

**COMMUNITY PLANNING AND DEVELOPMENT  
REVOLVING FUND (LIQUIDATING PROGRAMS)  
2005 Summary Statement and Initiatives  
(Dollars in Thousands)**

| <b>REVOLVING FUND (LIQUIDATING PROGRAMS)</b> | <b><u>Receipts and Repayments</u></b> | <b><u>Repayments to Treasury-In Year Dividend</u></b> | <b><u>Repayments to Treasury-Cumulative</u></b> | <b><u>Book Value of Assets, EOY</u></b> | <b><u>Outlays</u></b> |
|--|---------------------------------------|---|---|---|-----------------------|
| 2003 Appropriation                           | 11,621                                | 10,000  | 2,267,519                                       | 27,262                                  | -11,030               |
| 2004 Appropriation/Request                   | 1,000                                 | 10,000  | 2,277,519                                       | 15,000                                  | ...                   |
| 2005 Request                                 | 800                                   | 5,000   | 2,282,519                                       | 11,000                                  | ...                   |
| Program Improvements/Offsets                 | (200)                                 | (5,000)   | 5,000   | (4,000)                                 | ...                   |

**Summary Statement**

The expenses of the Revolving Fund (Liquidating Programs) are financed from repayments of loans and recaptures; therefore, no appropriation is requested. However, it should also be noted that this account's largest previous source of funds came from the Section 312 loan portfolio, which was sold in fiscal year 2001 for \$64 million. Contract support is still required to support the loans sold to the private sector, as well as the remaining reduced portfolio. There are three components to this contract:

- (1) Property Disposition--resolution of the outstanding issues related to the July 2001 loan sale with the primary focus on compiling the necessary property documents required for placing these assets into the Department's property disposition pipeline (goal is to sell these remaining assets);
- (2) Mortgage satisfactions and Releases--continue the preparation and processing of all Section 312 mortgage releases and satisfactions, as requested by 312 borrowers or their legally appointed representative, who claim that their loan has been paid in full; and
- (3) File Storage and Servicing--continue to store all of the 312 historical program files and continue to address and resolve all correspondence and telephone inquiries pertaining to the portfolio.

The Section 312 loan program provided first and junior lien financing at below market interest rates for the rehabilitation of homes in low-income neighborhoods. This program ceased originating new loans over 10 years ago. More than 100,000 loans were made since the authorization of the program in the Housing Act of 1964.

**Explanation of Increases and Decreases**

The continued liquidation of this account reflects lower activity in all categories. Since the sale of most of the Section 312 loan portfolio in fiscal year 2001, activity in this account has been reduced. Receipts decline by \$200 thousand as there are fewer Public Facility Loans being collected in fiscal year 2005 versus fiscal year 2004.

Revolving Fund

COMMUNITY PLANNING AND DEVELOPMENT  
 REVOLVING FUND (LIQUIDATING PROGRAMS)  
 Summary of Resources by Program  
 (Dollars in Thousands)

| <u>Budget Activity</u>                            | <u>2003<br/>Receipts<br/>and<br/>Repayments</u> | <u>2003<br/>In year<br/>Dividend</u> | <u>2003<br/>Cumulative</u> | <u>2004<br/>Receipts<br/>and<br/>Repayments</u> | <u>2004<br/>In year<br/>Dividend</u> | <u>2004<br/>Cumulative</u> | <u>2005<br/>Receipts<br/>and<br/>Repayments</u> | <u>2005<br/>In year<br/>Dividend</u> |
|---|---|--------------------------------------|----------------------------|---|--------------------------------------|----------------------------|---|--------------------------------------|
| Liquidating Programs                              | 11,621  | 10,000                               | 2,267,519                  | 1,000   | 10,000                               | 2,277,519                  | 800   | 5,000                                |
| Total Revolving Fund<br>(Liquidating<br>Programs) | 11,621  | 10,000                               | 2,267,519                  | 1,000   | 10,000                               | 2,277,519                  | 800   | 5,000                                |

Revolving Fund

**COMMUNITY PLANNING AND DEVELOPMENT  
REVOLVING FUND (LIQUIDATING PROGRAMS)  
Program Offsets  
(Dollars in Thousands)**

| <b>Liquidating Programs</b>  | <b><u>Amount</u></b> |
|------------------------------|----------------------|
| 2003 Receipts and Repayments | 11,621               |
| 2004 Receipts and Repayments | 1,000                |
| 2005 Receipts and Repayments | <u>800</u>           |
| Program Improvements/Offsets | (200)                |

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.

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.

Revolving Fund

COMMUNITY PLANNING AND DEVELOPMENT  
 REVOLVING FUND (LIQUIDATING PROGRAMS)  
 Crosswalk of 2003 Availability  
 (Dollars in Thousands)

| <u>Budget Authority</u> | <u>2003<br/>Receipts<br/>and Repayments</u> | <u>2003 Repayments<br/>to Treasury-In<br/>Year Dividend</u> | <u>2003<br/>Repayments to<br/>Treasury-<br/>Cummulative</u> | <u>2003<br/>Book Value of<br/>Assets, EOY</u> |
|-------------------------|---|---|---|---|
| Liquidating Programs    | 11,621                                      | 10,000  | 2,267,519   | 27,262  |
| Total Changes.....      | 11,621                                      | 10,000  | 2,267,519   | 27,262  |

NOTES

None.

Transfers to Other Accounts

None.

Revolving Fund

COMMUNITY PLANNING AND DEVELOPMENT  
 REVOLVING FUND (LIQUIDATING PROGRAMS)  
 Crosswalk of 2004 Changes  
 (Dollars in Thousands)

| <u>Budget Authority</u> | <u>2004<br/>Receipts<br/>and Repayments</u> | <u>2004<br/>Repayments to<br/>Treasury-In<br/>Year Dividend</u> | <u>2004<br/>Repayments to<br/>Treasury-<br/>Cumulative</u> | <u>2004<br/>Book Value of<br/>Assets</u> |
|-------------------------|---|---|--|--|
| Liquidating Programs    | 1,000                                       | 10,000  | 2,277,519  | 15,000                                   |
| Total Changes.....      | 1,000                                       | 10,000  | 2,277,519  | 15,000                                   |

NOTES

None.