduct an evaluation of the transfer authority under this section, including the effect of such transfers on the operational efficiency, contract rents, physical and financial conditions, and long-term preservation of the affected properties.

SEC. 210. Section 255(g) of the National Housing Act (12 U.S.C. 1715z-20(g)) is amended by striking the sentence beginning "The aggregate number of mortgages".

SEC. 211. During fiscal year 2014, in the provision of rental assistance under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) in connection with a program to demonstrate the economy and effectiveness of providing such assistance for use in assisted living facilities that is carried out in the counties of the State of Michigan notwithstanding paragraphs (3) and (18)(B)(iii) of such section 8(o), a family residing in an assisted living facility in any such county, on behalf of which a public housing agency provides assistance pursuant to section 8(o)(18) of such Act, may be required, at the time the family initially receives such assistance, to pay rent in an amount exceeding 40 percent of the monthly adjusted income of the family by such a percentage or amount as the Secretary of Housing and Urban Development determines to be appropriate.

SEC. 212. The commitment authority funded by fees as provided under the subheading "Program Account" under the heading "Community Development Loan Guarantees" may be used to guarantee, or make commitments to guarantee, notes, or other obligations issued by any State on behalf of non-entitlement communities in the State in accordance with the requirements of section 108 of the Housing and Community Development Act of 1974: Provided, That any State receiving such a guarantee or commitment shall distribute all funds subject to such guarantee to the units of general local government in non-entitlement areas that received the commitment.

SEC. 213. No official or employee of the Department of Housing and Urban Development shall be designated as an allotment holder unless the Office of the Chief Financial Officer has determined that such allotment holder has implemented an adequate system of funds control and has received training in funds control procedures and directives. The Chief Financial Officer shall ensure that there is a trained allotment holder for each HUD office under the accounts "Executive Offices" and "Administrative Support Offices," as well as each account receiving appropriations for "Program Office Salaries and Expenses" within the Department of Housing and Urban Development.

SEC. 214. The Secretary of the Department of Housing and Urban Development shall for fiscal year 2014 and subsequent fiscal years, notify the public through the Federal Register and other means, as determined appropriate, of the issuance of a notice of the availability of assistance or notice of funding availability (NOFA) for any program or discretionary fund administered by the Secretary that is to be competitively awarded. Notwithstanding any other provision of law, for fiscal year 2014 and subsequent fiscal years, the Secretary may make the NOFA available only on the Internet at the appropriate Government Web site or through other electronic media, as determined by the Secretary.

SEC. 215. The Secretary of the Department of Housing and Urban Development is authorized to transfer up to 5 percent or \$10,000,000, whichever is less, of the funds appropriated under any account under the headings "Management and Administration", "Program Office Salaries and Expenses", and "Government National Mortgage Association" to any other account funded under such headings: Provided, That no appropriation for any account funded under such headings shall be increased or decreased by more than 5 percent or \$10,000,000, whichever is less, without prior written notification to the House and Senate Committees on Appropriations.

SEC. 216. The Disaster Housing Assistance Programs, administered by the Department of Housing and Urban Development, shall be considered

a "program of the Department of Housing and Urban Development" under section 904 of the McKinney Act for the purpose of income verifications and matching.

SEC. 217. Of the amounts made available for salaries and expenses under all accounts under this title (except for the Office of Inspector General account), a total of up to \$10,000,000 may be transferred to and merged with amounts made available in the "Information Technology Portfolio" account under this title.

SEC. 218. Title II of Division K of Public Law 110–161 is amended by striking the item related to "Flexible Subsidy Fund".

SEC. 219. Paragraph (1) of section 242(i) of the National Housing Act (12 U.S.C. 1715z-7(i)(1)) is amended by striking "July 31, 2011" and inserting "July 31, 2016".

SEC. 220. Subparagraph (A) of Section 3(b)(6) of the U.S. Housing Act of 1937 (42 U.S.C. 1437a(b)(6)(A)) is amended by inserting before the period at the end the following: ", or a consortium of such entities or bodies as approved by the Secretary".

SEC. 221. FLAT RENTS.—

(a) Section 3(a) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a)) is amended—

(1) in paragraph (2)(B)(i)—

(A) in the matter preceding subclause (I)—

(i) by striking "Except as otherwise provided under this clause, each" and inserting "Each";

(ii) by inserting after "which shall" the following: "not be lower than 80 percent of the applicable fair market rental established under section 8(c) of this Act and which shall";

(B) by striking the undesignated matter following subclause (II) and inserting the following: "Public housing agencies must comply by June 1, 2014, with the requirement of this clause, except that if a new flat rental amount for a dwelling unit will increase a family's existing rental payment by more than 35 percent, the new flat rental amount shall be phased in as necessary to ensure that the family's existing rental payment does not increase by more than 35 percent annually. The preceding sentence shall not be construed to require establishment of rental amounts equal to 80 percent of the fair market rental in years when the fair market rental falls from the prior year.";

