HOUSING
GENERAL AND SPECIAL RISK INSURANCE FUND
2012 Summary Statement and Initiatives
(Dollars in Thousands)

FHA--GENERAL AND SPECIAL RISK INSURANCE FUND	Enacted/ Request	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Outlays
2010 Appropriation	$8,600	$14,913	...	$23,513	$13,972	$51,604
2011 CR	8,600	9,541	...	18,141	4,279	15,527
2012 Request	8,600	13,862	...	22,462	5,457	12,093
Program Improvements/Offsets	...	+4,321	...	+4,321	+1,178	-3,434

Summary Statement

Loan guarantee programs operating under the Federal Housing Administration's General Insurance and Special Risk Insurance (GI/SRI) Fund encourage critical mortgage financing opportunities that strengthen communities across the country. GI/SRI houses a wide range of mortgage insurance products to address specialized financing needs, including insurance for loans to develop, rehabilitate, and refinance multifamily rental housing, nursing home facilities, and hospitals. GI/SRI programs also include loan guarantees for Title I manufactured housing and for property improvement loans.

The role of these programs is especially significant in the current economic climate. Driven by low interest rates, more constrained lending in the conventional mortgage market, and improvements in HUD business operations, GI/SRI loan insurance commitments for multifamily and healthcare programs have increased dramatically in the last 3 years. Mortgage commitment issuances rose from $4.3 billion in fiscal year 2008 to $7.7 billion in 2009 to $16.2 billion in 2010. High levels of mortgage insurance activity are anticipated to continue in fiscal years 2011 and 2012.

The fiscal year 2012 Budget request for GI/SRI includes commitment authority for loan guarantees, appropriations providing positive credit subsidy for the three programs operating below break-even, and direct loan authority for a short-term single family purchase money mortgage program.

Loan Guarantee Limitation. A loan guarantee limitation of $25 billion is requested for fiscal year 2012, an increase of $5 billion from the fiscal year 2011 request. New insurance commitments are projected to exceed $19 billion in fiscal year 2011 and reach $22 billion in 2012. The amount requested above the 2012 projection minimizes the potential for reaching the limitation and having to suspend program activity prior to the end of the year. Of the total commitments projected for fiscal year 2012, it is estimated that $12.8 billion will be issued for FHA's multifamily housing programs. Another $9.6 billion is estimated for hospitals and other health care facility mortgages. Title I Property Improvements and Manufactured Housing commitments – which represent the only new single family activity for fiscal year 2012 – are projected at $234 million.

Note that prior to fiscal year 2009, the GI/SRI fund covered a number of significant single family insurance programs, such as the HECM reverse mortgage guarantees and condominium unit financing. With the enactment of the Housing and Economic Recovery Act of 2008 (HERA), financial responsibility for almost all single family programs was transferred to the Mutual Mortgage Insurance (MMI) Fund. To reflect the smaller portfolio of programs included in GI/SRI, the loan guarantee limitation was substantially reduced from the fiscal year 2009 level of $45 billion.

Appropriations. An appropriation of $8.6 million is requested for fiscal year 2012. These funds will be used to cover positive credit subsidy requirements for the handful of loan programs in GI/SRI that are not self-supporting. Based on fiscal year 2012 credit subsidy rate models, these programs would include loans to non-profit housing developers under Section 221(d)(3), Section 223(d) operating loss loans to Nursing Homes with primary mortgages under Section 232, and Section 241 supplemental loans for improvements to projects with a HUD-insured primary mortgage. A fourth program – Sec. 238(c) insurance for single family homes in military impact areas – was also projected to require positive subsidy. However, HUD is in the process of seeking to administratively suspend the issuance of Section 238(c) insurance, an action should be completed for fiscal year 2012. All other GI/SRI programs will generate negative credit subsidy, which will be returned to the Treasury general fund as offsetting receipts.

Funding for administrative contracts associated with GI/SRI programs was realigned to the MMI fund beginning in fiscal year 2010 to enable more efficient management of FHA resources.

Direct Loan Limitation. A direct loan limitation of $20 million is requested, the same as fiscal year 2011. The loan authority requested is for short-term purchase money mortgages for non-profit and governmental agencies to make HUD-acquired single family properties available for resale to purchasers with household incomes at or below 115 percent of an area's median.

