

HOUSING  
INTERSTATE LAND SALES AND REAL ESTATE SETTLEMENT PROCEDURES ACT (RESPA)  
2005 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>
2003 Appropriation .....	\$323	...	...	\$323	...	\$323
2004 Appropriation/Request .....	350	...	...	350	...	350
2005 Request .....	<u>350</u>	<u>...</u>	<u>...</u>	<u>350</u>	<u>...</u>	<u>350</u>
Program Improvements/Offsets .....	...	...	...	...	...	...

**Summary**

For fiscal year 2005, the Budget reflects \$350 thousand of estimated fee revenue from filings 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. This is the same level projected for 2004. These fees are derived from developers for the registration of subdivisions. In fiscal year 2005, the estimated program activity level is projected to be 600 filings, the same as 2004.

In addition to administration of registration of Interstate Land Sales, the Department is responsible for the Real Estate Settlement Procedures Act (RESPA); the cost of this activity is funded with appropriations under the Salaries and Expense account.

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.

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. The RESPA reform proposed by the Department as a major consumers protection efforts which will assist millions of American families annually and which is estimated to save homebuyers between \$6 to \$11 billion annually.

**Initiatives**

RESPA Reform. HUD will issue new RESPA regulations to reform the mortgage disclosure process, thus expanding homeownership by making the home buying process less complicated, the paperwork less demanding and the mortgage process less expensive. A key to this outcome is to have for the consumer upfront disclosure of all costs associated in obtaining a Federally related mortgage loan in understandable terms prior to the payment of non-refundable fees. This overall reform effort will assist millions of homebuyers annually and will save \$6 to \$11 billion annually for American families. The Department issued a proposed rule covering RESPA reform in fiscal year 2002 and anticipates a final rule in fiscal year 2004.

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

**HOUSING**  
**INTERSTATE LAND SALES AND REAL ESTATE SETTLEMENT PROCEDURES ACT (RESPA)**  
**Summary of Resources by Program**  
**(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2003 Budget Authority</u>	<u>2002 Carryover Into 2003</u>	<u>2003 Total Resources</u>	<u>2003 Obligations</u>	<u>2004 Budget Authority/ Request</u>	<u>2003 Carryover Into 2004</u>	<u>2004 Total Resources</u>	<u>2005 Request</u>
Fees .....	<u>\$323</u>	<u>...</u>	<u>\$323</u>	<u>\$323</u>	<u>\$350</u>	<u>...</u>	<u>\$350</u>	<u>\$350</u>
Total Interstate Land Sales .....	323	...	323	323	350	...	350	350
FTE								
Headquarters .....			22				32	32
Field .....			<u>...</u>				<u>...</u>	<u>...</u>
Total .....			22				32	32

NOTE: Of the FTEs being reported in fiscal years 2003, 2004 and 2005; 16, 25, and 25, respectively, are for 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>
2003 Appropriation .....	\$323
2004 Appropriation/Request .....	350
2005 Request .....	<u>350</u>
Program Improvements/Offsets .....	...

**Proposed Actions**

For fiscal year 2005, the Budget reflects \$350 thousand of estimated fee revenue from filings 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. This is the same level projected for 2004. These fees are derived from developers for the registration of subdivisions. In fiscal year 2005, the estimated program activity level is projected to be 600 filings, the same as 2004.

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

**HOUSING  
 INTERSTATE LAND SALES AND REAL ESTATE SETTLEMENT PROCEDURES ACT (RESPA)  
 PERFORMANCE INDICATORS**

<b>PROGRAM NAME: INTERSTATE LAND SALES AND REAL ESTATE SETTLEMENT PROCEDURES ACT (RESPA)</b>						
PROGRAM MISSION:						
<b>Performance Indicators</b>		<b>Data Sources</b>	<b>Performance Report</b>		<b>Performance Plan</b>	
			2003 Plan	2003 Actual	2004 Enacted	2005 Plan
Process all new complaints within 2 years of date of receipt.		PO 30 Case Tracking System and Website Email Box	Receive 1,000 complaints	Received 1,000 and processed 1,255 complaints	Receive 1,000 complaints	Receive 1,000 complaints

**Explanation of Indicators**

None.

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**Justification of Proposed Changes in Appropriations Language**

The 2005 President's Budget includes proposed changes in the appropriations language listed and explained below. New language is italicized and underlined, and language proposed for deletion is bracketed.

None.

**Explanation of Changes**

No proposed language change for this account.

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 Crosswalk of 2003 Availability  
 (Dollars in Thousands)

<u>Budget Authority</u>	<u>2003 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2003 Resources</u>
Fees .....	\$323	...	...	...	...	\$323
Total .....	323	...	...	...	...	323

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

HOUSING  
 INTERSTATE LAND SALES AND REAL ESTATE SETTLEMENT PROCEDURES ACT (RESPA)  
 Crosswalk of 2004 Changes  
 (Dollars in Thousands)

<u>Budget Authority</u>	2004 President's Budget Request	Congressional Appropriations Action on 2004 Request	2004 Supplemental/ Rescission	<u>Reprogrammings</u>	<u>Carryover</u>	<u>Total 2004 Resources</u>
Fees .....	<u>\$350</u>	<u>\$350</u>	...	...	...	<u>\$350</u>
Total Changes .....	350	350	...	...	...	350