SEC. 222. Notwithstanding any provision of the United States Housing Act of 1937 concerning the determination of tenant rent obligations, and of section 23 of such Act (42 U.S.C. 1437u) concerning deposits to escrow accounts, the Secretary may, during the 5-year period beginning on the date of enactment of this Act, allow the use of funds made available by the Secretary to public housing agencies to carry out rent policy demonstrations involving a limited number of families assisted under the 1937 Act, for the purpose of determining the effectiveness of different rent policies in encouraging families to obtain employment, increase their incomes, and achieve economic self-sufficiency, while reducing administrative burdens and maintaining housing stability. Such demonstrations shall include public housing agencies of various sizes, and may include providing income disregards, family self-sufficiency accounts, and policies under which families pay rent in amounts different from 30 percent of their adjusted income. The Secretary shall publish a report regarding the results and effectiveness of any demonstrations conducted under the authority of this section.

SEC. 223. INSPECTIONS.—

(a) Section 8(o)(8) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(8)) is amended—

(1) by redesignating subparagraph (E) as subparagraph (G); and

(2) by striking subparagraph (D) and inserting the following new subparagraphs:

"(D) BIENNIAL INSPECTIONS.

"(i) REQUIREMENT.—Each public housing agency providing assistance under this subsection (or other entity, as provided in paragraph (11)) shall, for each assisted dwelling unit, make inspections not less often than biennially during the term of the housing assistance payments contract for the unit to determine whether the unit is maintained in accordance with the requirements under subparagraph (A).

"(ii) USE OF ALTERNATIVE INSPECTION METHOD.—The requirements under clause (i) may be complied with by use of inspections that qualify as an alternative inspection method pursuant to subparagraph (E).

"(iii) RECORDS.—The public housing agency (or other entity) shall retain the records of the inspection for a reasonable time, as determined by the Secretary, and shall make the records available upon request to the Secretary, the Inspector General for the Department of Housing and Urban Development, and any auditor conducting an audit under section 5(h).

"(iv) MIXED-FINANCE PROPERTIES.—The Secretary may adjust the frequency of inspections for mixed-finance properties assisted with vouchers under paragraph (13) to facilitate the use of the alternative inspections in subparagraph (E).

"(E) ALTERNATIVE INSPECTION METHOD.—An inspection of a property shall qualify as an alternative inspection method for purposes of this subparagraph if—

"(i) the inspection was conducted pursuant to requirements under a Federal, State, or local housing program (including the Home investment partnership program under title II of the Cranston-Gonzalez National Affordable Housing Act and the low-income housing tax credit program under section 42 of the Internal Revenue Code of 1986); and

"(ii) pursuant to such inspection, the property was determined to meet the standards or requirements regarding housing quality or safety applicable to properties assisted under such program, and, if a non-Federal standard or requirement was used, the public housing agency has certified to the Secretary that such standard or requirement provides the same (or greater) protection to occupants of dwelling units meeting such standard or requirement as would the housing quality standards under subparagraph (B).

"(F) INTERIM INSPECTIONS.—Upon notification to the public housing agency, by a family (on whose behalf tenant-based rental assistance is provided under this subsection) or by a government official, that the dwelling unit for which such assistance is provided does not comply with the housing quality standards under subparagraph (B), the public housing agency shall inspect the dwelling unit—

"(i) in the case of any condition that is life-threatening, within 24 hours after the agency's receipt of such notification, unless waived by the Secretary in extraordinary circumstances; and

"(ii) in the case of any condition that is not life-threatening, within a reasonable time frame as determined by the Secretary."

(b) EFFECTIVE DATE.—The amendments in subsection (a) shall take effect upon such date as the Secretary determines, in the Secretary's sole discretion, through the Secretary's publication of such date in the Federal Register, as part of regulations promulgated, or a notice issued, by the Secretary to implement such amendments.

SEC. 224. Notwithstanding any other provision of the United States Housing Act of 1937 (42 U.S.C. 1437f et seq.) and any provision in this Act under the headings "Public Housing Operating Fund", "Public Housing Capital Fund", "Tenant-Based Rental Assistance", and "General Provisions, Department of Housing and Urban Development" (except for provisions establishing the amount of funding made available), of the funds provided by this Act under the headings "Public Housing Operating Fund" and "Public Housing Capital Fund", and of the administrative fees in this Act under the heading "Tenant-Based Rental Assistance", a percentage of such funds and fees (which percentage the Secretary shall establish by notice published in the Federal Register) may be set aside and used by a public housing agency for the Consolidated Opportunities for Resident Enrichment (CORE) Flexibility program: Provided, That a public housing agency shall use such set-aside funds and fees to provide flexibility for supportive services activities for families that receive assistance under either section 8(o) or 9 of the United States Housing Act of 1937 (42 U.S.C. 1437f(o) or 42 U.S.C. 1437g), including activities such as service coordination, case management, direct services, services to keep the elderly or persons with disabilities successfully housed, and other activities that promote positive resident outcomes related to education, health, safety, economic security and self-sufficiency, and quality of life: Provided further, That funds and fees may be set aside pursuant to this section for a period of up to two years, after which any unexpended funds shall be used only for the original purposes for which such funds and fees were made available: Provided further, That the Secretary shall develop and publish, in the Federal Register, a notice regarding the use of such set-aside funds and fees, in which the Secretary shall provide program guidelines that include (but are not limited to) eligibility threshold, eligible activities, reporting and accountability, and other matters as determined by the Secretary.

