

HOUSING
INTERSTATE LAND SALES AND REAL ESTATE SETTLEMENT PROCEDURES ACT (RESPA)
2006 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>
2004 Appropriation	\$422	...	...	\$422	\$422	\$422
2005 Appropriation	350	...	...	350	350	350
2006 Request	<u>350</u>	<u>...</u>	<u>...</u>	<u>350</u>	<u>350</u>	<u>350</u>
Program Improvements/Offsets .....	...	...	...	...	...	...

Summary Statement

For fiscal year 2006, 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 2005. These fees are derived from developers for the registration of subdivisions. In fiscal year 2006, the estimated program activity level is projected to be 600 filings, the same as 2005.

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) which also is a consumer protection activity. The cost of this activity is funded with appropriations under the Salaries and Expense account.

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.

Initiatives

No new initiatives are proposed for fiscal year 2006.

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>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>
Fees	\$422	...	\$422	\$350	\$350	...	\$350	\$350
Total Interstate Land Sales	422	...	422	350	350	...	350	350

<u>FTE</u>	<u>2004 Actual</u>	<u>2005 Estimate</u>	<u>2006 Estimate</u>
Headquarters	29	42	40
Field .....	...	...	...
Total	29	42	40

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

HOUSING
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Program Offsets
(Dollars in Thousands)

Fees	<u>Amount</u>
2004 Appropriation	\$422
2005 Appropriation	350
2006 Request	<u>350</u>
Program Improvements/Offsets .....	...

Proposed Actions

For fiscal year 2006, 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 2005. These fees are derived from developers for the registration of subdivisions. In fiscal year 2006, the estimated program activity level is projected to be 600 filings, the same as 2005.

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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**

PROGRAM NAME: INTERSTATE LAND SALES AND REAL ESTATE SETTLEMENT PROCEDURES ACT (RESPA)					
PROGRAM MISSION: To protect consumers by making relevant information available to them when they are considering purchasing land.					
Performance Indicators	Data Sources	Performance Report		Performance Plan	
		2004 Plan	2004 Actual	2005 Plan	2006 Plan
Respond to 1,000 inquiries and complaints from consumers and industry regarding the homebuying and mortgage loan process.	PO 30 Case Tracking System and Website Email Box	Receive 1,000 complaints	Received and processed 1,244 complaints	Respond to 1,000 inquiries and complaints	Respond to 1,000 inquiries and complaints

Explanation of Indicators

None.

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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 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>
Fees	\$422	...	...	...	...	\$422
Total	422	...	...	...	...	422

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

HOUSING
 INTERSTATE LAND SALES AND REAL ESTATE SETTLEMENT PROCEDURES ACT (RESPA)
 Crosswalk of 2005 Changes
 (Dollars in Thousands)

<u>Budget Activity</u>	2005 President's Budget Request	Congressional Appropriations Action on 2005 Request	2005 Supplemental/ Rescission	<u>Reprogrammings</u>	<u>Carryover</u>	Total 2005 <u>Resources</u>
Fees	\$350	\$350	...	...	...	\$350
Total Changes	350	350	...	...	...	350