Program Relationship to Strategic Goals and Subgoals:

GI/SRI mortgage insurance programs make critical contributions toward the Department's mission of creating strong, sustainable, inclusive communities and quality affordable homes for all. More specifically, the Fund supports the following strategic goal and all three sub goals:

Strategic Plan Goal 2 – Meet the Need for Quality Affordable Rental Homes

Subgoal 2B: Expand the supply of affordable rental homes where they are most needed

All FHA new construction and substantial rehabilitation projects for multifamily housing are developed in markets where there is a strong, well demonstrated demand for additional rental housing. Statutory per-unit cost limitations help to ensure that market rate FHA mortgage insurance products stimulate development that is accessible to middle- and low-income families. In addition, FHA financing is often paired with low-income house tax credits, rental subsidies for low- and moderate-income families, tax-exempt bond financing, and/or other state and local resources to expand the offering of affordable units in areas where they are needed most.

Subgoal 2C: Preserve the affordability and improve the quality of federally assisted and private unassisted affordable rental homes

At the end of fiscal year 2010, FHA was insuring 12,450 multifamily housing and healthcare facility mortgages providing more than 1.5 million units/beds. Among those are 6,700 mortgages supporting affordable housing units – those receiving rental assistance, those which have a subsidized mortgage, and/or those which benefit from tax-exempt bond financing or low-income housing tax credits. HUD monitors financial performance on all FHA properties to identify those in trouble, and makes physical inspections of all FHA-insured properties that receive federal rental assistance. In fiscal year 2010, 93.8 percent of assisted and insured privately owned multifamily properties met HUD-established physical standards.

Preservation is also advanced by the Mark-to-Market program, which maintains current affordable housing units while enabling savings for HUD rental subsidy programs. Under Mark-to-Market, as rental assistance contracts expire on thousands of privately owned multifamily properties with federally insured mortgages, property rents are evaluated and may be reduced to more accurately reflect local markets. Existing debt may then be restructured under FHA to levels supportable by the new rents. The fiscal year 2012 budget includes a request to extend the Mark-to-Market program for four years beyond its stated sunset at the end of fiscal year 2011.

More broadly, FHA's standard multifamily refinancing products improve the long term financial sustainability of multifamily projects and may provide resources for updates to the units, both of which helps to ensure these rental homes remain in the inventory. New loan insurance commitments in 2010 included 779 refinances of existing properties with over 130,000 apartment homes.

Subgoal 2D: Expand families' choices of affordable rental homes located in a broad range of communities

FHA's broad range of multifamily programs and non-recourse favorable loan terms induce developers to produce needed rental housing and provide consumers with a wide array of housing options for all life stages. In fiscal year 2010, HUD endorsed 974 multifamily loans in 47 states and Puerto Rico. These projects range from high-rise buildings in up-and-coming urban areas to garden-style apartments in suburban settings – wherever there is a strong demand for rental housing. In addition to traditional rental housing, FHA insurance supports the development of assisted living and nursing homes facilities that are home to elderly persons in need of supportive services. Fiscal year 2010 loan endorsements for nursing home and assisted living facilities support more than 43,000 units/beds.

HOUSING
GENERAL AND SPECIAL RISK INSURANCE FUND
Summary of Resources by Program

(Dollars in Thousands)

Budget Activity	2010 Budget Authority	2009 Carryover Into 2010	2010 Total Resources	2010 Obligations	2011 CR	2010 Carryover Into 2011	2011 Total Resources	2012 Request
Positive Subsidy								
Appropriation	$8,600	$14,913	$23,513	$13,972	$8,600	$9,541	$18,141	$8,600
Total	8,600	14,913	23,513	13,972	8,600	9,541	18,141	8,600

FTE	2010 Actual	2011 Estimate	2012 Estimate
Headquarters	338	337	370
Field	814	796	829
Total	1,152	1,133	1,199

HOUSING
GENERAL AND SPECIAL RISK INSURANCE FUND
Program Offsets
(Dollars in Thousands)

Positive Subsidy Appropriation	Amount
2010 Appropriation	$8,600
2011 CR	8,600
2012 Request	8,600
Program Improvements/Offsets	...

Proposed Actions

An appropriation of $8.6 million is requested for positive credit subsidy for fiscal year 2012, the same as is currently anticipated for 2011. Requirements for credit subsidy are calculated annually for each budget risk category, which contains one or several similar programs. For fiscal year 2012, GI/SRI will have fourteen risk categories of which three will require positive subsidy. The eleven risk categories operating above break-even are projected to generate $467 million in receipts that will be returned to the Treasury general fund.

