

**PUBLIC AND INDIAN HOUSING  
HOUSING CERTIFICATE FUND  
2014 Summary Statement and Initiatives  
(Dollars in Thousands)**

HOUSING CERTIFICATE FUND	<u>Enacted/ Request</u>	<u>Carryover</u>	<u>Supplemental/ Rescission</u>	<u>Total Resources</u>	<u>Obligations</u>	<u>Outlays</u>
2012 Appropriation .....	...	\$224,676 <sup>a</sup>	-\$200,000	\$24,676	...	\$834,328
2013 Annualized CR .....	...	137,676 <sup>b</sup>	-137,676	...	...	478,000
2014 Request .....	<u>...</u>	<u>29,000<sup>c</sup></u>	<u>...</u>	<u>29,000</u>	<u>\$29,000</u>	<u>427,000</u>
Program Improvements/Offsets .....	...	-108,676	+137,676	+29,000	+29,000	-51,000

- a/ Of this amount, \$53.2 million was carryover of recovered prior obligations collected prior to fiscal year 2012, and \$215.8 million was from recovered prior obligations collected during fiscal year 2012 (of which, \$44.4 million was from source year 1974 and prior that were cancelled per P.L. 112-55).
- b/ Includes \$25 million in carryover and \$125 million in anticipated recoveries from prior obligations collected during fiscal year 2013 (\$12 million of which is estimated to be from source year 1974 and will be canceled).
- c/ Includes \$29 million in anticipated recoveries from prior obligations collected during fiscal year 2014.

**1. What is this request?**

No new additional budget authority is requested for this account.

Appropriations language for the Housing Certificate Fund provides that recaptures from source years 1975 through 1987 will be cancelled and an amount of additional budget authority equal to the amount cancelled will be appropriated. HUD anticipates recaptures originating in this timeframe to be \$29 million for fiscal year 2014.

Non-cancelled recaptures will be used for renewals of or amendments to rental assistance contracts, and administrative fees – primarily in the Project-Based Section 8 Program.

**2. What is this program?**

The Housing Certificate Fund (HCF) is best described as a conglomeration account. Prior to 2005, it was the account that funded what are now the Tenant-Based Rental Assistance (TBRA) and Project-Based Rental Assistance (PBRA) programs. In 1998, some smaller accounts (including Annual Contributions for Assisted Housing) were consumed by HCF, making it an even more eclectic mix.

## Housing Certificate Fund

Prior to and including 1974, HCF received contract authority (CA); between 1975 and 1987, HCF was appropriated both CA and budget authority (BA). It is for this reason the recaptures are handled differently depending on their source year.

In 2005, the account stopped receiving BA and the TBRA and PBRA accounts were established. HCF would continue to “hold” the account’s prior obligations; it would pay the original term (long-term up to 40-year) contract expenses as they came due and recapture funds as appropriate. As original contract terms drew to completion, annual renewals would subsequently take place in the PBRA account, thus slowly depleting the inventory of projects and contracts in HCF, while increasing the number of projects in PBRA.

Recaptures are primarily used for renewals, amendments, and administrative fees for multifamily housing programs.

### **3. Why is this program necessary and what will we get for the funds?**

Please see Project-Based Rental Assistance Justification.

### **4. How do we know that this program works?**

Please see Project-Based Rental Assistance Justification.

Housing Certificate Fund

**PUBLIC AND INDIAN HOUSING  
HOUSING CERTIFICATE FUND  
Summary of Resources by Program  
(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2012 Budget Authority</u>	<u>2011 Carryover Into 2012</u>	<u>2012 Total Resources</u>	<u>2012 Obligations</u>	<u>2013 Annualized CR</u>	<u>2012 Carryover Into 2013</u>	<u>2013 Total Resources</u>	<u>2014 Request</u>
Contract Renewals .....	-\$200,000	\$224,676	\$24,676	...	-\$137,676	\$137,676	...	...
Contract Administrators	...	...	...	...	...	...	...	...
Section 8 Amendments ..	...	...	...	...	...	...	...	...
Administrative Fees ...	...	...	...	...	...	...	...	...
Total .....	-200,000	224,676	24,676	...	-137,676	137,676	...	...

NOTES:

Of the \$224.7 million under "2011 Carryover Into 2012" \$53.2 million was carryover of recovered prior obligations collected prior to fiscal year 2011, and \$215.8 million was from recovered prior obligations collected during fiscal year 2012 (of which, \$44.4 million was from source year 1974 and prior that were cancelled per P.L. 112-55).

The \$137.7 million under "2012 Carryover Into 2013" includes \$25 million in carryover and \$125 million in anticipated recoveries from prior obligations collected during fiscal year 2013 (\$12 million of which is estimated to be from source year 1974 and will be cancelled).

Housing Certificate Fund

**PUBLIC AND INDIAN HOUSING  
HOUSING CERTIFICATE FUND  
Appropriations Language**

Below is the italicized appropriations language for the Housing Certificate Fund account.

*Unobligated balances, including recaptures and carryover, remaining from funds appropriated to the Department of Housing and Urban Development under this heading, the heading "Annual Contributions for Assisted Housing", and the heading "Project-Based Rental Assistance", for fiscal year 2014 and prior years may be used for renewal of or amendments to section 8 project-based contracts and for performance-based contract administrators, notwithstanding the purposes for which such funds were appropriated: Provided, That any obligated balances of contract authority from fiscal year 1974 and prior that have been terminated are hereby permanently cancelled: Provided further, That amounts previously recaptured, or recaptured during the current fiscal year, from section 8 project-based contracts from source years fiscal year 1975 through fiscal year 1987 are hereby permanently cancelled, and an amount of additional new budget authority, equivalent to the amount permanently cancelled is hereby appropriated, to remain available until expended, for the purposes set forth under this heading, in addition to amounts otherwise available.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112–175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.