

**PUBLIC AND INDIAN HOUSING
LOW-RENT PUBLIC HOUSING ASSISTANCE
2012 Summary Statement and Initiatives
(Dollars in Thousands)**

LOW-RENT PUBLIC HOUSING ASSISTANCE TO PHAS	<u>Enacted/ Request</u>	<u>Carryover</u>	<u>Supplemental/ Rescission</u>	<u>Total Resources</u>	<u>Obligations</u>	<u>Outlays</u>
2010 Appropriation	-\$438,628
2011 CR
2012 Request	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>
Program Improvements/Offsets

Summary Statement

The Department proposes no new mandatory budget authority for the Low-Rent Public Housing Assistance Fund program for fiscal year 2012. This program has not received any new appropriations since fiscal year 1986. The account represents permanent indefinite authority for pre-1992 loan activity that was used to finance Public and Indian Housing project construction. The balance of undisbursed obligations remaining under the account are in a liquidating status. Payments for approved Public and Indian Housing project construction continue to be disbursed out of the Public Housing Capital Fund account.

The Low-Rent Public Housing Assistance Fund was established for three purposes. First, the program was to provide direct Federal loans (capital funds) to support the completion of Public and Indian Housing construction, acquisition, and modernization activities. Second, the Fund was used as a repository of appropriations provided in prior years to make interest differential payments to the Federal Financing Bank (FFB). Budget authority was obligated in the Loan Fund to provide payments to the FFB to fund the difference between what interest would have been charged if tax-exempt bonds had been sold to the public and the interest that actually was charged when instruments were sold to the FFB at a Federally taxable interest rate. A third purpose of the account, as a Corporate Fund, was ended during the first quarter of 1997 pursuant to Section 507 of the Congressional Budget Act of 1974.

Specifically, the Low-Rent Public Housing Assistance Fund provided direct Federal Loans to support the completion of Public and Indian Housing. Housing authorities financed projects through bond issuance to private investors and loans from the Department. HUD sold a large majority of those loans to the FFB several decades ago and used a repository of appropriations provided in prior years for the purpose to make interest and principal payments to the FFB. HUD assumed responsibility for both the loans and private investor bonds. In 1986, Public Law 99-272 was passed to forgive this debt from the housing authorities and converted the program to a grant program. In fiscal year 2010 the Department repaid the remaining FFB loan balances in full.

The balance of those loans not originally sold to the FFB remains in a liquidating status and payments continue to be made out of the Public Housing Capital Fund account. As of September 30, 2010, \$92.6 million in unliquidated obligations remain under the account. Throughout fiscal year 2010, the Department conducted a review of all obligations under this account. As of September 30, 2010 the Department closed 242 of 429 open obligations in the pipeline. These loans represent an undisbursed obligation total of \$71.6 million and are a 43.6 percent reduction in dollar volume of open obligations from the prior fiscal year.

Initiatives

This is a liquidating account reflecting pre-1992 loan activity. Therefore, no initiatives are proposed for fiscal year 2012.

Low-Rent Public Housing Assistance

**PUBLIC AND INDIAN HOUSING
LOW-RENT PUBLIC HOUSING ASSISTANCE
Summary of Resources by Program
(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2010 Budget Authority</u>	<u>2009 Carryover Into 2010</u>	<u>2010 Total Resources</u>	<u>2010 Obligations</u>	<u>2011 CR</u>	<u>2010 Carryover Into 2011</u>	<u>2011 Total Resources</u>	<u>2012 Request</u>
Low-Rent Public Housing Assistance (Mandatory)
Total
<u>FTE</u>	<u>2010 Actual</u>	<u>2011 Estimate</u>	<u>2012 Estimate</u>					
Headquarters					
Field					
Total					

Low-Rent Public Housing Assistance

**PUBLIC AND INDIAN HOUSING
LOW-RENT PUBLIC HOUSING ASSISTANCE
Program Offsets
(Dollars in Thousands)**

Low-Rent Public Housing Assistance (Mandatory)	<u>Amount</u>
2010 Appropriation
2011 CR
2012 Request	<u>...</u>
Program Improvements/Offsets

Proposed Actions

The Department proposes no new mandatory budget authority for the Low-Rent Public Housing Assistance Fund program for fiscal year 2012. This program has not received new appropriations since fiscal year 1986. The account represents permanent indefinite authority for pre-1992 loan activity that was used to finance Public and Indian Housing project construction. The remaining Public Housing development and modernization activities in the pipeline that were reserved under the “Annual Contributions for Assisted Housing” (ACAH) remain available. The balance of those loans not originally sold to the FFB remains available and payments continue to be made out of the Public Housing Capital Fund account.

Low-Rent Public Housing Assistance

**PUBLIC AND INDIAN HOUSING
LOW-RENT PUBLIC HOUSING ASSISTANCE
Crosswalk of 2010 Availability
(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2010 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2010 Resources</u>
Low-Rent Public Housing Assistance						
(Mandatory)	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>
Total

Low-Rent Public Housing Assistance

**PUBLIC AND INDIAN HOUSING
LOW-RENT PUBLIC HOUSING ASSISTANCE
Crosswalk of 2011 Changes
(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2011 President's Budget Request</u>	<u>2011 CR</u>	<u>2011 Supplemental/ Rescission</u>	<u>Reprogrammings</u>	<u>Carryover</u>	<u>Total 2011 Resources</u>
Low-Rent Public Housing Assistance (Mandatory)
Total