Credit Subsidy Rates. Credit subsidy rates represent the projected net cost or savings to the government of operating a loan guarantee program, and take into account projected claims, pre-payments, premium revenue, and recoveries on defaults for a cohort of loans over their lifetime. In accordance with the Credit Reform Act of 1990, administrative costs (excluding property disposition) are not included in credit subsidy calculations. FHA credit subsidy rates reflect historic performance data for similar loans made over the past 40 years, with adjustments made for significant policy shifts as well as changing economic and market conditions. The Department devotes significant efforts to updating and continuously refining the credit subsidy estimates. Each year the extensive statistical base from which projections of future loan performance are calculated is updated with an additional year of actual data. The Department and OMB continue to examine the data, assumptions, and calculations that are used to estimate loan program cash flows and subsidy rates in order to eliminate errors and improve the accuracy and reliability of projections.

The following table displays the estimated allocation of commitment authority and subsidy rates that will be applied to commitments issued in fiscal year 2012:

Mortgage and Loan Insurance Programs – GI/SRI Account

GI/SRI PROGRAMS	Commitment Estimates FY 2012	Subsidy Rates FY 2012	Positive Subsidy BA FY 2012	Negative Subsidy BA FY 2012
Multifamily				
221(d)(4) Apartments New Construction/Sub. Rehab…………………	$4,371,137,561	-1.09%		-$47,645,399
221(d)(3) Non-profit Apartments………………………………………	$35,000,000	11.81%	$4,133,500	
Tax Credit Projects……………………………………………………….	$1,263,899,145	-2.30%		-$29,069,680
223(f)/223(a)(7) Apartments Refinance/Purchase………………………	$6,175,545,944	-2.17%		-$134,009,347
241(a) Supplemental Loans for Apartments……………………………	$18,200,000	5.01%	$911,820	
223(d) Operating Loss Loans……………………………………………	$2,000,000	20.57%	$411,400	
HFA Risksharing………………………...	$233,277,778	-0.99%		-$2,309,450
GSE Risksharing.... ………………………..	$100,000,000	-0.99%		-$990,000
Other Rental (Sections 220,231,207) …………………....................	$626,580,000	-1.70%		-$10,651,860
Multifamily Subtotal ………………………………………………………	*$12,825,640,428*		*$5,456,720*	*-$224,675,736*
Section 242 - Hospitals (includes Refinances & Supplemental Loans)……	$2,930,000,000	-3.82%		-$111,926,000
Section 232 - Nursing Homes/Assisted Living…………………………….				
Full Insurance for Health Care Facilities………………………………..	$597,521,252	-1.34%		-$8,006,785
Health Care Facility Refinance…………………………………………..	$6,106,582,640	-1.96%		-$119,689,020
Healthcare Subtotal……………………………………………….	*$6,704,103,892*			*-$127,695,805*
Title I				
Property Improvements…………………………………………………	$169,638,266	-0.67%		-$1,136,576
Manufactured Housing…………………………………………………..	$64,724,187	-2.14%		-$1,385,098
Title I Subtotal………………………....................................	*$234,362,453*			*-$2,521,674*
Other Single Family (238(c)) ……………………................................	$0	0.45%		
GI/SRI TOTAL………………………………………………………………	**$22,694,106,773**		**$5,456,720**	**-$466,819,215**
Stand-by Authority…………………………………………………………..	$2,305,893,227			
Total New Commitment Authority……………………..........................	$25,000,000,000			

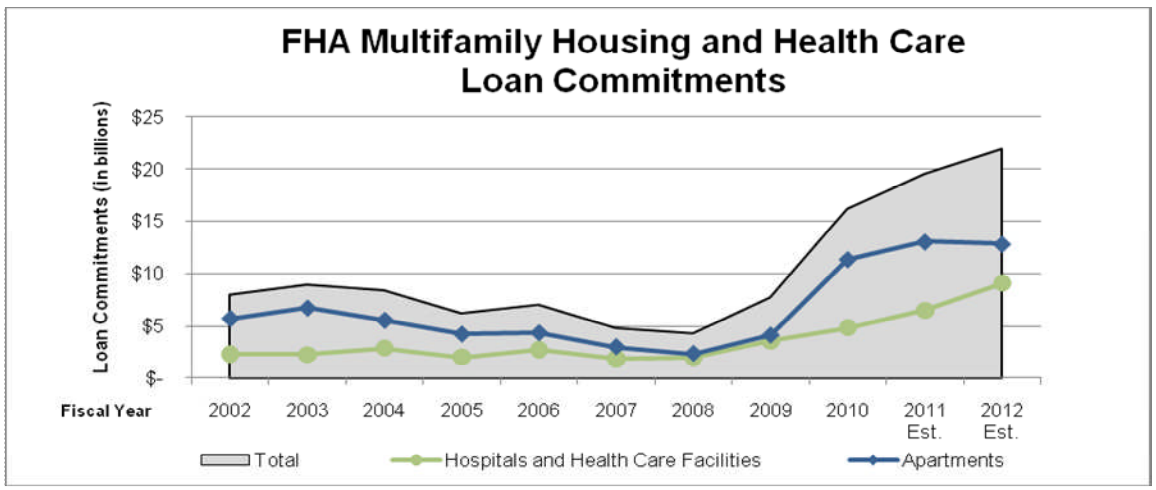
HOUSING
GENERAL AND SPECIAL RISK INSURANCE FUND
Program Offsets
(Dollars in Thousands)