SEC. 225. Subsection (d) of section 184 of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z-13a) is amended to read as follows:

"(d) **Guarantee fee.** The Secretary shall establish and collect, at the time of issuance of the guarantee, a fee for the guarantee of loans under this section, in an amount not exceeding 3 percent of the principal obligation of the loan. The Secretary may also establish and collect annual premium payments in an amount not exceeding 1 percent of the remaining guaranteed balance (excluding the portion of the remaining balance attributable to the fee collected at the time of issuance of the guarantee). The Secretary shall establish the amount of the fees and premiums by publishing a notice in the Federal Register. The Secretary shall deposit any fees and premiums collected under this subsection in the Indian Housing Loan Guarantee Fund established under subsection (i)."

SEC. 226. (Subsection (g) of section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g(g)) is amended by striking paragraphs (1) and (2) and inserting the following new paragraph:

"(1) **FULL FLEXIBILITY OF CAPITAL AND OPERATING FUND AMOUNTS.**—The Secretary shall provide, by notice published in the Federal Register, that of any amounts allocated for any fiscal year from the funds under subsections (d) and (e) for any public housing agency that is not designated pursuant to section 6(j)(2) as a troubled public housing agency and that, in the determination of the Secretary is operating and maintaining its public housing in a safe, clean, and healthy condition, the agency may use any such amounts for any eligible activities under subsections (d)(1) and (e)(1), regardless of the fund from which the amounts were allocated and provided."; and

(2) by redesignating paragraph (3) as paragraph (2).

SEC. 227. **GINNIE MAE SECURITIZATION.**—

(a) Paragraph (8) of section 542(b) of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z-22(b)) is amended in its title by deleting "Prohibition on" and by revising the text of paragraph (8) to read as follows:

"The Government National Mortgage Association shall not securitize any multifamily loans insured or reinsured under this subsection, except as provided herein. The Government National Mortgage Association may, at the discretion of the Secretary, securitize any multifamily loan, provided that—

"(A) the Federal Housing Administration provides mortgage insurance based on the unpaid principal balance of the loan, as shall be described in the Risk Share Agreement

"(B) the Federal Housing Administration shall not require an assignment fee for mortgage insurance claims related to the securitized mortgages and

"(C) any successors and assigns of the risk share partner (including the holders of credit instruments issued under a trust mortgage or deed of trust pursuant to which such holders act by and through a trustee therein named) shall not assume any obligation under the risk-sharing agreement and may assign any defaulted loan to the Federal Housing Administration in exchange for payment of the mortgage insurance claim.

"The risk-sharing agreement must provide for reimbursement to the Secretary by the risk share partner(s) for either all or a portion of the losses incurred on the loans insured."

(b) Paragraph (6) of section 542(c) of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z-22(c)) is amended in its title by deleting "Prohibition on" and by revising the text of paragraph (6) to read as follows:

"The Government National Mortgage Association may, at the discretion of the Secretary, securitize any multifamily loan insured under this subsection, provided that—

"(A) the Federal Housing Administration provides mortgage insurance based on the unpaid principal balance of the loan, as shall be described by regulation,

"(B) the Federal Housing Administration shall not require an assignment fee for mortgage insurance claims related to the securitized mortgages, and

"(C) any successors and assigns of the risk share partner (including the holders of credit instruments issued under a trust mortgage or deed of trust pursuant to which such holders act by and through a trustee therein named) shall not assume any obligation under the risk-sharing agreement and may assign any defaulted loan to the Federal Housing

Administration in exchange for payment of the mortgage insurance claim.

"The risk-sharing agreement must provide for reimbursement to the Secretary by the risk share partner(s) for either all or a portion of the losses incurred on the loans insured."

(c) Clause (ii) of the first sentence of section 306(g)(1) of the National Housing Act (12 U.S.C. 1721(g)(1)) is amended by striking the semicolon and inserting a comma, and by inserting before the period at the end the following: ", or which are insured under subsection (b) or (c) of section 542 of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z-22), subject to the terms of paragraph (8) and (6), respectively, of such subsection".

