

HOUSING
 FLEXIBLE SUBSIDY FUND
 2007 Summary Statement and Initiatives
 (Dollars in Thousands)

FLEXIBLE SUBSIDY FUND	<u>Enacted/ Request</u>	<u>Carryover</u>	<u>Supplemental/ Rescission</u>	<u>Total Resources</u>	<u>Obligations</u>	<u>Outlays</u>
2005 Appropriation	\$71,269 ^a	-\$68,101	\$3,168	...	-\$28,725
2006 Appropriation/Request	23,168 ^b	...	23,168	...	...
2007 Request	<u>...</u>	<u>43,168^c</u>	<u>...</u>	<u>43,168</u>	<u>...</u>	<u>...</u>
Program Improvements/Offsets	+20,000	...	+20,000	...	...

- a/ Consists of an unobligated balance of \$42 million carried forward from fiscal year 2004 and offsetting collections of \$28.7 million and recaptures of \$519 thousand realized during fiscal year 2005.
- b/ Includes an unobligated balance of \$3 million carried forward from fiscal year 2005 and \$20 million of offsetting collections anticipated for fiscal year 2006.
- c/ Includes unobligated balance of \$23 million carried forward from fiscal year 2006 and \$20 million of offsetting collections anticipated for fiscal year 2007.

Summary Statement

No new obligations are anticipated in fiscal year 2007.

The Flexible Subsidy Fund was initially authorized by the Housing and Community Development Amendments of 1978, subsequently amended by the Housing and Community Development (HCD) Act of 1987, and further amended by the McKinney Homeless Assistance Amendments Act of 1988. The HCD Amendments of 1978 established the Flexible Subsidy Fund into which repaid funds would be credited along with any transfer from the Rental Housing Assistance Fund.

Refunding of excess rental income remitted to the Department could be made from either the Rental Housing Assistance Fund or the Flexible Subsidy Fund, as authorized by Section 532 of the fiscal year 2000 Appropriations Act and amended by Section 861 of the American Homeownership and Economic Opportunity Act of 2000. Excess rental income in the Rental Housing Assistance Fund not refunded to project owners will continue to be transferred to the Flexible Subsidy Fund.

The unobligated balance remaining in this account in fiscal year 2007 will consist of excess rental income, interest and principal on loans, and interest on investments. However, none of these funds are available for obligation without Congressional appropriations.

Initiatives

No new initiatives are proposed for fiscal year 2007.

Flexible Subsidy Fund

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Summary of Resources by Program
(Dollars in Thousands)

<u>Budget Activity</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2005 Obligations</u>	<u>2006 Budget Authority/ Request</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2007 Request</u>
Flexible Subsidy	-\$68,101	\$71,269	\$3,168	...	...	\$23,168	\$23,168	...
Total	-68,101	71,269	3,168	...	...	23,168	23,168	...

2004 Carryover Into 2005. The balance consists of an unobligated balance of \$42 million carried forward from fiscal year 2004 and offsetting collections of \$28.7 million and recaptures of \$519 thousand realized during fiscal year 2005.

2005 Carryover Into 2006. The balance consists of the \$3 million of unobligated balance from fiscal year 2005 carried forward into fiscal year 2006 and \$20 million of offsetting collections anticipated for fiscal year 2006.

<u>FTE</u>	<u>2005 Actual</u>	<u>2006 Estimate</u>	<u>2007 Estimate</u>
Headquarters
Field	<u>7</u>	<u>7</u>	<u>6</u>
Total	7	7	6

Flexible Subsidy Fund

HOUSING
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Program Offsets
(Dollars in Thousands)

Flexible Subsidy	<u>Amount</u>
2005 Appropriation	-\$68,101
2006 Appropriation/Request .....	...
2007 Request	<u>...</u>
Program Improvements/Offsets .....	...

Proposed Actions

There are no proposed actions for this program.

Flexible Subsidy Fund

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Performance Measurement Table**

Program Name: FLEXIBLE SUBSIDY FUND					
Program Mission: The Flexible Subsidy Fund was initially authorized by the Housing and Community Development Amendments of 1978, subsequently amended by the Housing and Community Development (HCD) Act of 1987, and further amended by the McKinney Homeless Assistance Amendments Act of 1988. The HCD Amendments of 1978 established the Flexible Subsidy Fund into which repaid funds would be credited along with any transfer from the Rental Housing Assistance Fund.					
Performance Indicators	Data Sources	Performance Report		Performance Plan	
		2005 Plan	2005 Actual	2006 Plan	2007 Plan
The share of assisted and insured privately owned multifamily properties that meet HUD-established physical standards are maintained at no less than 95 percent.	MF Program Office and Annual Performance Plan	95%	95.9%	95%	95%

Explanation of Indicators

This indicator tracks the progress made by multifamily properties receiving assistance, as a group, in meeting physical condition standards established under the Real Estate Assessment Center's (REAC) Physical Assessment Inspection program.

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Justification of Proposed Changes in Appropriations Language**

The 2006 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.

[From the Rental Housing Assistance Fund, all uncommitted balances of excess rental charges as of September 30, 2005, and any collections made during fiscal year 2006 and all subsequent years, shall be transferred to the Flexible Subsidy Fund, as authorized by section 236(g) of the National Housing Act, as amended.] (*Departments of Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia and Independent Agencies Appropriations Act, 2006*)

Explanation of Changes

The fiscal year 2006 Appropriations Act provided permanent authority to transfer any collections of excess rental charges to the Flexible Subsidy Fund. No additional appropriations language is necessary.

Flexible Subsidy Fund

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 Crosswalk of 2005 Availability
 (Dollars in Thousands)

<u>Budget Activity</u>	<u>2005 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2005 Resources</u>
Flexible Subsidy	-\$68,101	...	...	\$71,269	\$3,168
Total	-68,101	...	...	71,269	3,168

Carryover. The carryover balance consists of an unobligated balance of \$42 million carried forward from fiscal year 2004 and offsetting collections of \$28.7 million and recaptures of \$519 thousand realized during fiscal year 2005.

Flexible Subsidy Fund

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 Crosswalk of 2006 Changes
 (Dollars in Thousands)

<u>Budget Activity</u>	<u>2006 President's Budget Request</u>	<u>Congressional Appropriations Action on 2006 Request</u>	<u>2006 Supplemental/ Rescission</u>	<u>Reprogrammings</u>	<u>Carryover</u>	<u>Total 2006 Resources</u>
Flexible Subsidy	\$23,168	\$23,168
Total	23,168	23,168

Carryover. The carryover balance consists of the \$3 million of unobligated balance from fiscal year 2005 carried forward into fiscal year 2006 and \$20 million of offsetting collections anticipated for fiscal year 2006.