Insurance Commitment	**Loan Guarantees**
Limitation Enacted/Requested	**Amount**
2010 Appropriation	$20,000,000
2011 Request	20,000,000
2012 Request	25,000,000
Program Improvements/Offsets	5,000,000

2010 Appropriation. $15 billion was originally appropriated for GI/SRI's loan guarantee commitment limitation through the fiscal year 2010 Consolidated Appropriations Act (P.L. 111-117). The enactment of the General and Special risk Insurance Funds Availability Act (P.L. 111-228) provided an additional $5 billion of loan guarantee commitment limitation.

Proposed Actions

In fiscal year 2012, FHA multifamily insurance programs will continue to play an important role in the mortgage market for multifamily housing and healthcare facilities. To support the anticipated demand for these programs, the Department requests commitment authority of $25 billion, an increase of $5 billion from 2010.



Multifamily Housing

One third of the nation's households are renters and most of these are families earning less than the median income and are in need of decent, affordable housing units. At a time, in particular, when there is unprecedented stress in the financial markets, FHA Multifamily programs provide the necessary liquidity so that the apartment communities can continue to provide this quality affordable housing. At the same time, FHA multifamily programs must balance this need for liquidity in the market with prudent risk management and in a manner that does not undercut the re-emergence of conventional financing. FHA multifamily housing commitments totaled $11.4 billion in fiscal year 2010 and are projected to total $13.1 billion in 2011 and $12.8 billion in 2012. Estimates assume the following:

- Multifamily rental markets stabilize and tighten in many, though not all, markets;
- A generally stable and historically low interest rate environment with modest increases in fiscal year 2012; and
- A continued lack of conventional financing for commercial real estate, particularly for new construction.

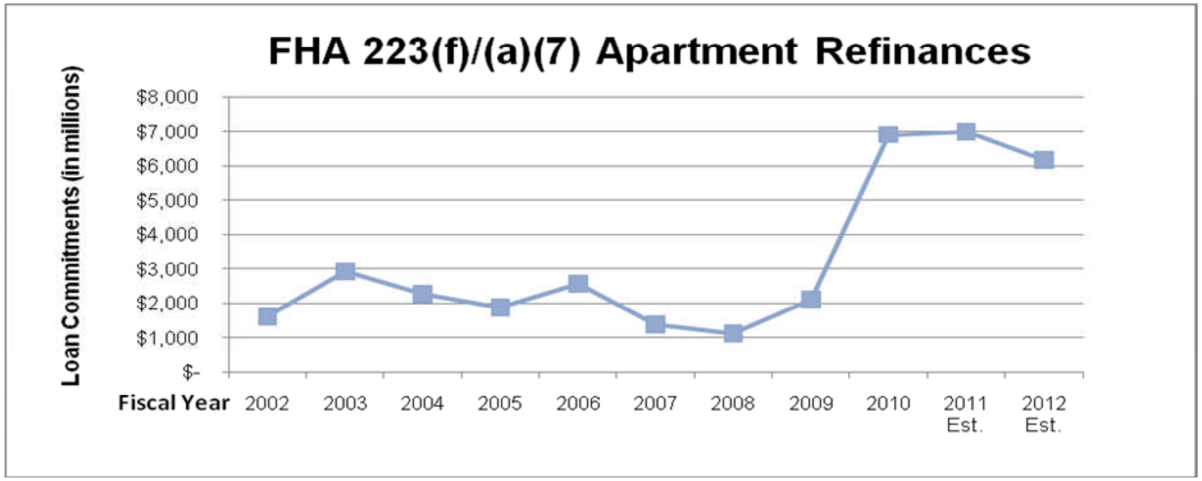
Production volume through fiscal year 2012 will also be subjected to increased credit scrutiny on the part of HUD. In fiscal year 2010 – cognizant of the increased risk associated with FHA's expanding role in the multifamily housing market – FHA made a number of updates to underwriting requirements for multifamily housing loans. Key changes include increased debt service coverage ratios and decreased cost/value ratios for market-rate 221(d)(4) and 223(f) loans, as well as an expanded mortgage credit analysis of borrowers. The updated requirements are part of a boarder risk mitigation strategy that features a national loan committee process for all large projects, new initiatives (under development) to improve lender oversight, and a revised partial payment of claim policy that will generate savings by reducing the number of full claims.