SEC. 228. **EXCEPTION TO AFFORDABLE HOUSING QUALIFICATION FOR MULTIFAMILY HOUSING SECURING LOANS MADE BY CERTAIN ENTITIES.**—Section 542(b)(9) of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z-22(b)(9)) is amended by inserting after the period at the end the following: "This requirement does not apply to housing securing loans made to increase the availability of capital to small multifamily rental properties by entities approved by the Secretary as having demonstrated experience in making loans for low and moderate income multifamily housing."

SEC. 229. (a) Subsection (b) of section 225 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12755) is amended by inserting at the end the following sentence: "Such 30 day waiting period is not required if the grounds for the termination or refusal to renew involve a direct threat to the safety of the tenants or employees of the housing, or an imminent and serious threat to the property (and the termination or refusal to renew is in accordance with the requirements of State or local law)."

(b) Section 231 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12771) is amended—

(1) in subsection (b) by striking "make such funds available by direct reallocation" and all that follows through "were recaptured" and inserting "reallocate the funds by formula in accordance with section 217(d) of this Act (42 U.S.C. 12747(d))"; and

(2) by striking subsection (c).

(c) Section 104(6) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704) is amended by inserting at the end of the undesignated matter after subparagraph (D) the following sentence: "In the case of an organization funded by the State under title II of this Act, the organization may serve all counties within the State."

(d) Section 216 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12746) is amended—

(1) in paragraph (3) by striking "Except as provided in paragraph (10), a" and inserting "A";

(2) in paragraph (8) by striking "subsequent" and inserting "five";

(3) by amending paragraph (9) to read as follows:

"(9) **REVOCATION.**—

"(A) The Secretary may revoke the designation of a jurisdiction as a participating jurisdiction if the Secretary finds, after reasonable notice and opportunity for hearing, that the jurisdiction is unwilling or unable to carry out the provisions of this title. Any remaining line of credit in the HOME Investment Trust Fund established for the jurisdiction under section 218 shall be reallocated in accordance with paragraph (6) of this section.

"(B) The Secretary shall revoke the designation of a jurisdiction as a participating jurisdiction if the allocation for the jurisdiction falls below \$500,000 for 3 years during the period in paragraph (8)."; and

(4) by striking paragraph (10).

(e) Section 217(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12747(b)) is amended—

(1) in paragraph (3) by striking ", except as provided in paragraph (4)"; and

(2) by striking paragraph (4).

SEC. 230. (a) Section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a) is amended—

(1) in paragraph (2),

(A) by designating the first sentence as subparagraph (A), the second sentence as subparagraph (B), and the remaining sentences as subparagraph (D);

(B) by inserting after subparagraph (B) the following new subparagraph (C):



"(C) *The term extremely low-income families means very low-income families whose incomes do not exceed the higher of—*

*"(i) the poverty guidelines updated periodically by the Department of Health and Human Services under the authority of section 673(2) of the Community Services Block Grant Act applicable to a family of the size involved (except that this clause shall not apply in the case of public housing agencies located in Puerto Rico or any other territory or possession of the United States); or*

*"(ii) 30 percent of the median family income for the area, as determined by the Secretary, with adjustments for smaller and larger families (except that the Secretary may establish income ceilings higher or lower than 30 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes)."; and*

*(C) in subparagraph (D), as so designated by this subsection, by striking the second sentence and all that follows through the end of the subparagraph; and*

*(2) in paragraph 5(A), by revising subparagraph (ii) to read as follows:*

*"(i) Health and medical expenses. The amount, if any, by which 10 percent of annual family income is exceeded by the sum of*

*"(I) in the case of any elderly or disabled family, any unreimbursed health and medical care expenses; and*

*"(II) any unreimbursed reasonable attendant care and auxiliary apparatus expenses for each handicapped member of the family, to the extent necessary to enable any member of such family to be employed.".*

*(b) Section 16 of the United States Housing Act of 1937 (42 U.S.C. 1437n) is amended—*

*(1) in subsection (a)(2)(A),*

*(2) in subsection (b)(1), and*

*(3) in subsection (c)(3),*

*by striking "families whose incomes" and all that follows through "low family incomes" and inserting "extremely low-income families".*

*SEC. 231. Notwithstanding Section 24(o) of the United States Housing Act of 1937 (42 U.S.C. 1437v(o)), amounts made available in prior appropriations Acts under the heading "Revitalization of Severely Distressed Public Housing (HOPE VI)" or under the heading "Choice Neighborhoods Initiative" may continue to be provided as assistance pursuant to such Section 24.*

*SEC. 232. PROJECT RENTAL ASSISTANCE AUTHORITY. —Section 202(f)(2) of the Housing Act of 1959 (12 U.S.C. 1701q(f)(2)) is amended—*

*(a) in paragraph (A)—*

*(1) by striking the matter before clause (i) and inserting the following: "The Secretary shall establish procedures to delegate the award, review and processing of projects to a State or local housing agency that—"; and*

*(2) in clause (iii), by striking "capital advance" and inserting "funding", and by replacing the comma with a semi-colon;*

