

PUBLIC AND INDIAN HOUSING
 LOW-RENT PUBLIC HOUSING ASSISTANCE
 2006 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>
2004 Appropriation	\$20,000	\$20,168 ^a	...	\$40,168	\$1,359	-\$1,837
2005 Appropriation	30,000	20,168 ^a	...	50,168	30,000	30,240
2006 Request	<u>30,000</u>	<u>20,168^a</u>	<u>...</u>	<u>50,168</u>	<u>30,000</u>	<u>30,240</u>
Program Improvements/Offsets .....	...	...	...	...	...	...

a/ Reflects the net result of carryover, offsetting collections, and the repayment of debt to the Federal Financing Bank (FFB).

Summary Statement

The fiscal year 2006 Budget assumes that \$30 million of permanent indefinite authority will be used to provide funding for remaining Public Housing development and modernization activities in the pipeline that were reserved under the "Annual Contributions for Assisted Housing" (ACAH) appropriations through 1986. No discretionary appropriation is required. The budget authority and outlay estimates for fiscal year 2006 are projected to be the same level as fiscal year 2005 levels because past experiences show that the expected acceleration of loan draw-downs for pipeline projects have not materialized. For fiscal year 2006, mandatory budget authority is estimated at \$30 million, which is the same level as fiscal year 2005. Outlays are projected at \$30.2 million. Direct loan obligations to PHAs/IHAs and loan write-offs also are affected by the slower activity and are estimated to remain at \$30 million in fiscal year 2006.

Initiatives

This is a liquidating account reflecting pre-1992 loan activity. Therefore, there are no initiatives proposed for fiscal year 2006.

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>2004 Budget Authority</u>	<u>2003 Carryover Into 2004</u>	<u>2004 Total Resources</u>	<u>2004 Obligations</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2006 Request</u>
Low-Rent Public Housing Assistance (mandatory)	\$20,000	\$20,168	\$40,168	\$1,359	\$30,000	\$20,168	\$50,168	\$30,000
Total Low-Rent Public Housing Assistance To PHAs	20,000	20,168	40,168	1,359	30,000	20,168	50,168	30,000

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>
2004 Appropriation	\$20,000
2005 Appropriation	30,000
2006 Request	<u>30,000</u>
Program Improvements/Offsets .....	...

Proposed Actions

The Department proposes \$30 million of mandatory budget authority for the Low-Rent Public Housing Assistance Fund program for fiscal year 2006. This program has not received new appropriation since fiscal year 1986. The program is now in a liquidating status with permanent indefinite borrowing authority and is classified as mandatory. The Department borrows from Treasury each year to close pipeline loan commitments. Once the commitment is closed, both the Department and the Treasury forgive the loan.

Historically, the Department has been using Borrowing Authority to finance the obligations and expenditures of the Low-Rent Public Housing program. In order to finance project construction, housing authorities issued bonds to private investors. In addition to bonds, the Department made loans to the housing authorities, that were later sold to the Federal Financing Bank (FFB). HUD assumed responsibility for the repayment of 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.

The program was established for three reasons. 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 also used as a repository of appropriations provided in prior years to make interest differential payments to the FFB. Budget authority was obligated in the Loan Fund to provide payments to the FFB to fund the difference in interest payments between what 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 closed during the first quarter of 1997 pursuant to Section 507 of the Congressional Budget Act of 1974.

Low-Rent Public Housing Assistance

PUBLIC AND INDIAN HOUSING
LOW-RENT PUBLIC HOUSING ASSISTANCE
Justification of Proposed Changes in Appropriations Language

This account has not received new appropriations since fiscal year 1986. The account is now in liquidating status with permanent indefinite borrowing authority and is classified as mandatory. Therefore, there are no proposed changes in Appropriations Language for this account.

Low-Rent Public Housing Assistance

PUBLIC AND INDIAN HOUSING
 LOW-RENT PUBLIC HOUSING ASSISTANCE
 Crosswalk of 2004 Availability
 (Dollars in Thousands)

<u>Budget Activity</u>	<u>2004 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2004 Resources</u>
Low-Rent Public Housing Assistance (mandatory)	<u>\$20,000</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>\$20,168</u> ^a	<u>\$40,168</u>
Total	20,000	...	...	...	20,168	40,168

a/ Reflects the net result of carryover, offsetting collections, and the repayment of debt to the FFB.

Low-Rent Public Housing Assistance

PUBLIC AND INDIAN HOUSING
 LOW-RENT PUBLIC HOUSING ASSISTANCE
 Crosswalk of 2005 Changes
 (Dollars in Thousands)

<u>Budget Activity</u>	<u>2005 President's Budget Request</u>	<u>Congressional Appropriations Action on 2005 Request</u>	<u>2005 Supplemental/ Rescission</u>	<u>Reprogrammings</u>	<u>Carryover</u>	<u>Total 2005 Resources</u>
Low-Rent Public Housing Assistance (mandatory)	<u>\$30,000</u>	<u>\$30,000</u>	<u>...</u>	<u>...</u>	<u>\$20,168</u> ^a	<u>\$50,168</u>
Total Changes	30,000	30,000	...	...	20,168	50,168

a/ Reflects the net result of carryover, offsetting collections, and the repayment of debt to the FFB.