The most active multifamily programs include refinancing products authorized under Sections 223(a)(7) and 223(f) of the National Housing Act; new construction/substantial rehabilitation guarantees authorized under Sections 221(d)(3) and (4), 220, and 231; and risk sharing products authorized under Sections 542(c) and 542(b) of the Housing and Community Development Act.

New Construction. The Section 221(d)(4) Apartment New Construction/Substantial Rehabilitation and other market rate programs are seeing unprecedented demand. 221(d)(4) is one of the largest of FHA's multifamily programs and constitutes mortgage insurance for profit motivated sponsors, with financing allowed for up to 90 percent of the project replacement cost. Section 220 is distinct from 221(d)(4) in that it insures loans for multifamily housing projects in urban renewal areas, code enforcement areas, and other areas where local governments have undertaken designated revitalization activities and offers special allowances for greater mixed-use development. These FHA products include both construction and permanent financing.

As of January 2011, the total pipeline for new construction/substantial rehabilitation was $10.6 billion. Historically, approximately one half of such applications are approved and closed, with the rest rejected or withdrawn due to economic infeasibility or other problems with project development. Loan processing times can vary significantly for these loans, but average about a year for successful applications to proceed from pre-application to the initial endorsement of mortgage insurance. Aside from growth in the number of loans, the pipeline shows significant increases in the average loan size per unit and the number of units per application. This is primarily due to a number of large urban properties targeted to transit oriented sustainable development.

Refinancing. Section 223(f) Mortgage Insurance for Refinancing or Purchase of Existing Multifamily Rental Housing allows for long-term mortgages (up to 35 years) for refinance or purchase of existing multifamily rental housing. Refinances of current FHA-insured multifamily loans are offered under Section 223(a)(7), but are grouped together with Section 223(f) for budgetary purposes. Commitments under these programs totaled $6.9 billion in fiscal year 2010, more than tripling the figure from fiscal year 2009. Volume is expected to remain high through the next 2 years as conventionally financed commercial real estate with maturing over-leveraged debt comes due.



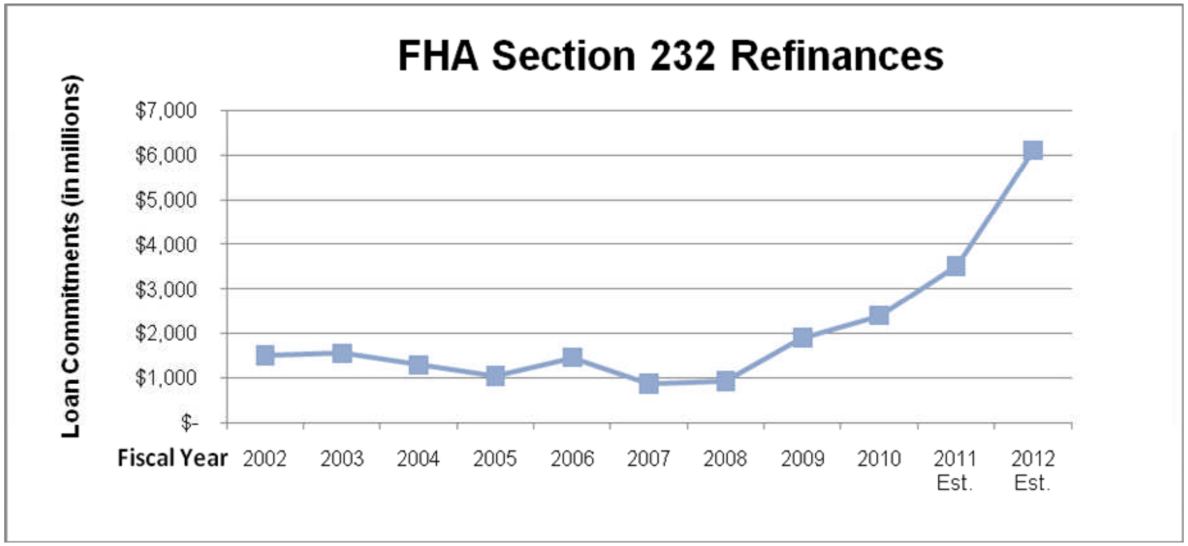
Risk Shares. Under Section 542(b) and 542(c) Mortgage Risk Sharing programs, state and local housing finance agencies (HFAs) and Government-Sponsored Enterprises (GSEs) share the risk and mortgage insurance premium with FHA for multifamily housing loans. HFA risk share agreements range between 10 and 90 percent, while GSE risk shares are fixed at a 50-50 split. (Many of these loans also utilize tax credits so they are reflected within projections for that risk category.)