*(b) in subparagraph (B), by striking "capital advances" and inserting "funding under this section";*

*(c) in subparagraph (C), by striking the first sentence;*

*(d) by redesignating subparagraph (D) as subparagraph (E), and in the redesignated subparagraph (E)—*

*(1) by striking "a capital advance" and inserting "funding under this section"; and*

*(2) by striking "capital advance amounts or project rental assistance" and inserting "funding under this section"; and*

*(e) by inserting the following new subparagraph after subparagraph (C):*

*"(D) Assistance under subsection (c)(2) may be provided for projects for which the applicable State agency responsible for health and human services programs, and the applicable State agency designated to administer or supervise the administration of the State plan for medical assistance under title XIX of the Social Security Act, have entered into such agreements as the Secretary considers appropriate—*

*"(i) to identify the target populations to be served by the project;*

*"(ii) to set forth methods for outreach and referral; and*

*"(iii) to make available appropriate services for tenants of the project.".*

*SEC. 233. The proviso under the "Community Development Fund" heading in Public Laws 109–148, 109–234, 110–252, and 110–329 which requires the Secretary to establish procedures to prevent duplication of benefits and to report to the Committees on Appropriations on all steps to*

*prevent fraud and abuse is amended by striking "quarterly" and inserting "annually".*

*SEC. 234. Section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note) is amended—*

*(1) in subsection (d)(2) by inserting at the end the following new subparagraph:*

*"(C) PLANNING, ADMINISTRATION, AND MANAGEMENT. Planning, administration, and management of grant programs and activities, provided that such expenses do not exceed 20 percent of any grant made under this section.";*

*(2) in subsection (i)(5) by—*

*(A) striking "24" and inserting "36"; and*

*(B) striking "except that" and all that follow through "such grant amounts";*

*(3) in subsection (j) by—*

*(A) inserting after the heading "(1) REDISTRIBUTION OF FUNDS.";*

*(B) striking "24" and inserting "36";*

*(C) striking "(or, in the case" and all that follow through "within 36 months"; and*

*(D) inserting at the end the following new paragraph:*

*"(2) DEADLINE FOR COMPLETION AND CONVEYANCE.—The Secretary shall establish a deadline (which may be extended for good cause as determined by the Secretary) by which time all units that have been assisted with grant funds under this section must be completed and conveyed.";*

*(4) by striking subsection (q).*

*SEC. 235. RENTAL ASSISTANCE DEMONSTRATION AMENDMENTS—*

*The language under the heading Rental Assistance Demonstration in the Department of Housing and Urban Development Appropriations Act, 2012 (Public Law 112–55) is amended—*

*(1) by striking "(except for funds allocated under such section for single room occupancy dwellings as authorized by title IV of the McKinney-Vento Homeless Assistance Act)" in both places such language appears;*

*(2) in the third proviso by inserting "in excess of amounts made available under this heading" after "associated with such conversion";*

*(3) in the fourth proviso—*

*(A) by striking "60,000" and inserting "150,000"; and*

*(B) by striking "or section 8(e)(2)"; and*

*(4) in the penultimate proviso by striking "and 2013," and inserting "through 2015".*

*SEC. 236. PHA COMPENSATION—*

*(a) Section 2(b) of the United States Housing Act of 1937 (42 U.S.C. 1437(b)) is amended by adding the following new paragraph at the end:*

*"(4) SALARY.—*

*"(A) GENERAL.—This paragraph establishes the maximum salary that a public housing agency may provide to its employees and the maximum annual contract amounts that may be paid to its contract personnel using funds provided under this Act. A public housing agency shall use the same salary structure as described in this paragraph and follow the requirements of uniform administrative rules for Federal grants and cooperative agreements and principles and standards for determining costs for Federal awards for all payments that it makes to its employees and for personnel hired as contractors when funds provided under this Act are used for such payments.*

*"(B) SALARY STRUCTURE.—*

*"(i) The base salary of public housing agency employees and the contract amount paid to contracted personnel from funds provided under this Act shall be based on the Federal General Schedule (GS) basic rate of pay, including locality adjustment, established under sections 5303 and 5304 of title 5, United States Code as follows:*

*"(I) For public housing agencies with fewer than 250 total units (public housing and section 8 housing vouchers), the base salary of a public housing agency employee or total annual payment to each contracted personnel shall not exceed the basic rate of pay, including a locality adjustment, for GS-11, step 10;*

*"(II) For public housing agencies with 250 to 1249 total units (public housing and section 8 housing vouchers), the base salary of a public housing employee or total annual payment to each contracted personnel shall not exceed the basic rate of pay, including locality adjustment, for GS-13, step 10;*



(III) For public housing agencies with 1250 or more total units (public housing and section 8 housing vouchers), the base salary of a public housing agency employee or total annual payment to each contracted personnel shall not exceed the basic rate of pay, including locality adjustment, for GS-15, step 10.

