

HOUSING  
INTERSTATE LAND SALES AND REAL ESTATE SETTLEMENT PROCEDURES ACT (RESPA)  
2008 Summary Statement and Initiatives  
(Dollars in Thousands)

INTERSTATE LAND SALES	<u>Enacted/ Request</u>	<u>Carryover</u>	<u>Supplemental/ Rescission</u>	<u>Total Resources</u>	<u>Obligations</u>	<u>Outlays</u>
2006 Appropriation .....	\$694	...	...	\$694	\$694	\$694
2007 Full-Year CR Estimate.....	650	...	...	650	650	650
2008 Request .....	<u>650</u>	<u>...</u>	<u>...</u>	<u>650</u>	<u>650</u>	<u>650</u>
Program Improvements/Offsets .....	...	...	...	...	...	...

**Summary Statement**

For fiscal year 2008, the budget reflects \$650 thousand of estimated revenue from filing fees and other charges under the Interstate Land Sales Full Disclosure Act. Fee collections are paid to the Department's Salaries and Expenses account under a permanent indefinite appropriation to partially defray administrative costs. These fees are derived from developers for the registration of subdivisions. In fiscal year 2008, the estimated program activity level is projected to be 750 filings.

The Interstate Land Sales Full Disclosure Act (Title XIV of the Housing and Urban Development Act of 1968, as amended) authorizes a nationwide program of registration of subdivisions marketed in interstate commerce. The program protects consumers by making relevant information available to them when they are considering purchasing land. The Act generally applies, by law and administrative regulation, to subdivisions of undeveloped land sold or offered for sale or lease through interstate commerce. Statutory and regulatory penalties are imposed on developers who fail to file and keep a registration statement current with the Office of Interstate Land Sales Registration, or who fail to furnish each purchaser with a copy of an effective Property Report before the purchaser signs a purchase or lease contract.

The Act provides for submission of a Statement of Record describing a proposed subdivision in detail, accompanied by maps, contract documents and certifications designed to fully disclose relevant information about the subdivision. Each prospective purchaser must be furnished with a Property Report that sets forth the disclosure in easy to understand terms. The program concentrates on securing full disclosure of pertinent facts through the registration process and bringing enforcement action in the event of abuses.

In addition to administration of registration of Interstate Land Sales, the Department is responsible for the Real Estate Settlement Procedures Act (RESPA) that also is a consumer protection activity. The cost of this activity is funded with appropriations under the Salaries and Expenses account and both consumer protection activities are reflected in the accompanying FTE data.

The Real Estate Settlement Procedures Act (RESPA) is a consumer protection statute, first passed in 1974. Its primary purpose is to help consumers become better shoppers for settlement services, as well as to eliminate kickbacks and referral fees that increase unnecessarily the costs of certain settlement services. RESPA covers conventional and Federally insured loans on 1- to 4-family residential property. These include most purchase loans, assumptions, refinances, property improvement loans, and equity lines of credit. RESPA requires that borrowers receive disclosures at various times, and the program is responsible for monitoring realtors, lenders, mortgage brokers, title agents and other settlement service providers for compliance with the Act.

Interstate Land Sales and Real Estate Settlement Procedures Act (RESPA)

**Initiatives**

HUD will continue to undertake reform of RESPA regulations to provide consumer protections in the homebuying process in consultation with Congress.

Interstate Land Sales and Real Estate Settlement Procedures Act (RESPA)

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 Summary of Resources by Program  
 (Dollars in Thousands)

<u>Budget Activity</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2006 Obligations</u>	<u>2007 CR Estimate</u>	<u>2006 Carryover Into 2007</u>	<u>2007 Total Resources</u>	<u>2008 Request</u>
Fees .....	\$694	...	\$694	\$694	\$650	...	\$650	\$650
Total .....	694	...	694	694	650	...	650	650

<u>FTE</u>	<u>2006 Actual</u>	<u>2007 Estimate</u>	<u>2008 Estimate</u>
Headquarters .....	25	43	43
Field .....	...	...	...
Total .....	25	43	43

Interstate Land Sales and Real Estate Settlement Procedures Act (RESPA)

**HOUSING**  
**INTERSTATE LAND SALES AND REAL ESTATE SETTLEMENT PROCEDURES ACT (RESPA)**  
**Program Offsets**  
**(Dollars in Thousands)**

<b>Fees</b>	<b><u>Amount</u></b>
2006 Appropriation .....	\$694
2007 Full-Year CR Estimate.....	650
2008 Request .....	<u>650</u>
Program Improvements/Offsets .....	...

**Proposed Actions**

For fiscal year 2008, the budget reflects \$650 thousand of estimated revenue from filing fees and other charges under the Interstate Land Sales Full Disclosure Act. Fees collections are paid to the Department's Salaries and Expenses account under a permanent indefinite appropriation to partially defray administrative costs. These fees are derived from developers for the registration of subdivisions.

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PERFORMANCE MEASUREMENT TABLE**

<b>PROGRAM NAME: INTERSTATE LAND SALES AND REAL ESTATE SETTLEMENT PROCEDURES ACT (RESPA)</b>						
PROGRAM MISSION: To help consumers be better shoppers in the home buying and mortgage loan process by requiring that consumers receive disclosures at various times in the transaction and by prohibiting practices, such as paying kickbacks, that increase the cost of settlement services. The program also provides consumers with protection relating to the servicing of their loans, including proper escrow account management.						
Performance Indicators		Data Sources	Performance Report		Performance Plan	
			2006 Plan	2006 Actual	2007 Plan	2008 Plan
Respond to 3,000 inquiries and complaints from consumers and industry regarding the Real Estate Settlement Procedures Act and the homebuying and mortgage loan process.		PO 30 Case Tracking System and Website Email Box	Respond to 1,000 inquiries and complaints	Responded to 1,355 inquiries and complaints	Respond to 3,000 inquiries and complaints	Respond to 3,000 inquiries and complaints

**Explanation of Indicators**

This enforcement effort reflects the priority of protecting consumers involved in home buying, home financing, settlement processes and related matters.

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**HOUSING**

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**Justification of Proposed Changes in Appropriations Language**

**Explanation of Changes**

No proposed language change for this account.

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 Crosswalk of 2006 Availability  
 (Dollars in Thousands)

<u>Budget Activity</u>	<u>2006 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2006 Resources</u>
Fees .....	\$694	...	...	...	...	\$694
Total .....	694	...	...	...	...	694

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 Crosswalk of 2007 Changes  
 (Dollars in Thousands)

<u>Budget Activity</u>	2007 President's Budget Request	FY 2007 CR Estimate	2007 Supplemental/ Rescission	Reprogrammings	Carryover	Total 2007 Resources
Fees .....	\$650	\$650	...	...	...	\$650
Total .....	650	650	...	...	...	650