Other Programs. Smaller multifamily housing programs include two requiring positive credit subsidy in 2012: Section 241(a) and Section 221(d)(3). Section 241(a) provides mortgage insurance for supplemental loans for multifamily projects already insured or held by HUD. This program is intended to keep projects competitive, extend their economic life, and finance the replacement of obsolete equipment. Insured mortgages finance repairs, additions, and improvements to multifamily projects. Section 221(d)(3) is similar to 221(d)(4), but provides new construction/substantial rehabilitation loans to non-profits with financing available up to 100 percent of the replacement cost.

Nursing Home and Assisted Living Facility Programs (Section 232)

The Section 232 Program provides mortgage insurance for loans made for the refinancing, construction, and renovation of nursing homes and assisted living facilities. The program enables access to capital that may not otherwise be available for many quality providers in underserved areas, thereby providing access to needed healthcare and residences for seniors. Due to the recent economic downturn, demand for Section 232 loans has never been higher. In fiscal year 2010, the FHA issued a record number of Section 232 loan commitments: 363 loans for $3.1 billion providing more than 42,000 beds for America's seniors. Volume has increased 40 percent per year in the past 2 fiscal years. As of January 2011, there are more than 420 applications waiting to be processed and approximately 12 new applications are received each week. Commitment volume is projected to climb further to $4 billion in fiscal year 2011 and $6 billion in fiscal year 2012 as HUD staffing is expanded to accommodate the high demand. HUD currently has about 2.1 percent of the total market share for assisted living and about 10.6 percent for nursing homes.

As this program grows rapidly, the Department is highly attuned to managing risk in the insurance portfolio. Due to lack of capital available in the private sector, higher quality borrowers are now turning to HUD to obtain access to the capital they need to refinance existing maturing debt. Several industry leaders – known for quality of care and sound operating practices – are bringing large portfolios of facilities to the program. The higher quality borrowers may ultimately present less risk to the FHA Insurance Fund. More than 85 percent of the projected Section 232 loan volume is for refinancing. To reduce losses when defaults do occur, FHA implemented a Section 232 partial payment of claim policy in fiscal year 2011 that is projected to generate savings by reducing full claims, while at the same time keeping needed facilities in operation.



In addition to the refinancing and new construction programs, FHA also offers nursing homes Section 241(a) supplementary loans (as discussed under multifamily housing) and section 223(d) operating loss loans. Section 223(d) loans cover operating losses during the first 2 years after a project's completion (or any other 2-year period within the first 10 years after completion) of Section 232 projects with a HUD-insured first mortgage. Mortgage insurance on this type of loan has previously been offered (though infrequently utilized) for multifamily housing, but is no longer viewed as a cost effective means for preventing future losses on the associated primary FHA mortgages. However, the program remains a valuable option for Section 232 loans.

Hospital Programs (Section 242)

Section 242 is an FHA-Insured loan program providing mortgage insurance for acute care hospitals. Acute care hospital facilities with FHA insurance provide comprehensive healthcare to more than a million patients every year. Section 242 mortgage insurance allows these hospitals to lock in low interest rates and reduce borrowing costs for major renovation, expansion, replacement, and refinancing projects that help improve healthcare access and quality. FHA-insured hospitals are vital contributors to the economic strength and growth of communities. They are typically among the largest employers in their communities and help stimulate local economies, particularly during construction projects.

Mortgage and Loan Insurance Programs – GI/SRI Account

In fiscal year 2010, FHA issued a record number of Section 242 loan commitments: 16 loans for $1.72 billion.   Volume is projected to increase to $2.5 billion in fiscal year 2011 and $2.93 billion in fiscal year 2012. Figures include new construction/substantial rehabilitation loans, Section 241(a) supplemental loans to hospitals, and section 223(f) refinancing program. The refinancing product was introduced in fiscal year 2010 to benefit hospitals suffering from financial hardship due to high interest rate debt.