"(ii) Any amount of salary paid to an employee or of total annual payment to each contracted personnel that exceeds the amount provided under the structure of this paragraph must be from non-Federal non-Act sources.

"(iii) The salary structure provided in subparagraph (B)(i) shall be subject to any requirements that may be established for the General Schedule by an appropriations Act or by Presidential executive order for any Federal fiscal year.

"(iv) A public housing agency must certify that it has established detailed performance measures that describe how public housing agency employees or personnel hired as contractors may receive a salary or contract increase within the limits of subparagraph (B)(i). The certification shall be transmitted to the Secretary in a format as determined by the Secretary.

"(C) **DEFINITIONS.**—For purposes of this section—

"(i) Employee includes any member of a public housing agency organization whose salary is paid in whole or in part from funds provided under this Act, and regardless of whether such employee is full-time or part-time, temporary or permanent.

"(ii) Contracted personnel includes any member of a public housing agency organization whose position is procured under uniform administrative rules for Federal grants and cooperative agreements and who is paid in whole or in part from funds provided under this Act, and regardless of whether such individual is full-time or part-time, hourly, temporary or permanent. No such position shall be for a period beyond 5 years without re-procurement.

"(iii) Salary includes the annual basic rate of pay, including a locality adjustment, as provided in sub-paragraph (B) and any additional adjustments, such as may be provided for overtime or shift differentials, bonuses, or contract payments including bonuses. Salary does not include fringe benefits as defined in principles and standards for determining costs for Federal awards.

"(D) **DISCLOSURE OF RECORDS.**— Each public housing agency shall make available to the Secretary upon request such financial and other records as the Secretary deems necessary for purpose of review and monitoring compliance with this section."

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect on January 1, 2014 except that for contract personnel the amendment should be effective upon the expiration of any contract in effect on the date of enactment of the amendment.

**SEC. 237. UTILITY ALLOWANCE.**—Section 8(o)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(2)), is amended—

by adding at the end the following new subparagraph:

"(D) **UTILITY ALLOWANCE.**

"(1) **GENERAL.**—In determining the monthly assistance payment for a family under subparagraphs (A) and (B), the amount allowed for tenant-paid utilities shall not exceed the appropriate utility allowance for the family unit size as determined by the public housing agency regardless of the size of the dwelling unit leased by the family.

"(2) **EXCEPTION FOR FAMILIES INCLUDING PERSONS WITH DISABILITIES.**—Notwithstanding subparagraph (A), upon request by a family that includes a person with disabilities, the public housing agency shall approve a utility allowance that is higher than the applicable amount on the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by the family member with a disability."

**SEC. 238. FAIR MARKET RENTS.**—Paragraph (1) of section 8(c) of the United States Housing Act of 1937 (42 U.S.C. 1437) is amended—

(a) by inserting "(A)" after the paragraph designation;

(b) by striking the fourth, seventh, eighth, ninth sentences; and

(c) by adding at the end the following:

"(B) **Publication of Fair Market Rentals.**—Not less than annually:

"(1) The Secretary shall publish a notice in the Federal Register that proposed fair market rentals for an area have been published on the site of the Department on the Internet and in any other manner specified by the Secretary. Such notice shall describe proposed material changes in

the methodology for estimating fair market rentals and shall provide reasonable time for public comment.

"(2) The Secretary shall publish a notice in the Federal Register that final fair market rentals have been published on the site of the Department on the Internet and in any other manner specified by the Secretary. Such notice shall include the final decisions regarding proposed substantial methodological changes for estimating fair market rentals and responses to public comments."

**SEC. 239.** Section 314 of the Department of Housing and Urban Development Appropriations Act, 2006 is repealed.

**SEC. 240.** Section 255 of the National Housing Act (12 U.S.C. 1715z-20) is amended—

(a) in subsection (b)(1) by inserting before the period ", except that the term mortgagor shall not include the successors and assigns of the original borrower under a mortgage"; and

(b) in subsection (j) to read as follows: "(j) **SAFEGUARD TO PREVENT DISPLACEMENT OF HOMEOWNER.**—In order for a mortgage to be eligible for insurance under this section, the mortgage shall provide that the obligation of the mortgagor to satisfy the loan obligation is deferred until the death of the mortgagor, the sale of the home, or the occurrence of other events specified in regulations of the Secretary. Section 1647(b) of title 15 and any implementing regulations issued by the Board of Governors of the Federal Reserve System shall not apply to a mortgage insured under this section."

**SEC. 241. HOUSING COUNSELING AMENDMENTS—**

(a) Section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x) is amended—

(1) by adding at the end of the section the following new subsection: "(j) **FINANCIAL ASSISTANCE.**—For purposes of this section, the Secretary may enter into multiyear agreements as is appropriate, subject to the availability of annual appropriations."

