

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

COMMUNITY PLANNING AND DEVELOPMENT

REVOLVING FUND (LIQUIDATING PROGRAMS)

PROGRAM HIGHLIGHTS

	ACTUAL 2000	ENACTED 2001	ESTIMATE 2002	INCREASE + DECREASE - 2002 vs 2001
(Dollars in Thousands)				
Receipts and Repayments .....	\$36,293	\$42,000	\$36,900	-\$5,100
<u>Repayments to the Treasury:</u>				
In year dividend .....	\$50,000	\$45,000	\$40,000	-\$5,000
Cumulative .....	\$2,122,519	\$2,167,519	\$2,207,519	+\$40,000
Book value of Assets, EOY .....	\$236,833	\$186,000	\$154,000	-\$32,000
Budget Outlays (Net Receipts) ...	-\$29,328	-\$29,000	-\$28,300	+\$700

SUMMARY OF BUDGET ESTIMATES

The expenses of the Revolving Fund (Liquidating Programs) are financed from repayments of loans and advances; therefore, no appropriation is requested. The Department is considering selling the Section 312 portion of the loan portfolio.

EXPLANATION OF INCREASES AND DECREASES

It is anticipated that collections by the Revolving Fund will decrease by \$5.1 million to \$36.9 million in fiscal year 2002. This reflects the continued liquidation of the Fund and results in lower net receipts. Projected receipts and repayments continue to decline as Section 312 Rehabilitation Loans are repaid. Correspondingly, the dividend to the Treasury decreases by \$5 million as there are fewer resources and collections in the account.

PROGRAM DESCRIPTION AND ACTIVITY

Legislative Authority and Program Area Organization. The Revolving Fund (Liquidating Programs) was established by the Independent Offices Appropriation Act, 1955, to provide a single fund to assist in the efficient liquidation of assets acquired under various housing and urban development programs. The assets of certain war and emergency housing constructed under the Lanham and Related Acts, Alaska Prefabricated Housing, War Public Works, Defense Community Facilities and Reconstruction Finance Corporation Public Agency Loan programs initially were included in this Fund. At the end of 1970, the Public Works Planning Advances, Grants to Aid Advance Acquisition of Land, and the Alaska Housing Grants and Loans programs were terminated and the assets were transferred to this Fund for liquidation.

In 1975, the assets and liabilities of four community development categorical programs comprised of Basic Water and Sewer Facilities, Neighborhood Facilities, Open Space Land, and Public Facility Loans were included in the Fund pursuant to Section 117(b) of the Housing and Community Development Act of 1974, which provided for such transfers to facilitate liquidation of the programs. In 1984, the New Communities program was transferred to the Revolving Fund; and, on October 1, 1986, the Urban Renewal Program was transferred to the Fund.

Revolving Fund

The National Affordable Housing Act repealed the Rental Rehabilitation Grants and Rehabilitation Loan (Section 312) programs. Both programs were transferred to the Revolving Fund (Liquidating Programs), effective October 1, 1991, pursuant to P.L. 102-27 and P.L. 102-139.

Since 1994, income has exceeded operating expenses and disbursements of obligations, resulting in net receipts. This income is mostly from the repayments of active loans from the Section 312 Rehabilitation Loan program.

STATUS OF FUNDS

Balances Available.

The following table shows the status of the Revolving Fund for fiscal years 2000 through-2002.

	ACTUAL <u>2000</u>	ENACTED <u>2001</u>	ESTIMATE <u>2002</u>
	(Dollars in Thousands)		
<u>Source of Funds:</u>			
Unobligated balance, start of year.....	\$93,457	\$75,913	\$62,913
Receipts:			
Repayments.....	36,293	42,000	36,900
Recaptures.....	<u>2,721</u>	<u>...</u>	<u>...</u>
Total available.....	132,471	117,913	99,813
<u>Application of Funds:</u>			
Sec. 312 Loan Servicing, and Foreclosure/ Judgement Expenses, Acquired Security, Collateral, and Maintenance.....	5,458	9,000	7,700
Payment of Salaries and Expenses to HUD....	1,100	1,000	900
Payment of dividend to the U. S. Treasury...	<u>50,000</u>	<u>45,000</u>	<u>40,000</u>
Total, application of funds.....	56,558	55,000	48,600
Unobligated balance, end of year.....	75,913	62,913	51,213

SUMMARY OF OBLIGATED BALANCES WITHIN THE REVOLVING FUND

Summary of obligated balances, end of year, follows:

	ACTUAL ESTIMATE <u>2000</u>	ENACTED <u>2001</u>	<u>2002</u>
	(Dollars in Thousands)		
Obligated balance, start of year.....	\$9,042	\$5,914	2,914
Obligations incurred.....	<u>6,558</u>	<u>10,000</u>	<u>8,600</u>
Subtotal.....	15,600	15,914	11,514
Outlays (Gross).....	-6,965	-13,000	-8,600
Adjustment in Unexpired Accounts.....	<u>-2,721</u>	<u>...</u>	<u>...</u>
Obligated balance, end of year.....	5,914	2,914	2,914

STRATEGIC GOALS AND OBJECTIVES: RESOURCES REQUESTED (\$ AND FTE) AND RESULTS

This is not an active program, so there are no Strategic Goals or Objectives associated with it.