As with other FHA programs, Section 242 provides access to capital that may not otherwise be available for many quality providers in underserved areas. Construction projects made possible through the program enable hospitals to expand and renovate facilities, and add state-of-the-art equipment. They also impact the broader community by providing construction and healthcare jobs. FHA's internal forecast estimates that the 17 loans closed in fiscal year 2010 will create an economic benefit of $3.9 billion and nearly 15,500 jobs during the construction period alone. Following construction, the completed projects will generate $1.4 billion in economic activity per year, and support an additional 8,500 jobs in the community.

Single Family Programs

Title I Manufactured Housing and Property Improvement Programs. These two relatively small FHA programs fill an important niche. Under Title I, HUD provides mortgage insurance for the purchase of manufactured homes. In fiscal year 2010, $87 million in manufactured housing loans were endorsed, with $65 million projected for fiscal year 2012.

The Title I Property Improvement program insures loans for repairs and other improvements to residential and non-residential structures, as well as new construction of non-residential buildings. Property Improvement endorsements were $61 million in fiscal year 2010, and are projected to grow rapidly to $170 million in 2012 due to the recent addition to the program of a new high-volume lender. Growth in fiscal years 2011 and 2012 may be boosted further by the anticipated implementation of the 2-year FHA "Powersaver" pilot program. Operating under Title 1 authority and regulatory framework, Powersaver will provide single family homeowners loans of up to $25,000 for proven energy improvements. Program lenders will receive incentive grants from the HUD Energy Innovation Fund to help lower the cost of loans to consumers.

Other Single Family/Military Impact Areas. In 2008, the enactment of HERA resulted in the transfer of single family mortgage insurance programs in the GI/SRI Fund, authorized under Title II of the National Housing Act, to the MMI Fund, but the legislation left in the GI/SRI Fund one small program with new activity-- 238(c) Military Impact Areas. This program has offered mortgage insurance in a small number of counties where housing demand was heavily dependent on the continuing presence of a military installation. HUD has determined that any benefits gained through the program do not justify the projected cost to the government and will seek to suspend all activity through the rulemaking process. No new endorsements are planned for fiscal year 2012. The elimination of Section 238(c) will not negatively impact the availability of FHA-insured financing in the six counties currently covered under this program.

HOUSING
GENERAL AND SPECIAL RISK INSURANCE FUND
Program Highlights
(Dollars in Thousands)

	Actual 2010	CR Estimate 2011	Estimate 2012	**Increase + Decrease – 2012 vs 2011**
Insurance Commitment Limitation:	$20,000,000	$20,000,000	$25,000,000	$5,000,000
Insurance Commitments (dollars)				
Multifamily	$11,383,404	$13,054,000	$12,825,640	-$228,360
Hospitals	$1,719,110	$2,500,000	$2,930,000	$430,000
Nursing Homes	$3,113,580	$4,000,000	$6,704,104	$2,704,104
Single Family Homes	$86,857	$85,000	$0	-$85,000
Title I	$148,110	$213,057	$234,362	$21,305
Total	$16,451,061	$19,852,057	$22,694,106	$2,842,049
Insurance Commitments (units/beds)				
Multifamily	182,883	201,879	190,188	(11,691)
Hospitals	2,508	3,577	5,563	1,986
Nursing Homes	42,088	55,102	92,523	37,421
Single Family Homes	631	605	0	(605)
Title I	6,042	11,669	12,584	915
Total	234,152	272,832	300,858	28,026
Insurance Written (dollars)				
Multifamily	$10,888,523	$11,841,473	$12,882,730	$1,041,257
Hospitals	$1,070,074	2,780,013	$2,882,500	$102,487
Nursing Homes	$3,347,750	3,578,835	$6,028,708	$2,449,873
Single Family Homes	$2,990,857	$1,707,093	$2,112,588	$405,495
Title I	$148,110	$213,057	$234,362	$21,305
Total	$18,445,314	$20,120,471	$24,140,888	$4,020,417
Insurance in Force – End of Year (dollars)	$131,194,177	$140,373,046	$155,067,000	$14,693,954

HOUSING
GENERAL AND SPECIAL RISK INSURANCE FUND
Program Offsets
(Dollars in Thousands)

Direct Loan **Limitation Enacted/Requested**	**Direct Loan Amount**
2010 Appropriation	$20,000
2011 Request	20,000
2012 Request	20,000
Program Improvements/Offsets	. . .