(2) in subsection (e)(2) by adding the following undesignated matter at the end of paragraph (2): "These standards may provide that an individual may also show competence to provide counseling by having successfully completed training in each of the six areas."; and

(3) in subsection (f)—

(A) in paragraph (1), by inserting "or entities" after "(which may be a nonprofit organization)"; and

(B) in paragraphs (3) through (6), by inserting "or entities" after the word "entity" each place such word appears.

(b) Section 4(g)(3)(A) of the Department of Housing and Urban Development Act (42 U.S.C. 3533(g)(3)(A)) is amended by—

(1) by striking "and" in clause (i);

(2) in clause (ii), by striking the period at the end, and inserting "; and"; and

(3) by adding the following clause at the end: "(iii) to accept and retain, on behalf of the Secretary, and subject to procedures established by the Secretary, funds from private entities, including mortgage lenders and servicers, and any funds made available to the Director pursuant to the settlement of any legal proceedings, to be distributed and used for housing counseling activities under section 106 of the Housing and Urban Development Act of 1968."

**SEC. 242. COMMUNITY DEVELOPMENT BLOCK GRANT AMENDMENTS—**

(a) Section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302) is amended—

(1) in subsection (a)(4)—

(A) in the second sentence, by striking "Any" and inserting "Through September 30, 2013, but not thereafter, any";

(B) by amending the fourth sentence to read, "A city may elect not to maintain its classification as a metropolitan city."; and

(C) by striking the fifth sentence; and

(2) in subsection (a)(6)(B) by striking "Any" and inserting "Through September 30, 2013, but not thereafter, any".

(b) Section 106 of the Housing and Community Development Act of 1974 (42 U.S.C. 5306) is amended by adding at the end the following new subsection:

"(g) **QUALIFICATION FOR A GRANT.**—

"(1) In general, in fiscal year 2014 and for subsequent fiscal years, once a metropolitan city or urban county receives a formula allocation, it shall receive an allocation for five years regardless of its classification

as a metropolitan city, whether it meets the population criteria under section 102(a)(6)(A)(ii), or any decrease in its formula allocation.

"(2) Notwithstanding section 106(a)(4)—

"(A) except as provided in (B), the Secretary will not make an allocation—

"(i) to a metropolitan city or urban county if its allocation falls below 0.0125 percent of the appropriation for three years during the five year period in paragraph (1);

"(ii) for a city, if it does not meet the definition of a metropolitan city in section 102(a)(4) after the five year period; or

"(iii) for a county, if it no longer maintains the population under section 102(a)(6)(A)(ii) after the five year period; and

"(B) any metropolitan city or urban county that does not receive a grant in any fiscal year after September 30, 2012, shall only receive a grant in fiscal year 2014 and any subsequent year if its formula allocation is \$500,000 or greater."

#### SEC. 243. PERFORMANCE PARTNERSHIP PILOTS—

(a) DEFINITIONS. In this section,

(1) "Performance Partnership Pilot" (or "Pilot") is a project that seeks to identify, through a demonstration, cost-effective strategies for providing services at the state, regional, or local level that—

(A) involve two or more Federal programs (administered by one or more Federal agencies)—

(i) which have related policy goals, and

(ii) at least one of which is administered (in whole or in part) by a state, local, or tribal government; and

(B) achieve better results for regions, communities, or specific at risk populations through making better use of the budgetary resources that are available for supporting such programs.

(2) "To improve outcomes for disconnected youth" means to increase the rate at which individuals between the ages of 14 and 24 (who are homeless, in foster care, involved in the juvenile justice system, or are neither employed nor enrolled in an educational institution) achieve success in meeting educational, employment or other key goals.

(3) The "lead Federal administering agency" is the Federal agency, to be designated by the Director of the Office of Management and Budget (from among the participating Federal agencies that have statutory responsibility for the Federal discretionary funds that will be used in a Performance Partnership Pilot) that will enter into and administer the particular Performance Partnership Agreement on behalf of that agency and the other participating Federal agencies.

(b) USE OF DISCRETIONARY FUNDS IN FISCAL YEAR 2014 APPROPRIATIONS ACT. Federal agencies may use Federal discretionary funds, that are made available in this act or any other appropriations act providing funds for Fiscal Year 2014 and corresponding authority to enter into Performance Partnership Pilots, to carry out up to a total of 13 Performance Partnership Pilots involving up to a total of \$130,000,000 in aggregate Federal discretionary budget authority. Such Pilots shall:

(1) be designed to improve outcomes for disconnected youth, and

(2) involve Federal programs targeted on disconnected youth, or designed to prevent youth from disconnecting from school or work, that provide education, training and employment, and other related social services; and

(c) PERFORMANCE PARTNERSHIP AGREEMENTS. Federal agencies may use Federal discretionary funds, as authorized in subsection (b), to participate in a Performance Partnership Pilot only in accordance with the terms of a Performance Partnership Agreement that—

(1) is entered into between—

(A) the head of the lead Federal administering agency, on behalf of all of the participating Federal agencies (subject to the head of the lead Federal administering agency having received from the heads of each of the other participating agencies their written concurrence for entering into the Agreement), and

(B) the respective representatives of all of the state, local or tribal governments that are participating in the Agreement; and

(2) specifies, at a minimum, the following information:

(A) the length of the Agreement (which shall not extend beyond September 30, 2018);

(B) the Federal programs and federally-funded services that are involved in the Pilot;

(C) the Federal discretionary funds that are being used in the Pilot (by the respective Federal account identifier, and the total amount from

such account that is being used in the Pilot), and the period (or periods) of availability for obligation (by the Federal Government) of such funds;

(D) the non-Federal funds that are involved in the Pilot, by source (which can include private funds as well as governmental funds) and by amount;

(E) the state, local, or tribal programs that are involved in the Pilot;

(F) the populations to be served by the Pilot;

(G) the cost-effective Federal oversight procedures that will be used for the purpose of maintaining the necessary level of accountability for the use of the Federal discretionary funds;

(H) the cost-effective State, local or tribal oversight procedures that will be used for the purpose of maintaining the necessary level of accountability for the use of the Federal discretionary funds;

(I) the outcome (or outcomes) that the Pilot is designed to achieve;

(J) the appropriate, reliable, and objective outcome-measurement methodology that the Federal Government and the participating state, local, or tribal governments will use, in carrying out the Pilot, to determine whether the Pilot is achieving, and has achieved, the specified outcomes that the Pilot is designed to achieve; and

(K) in cases where, during the course of the Pilot, it is determined that the Pilot is not achieving the specified outcomes that it is designed to achieve,

(i) the consequences that will result from such deficiencies with respect to the Federal discretionary funds that are being used in the Pilot, and

(ii) the corrective actions that will be taken in order to increase the likelihood that the Pilot, upon completion, will have achieved such specified outcomes.

(d) AGENCY HEAD DETERMINATIONS. A Federal agency may participate in a Performance Partnership Pilot (including by providing Federal discretionary funds that have been appropriated to such agency) only upon the written determination by the head of such agency that the agency's participation in such Pilot—

(1) will not result in denying or restricting the eligibility of any individual for any of the services that (in whole or in part) are funded by the agency's programs and Federal discretionary funds that are involved in the Pilot, and

(2) based on the best available information, will not otherwise adversely affect vulnerable populations that are the recipients of such services. In making this determination, the head of the agency may take into consideration the other Federal discretionary funds that will be used in the Pilot as well as any non-Federal funds (including from private sources as well as governmental sources) that will be used in the Pilot.

(e) TRANSFER AUTHORITY. For the purpose of carrying out the Pilot in accordance with the Performance Partnership Agreement, and subject to the written approval of the Director of the Office of Management and Budget, the head of each participating Federal agency may transfer Federal discretionary funds that are being used in the Pilot to an account of the lead Federal administering agency that includes Federal discretionary funds that are being used in the Pilot. Subject to the waiver authority under subsection (g), such transferred funds shall remain available for the same purposes for which such funds were originally appropriated: Provided, That such transferred funds shall remain available for obligation by the Federal Government until the expiration of those Federal discretionary funds (which are being used in the Pilot) that have the longest period of availability, except that any such transferred funds shall not remain available beyond September 30, 2018.

(f) WAIVER AUTHORITY. In connection with a Federal agency's participation in a Performance Partnership Pilot, and subject to the other provisions of this section (including subsection (e)), the head of the Federal agency to which the Federal discretionary funds were appropriated may waive (in whole or in part) the application, solely to such discretionary funds that are being used in the Pilot, of any statutory, regulatory, or administrative requirement that such agency head—

(1) is otherwise authorized to waive (in accordance with the terms and conditions of such other authority), and

(2) is not otherwise authorized to waive, provided that in such case the agency head, prior to granting the waiver, shall—

(A) not waive any requirement related to nondiscrimination, wage and labor standards, or allocation of funds to State and substate levels;

(B) issue a written determination with respect to such discretionary funds that the granting of such waiver for purposes of the Pilot—

(i) is consistent with both—

*(I) the statutory purposes of the Federal program for which such discretionary funds were appropriated, and*

*(II) the other provisions of this section, including the written determination by the agency head issued under subsection (e);*

*(ii) is necessary to achieve the outcomes of the Pilot as specified in the Performance Partnership Agreement, and is no broader in scope than is necessary to achieve such outcomes; and*

*(iii) will result in either—*

*(I) realizing efficiencies by simplifying reporting burdens or reducing administrative barriers with respect to such discretionary funds, or*

*(II) increasing the ability of individuals to obtain access to services that are provided by such discretionary funds; and*

*(C) provide at least 60 days advance written notice to the Committees on Appropriations and other committees of jurisdiction in the House of Representatives and the Senate.*