Proposed Actions

A direct loan limitation of $20 million is requested for fiscal year 2012, the same as fiscal year 2010. The loan authority requested is for purchase money mortgages for non-profit and governmental agencies to make HUD-acquired single family properties available for resale to purchasers with household incomes at or below 115 percent of an area's median.

HUD has not previously utilized direct loan authority for bridge financing in connection with the sale of multifamily real properties held by the Secretary. Language authorizing this type of direct loan was not included in the fiscal 2010 HUD Appropriations Act, and is not included in the proposed language for fiscal years 2011 or 2012.

HOUSING
FHA--GENERAL AND SPECIAL RISK INSURANCE FUND
Summary of Budget Authority
(Dollars in Millions)

	ENACTED 2010	CURRENT ESTIMATE 2011	ESTIMATE 2012	**INCREASE + DECREASE- 2012 vs 2011**
LOAN LIMITATIONS				
Insurance Commitment Limitation	$20,000	$20,000	$25,000	$5,000
Direct Loans Limitation	20	20	20	…
BUDGET AUTHORITY				
Discretionary:				
Positive Subsidy Appropriations	9	9	9	…
Offsetting Receipts (negative subsidy disbursed to the General Fund)	-455	-509	-481	28
Mandatory:				
Liquidating account (Pre-1992 Insurance Obligations) (net)	84	6	12	6
Program Account Upward Re-estimate	863	3,024	0	-3,024
Receipt Account Downward Re-estimate	-164	-542	0	542

HOUSING
FHA--GENERAL AND SPECIAL RISK INSURANCE FUND
Summary of Budget Outlays
(Dollars in Millions)

	ACTUAL 2010	ESTIMATE 2011	ESTIMATE 2012	**INCREASE+ DECREASE- 2012 vs 2011**
BUDGET OUTLAYS				
Discretionary:				
Administrative Contract Expenses	42	11	6	-5
Positive Subsidy/Loan Modification Appropriations	9	4	6	2
Total Discretionary Outlays	51	15	12	-3
Offsetting Receipts (negative subsidy disbursed to the General Fund)	-455	-509	-481	28
Mandatory:				
Liquidating account (Pre-1992 Insurance Obligations) (net)	-104	23	28	5
Program Account Upward Re-estimate	863	3,024	0	-3,024
Receipt Account Downward Re-estimate	-164	-542	0	542

HOUSING
FHA--GENERAL AND SPECIAL RISK INSURANCE FUND
Appropriations Language

Below is the italicized appropriations language for the FHA—General and Special Risk Insurance Fund.

For the cost of guaranteed loans as authorized by sections 238 and 519 of the National Housing Act (12 U.S.C. 1715z-3 and 1735c), including the cost of loan guarantee modifications as that term is defined in section 502 of the Congressional Budget Act of 1974, as amended, $8,600,000 to remain available until expended: Provided, That commitments to guarantee loans shall not exceed $25,000,000,000 in total loan principal, any part of which is to be guaranteed.

Gross obligations for the principal amount of direct loans, as authorized by sections 204(g), 207(l), 238, and 519(a) of the National Housing Act, shall not exceed $20,000,000, which shall be for loans to non-profit and governmental entities in connection with the sale of single family real properties owned by the Secretary and formerly insured under such Act.

<u>Changes from 2010 Appropriations</u>

The commitment limitation is increased from $20 billion to $25 billion to accommodate increased demand for FHA programs. Language providing appropriations for positive credit subsidy are inserted.

HOUSING
GENERAL AND SPECIAL RISK INSURANCE FUND
Crosswalk of 2010 Availability
(Dollars in Thousands)

Budget Activity	2010 Enacted	Supplemental/ Rescission	Approved Reprogrammings	Transfers	Carryover	Total 2010 Resources
Positive Subsidy Appropriation	$8,600	...	...	...	$14,913	$23,513
Total	8,600	...	...	...	14,913	23,513

Carryover. Reflects the sum of $14.715 million of carryover and $198,000 of recaptures.

HOUSING
GENERAL AND SPECIAL RISK INSURANCE FUND
Crosswalk of 2011 Changes
(Dollars in Thousands)

Budget Activity	2011 President's Budget Request	2011 CR	2011 Supplemental/ Rescission	Reprogrammings	Carryover	Total 2011 Resources
Positive Subsidy Appropriation	...	$8,600	...	...	$9,541	$18,141
Total	...	8,600	...	...	9,541	18,141