

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
COMMUNITY PLANNING AND DEVELOPMENT
COMMUNITY DEVELOPMENT LOAN GUARANTEE
2020 Summary of Resources**

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Outlays
2018 Appropriation	- ^a	-	-	-	-	875
2019 Annualized CR	- ^a	-	-	-	-	1,639
2020 Request	- ^a	-	-	-	-	70
Change from 2019	- ^a	-	-	-	-	(1,569)

Note: The summary table reflects only discretionary budget authority; mandatory authority for upward credit reestimates are excluded.

a/ No credit subsidy budget authority has been requested since the program moved to a fee-based program.

1. Program Purpose and Budget Overview

The 2020 President’s Budget does not request additional loan guarantee authority for the Community Development Loan Guarantee program, also known as the Section 108 program. This program has historically provided federal guarantees to private lenders to assist communities in undertaking large community or economic development projects. Since FY 2016, with the implementation of the congressionally approved fee structure, the Section 108 program has not required an appropriated credit subsidy. While this program operates without appropriated funds, it remains inextricably linked to the Community Development Block Grant (CDBG) program, both with respect to programmatic requirements and as a source of security and payment for debt. The 2020 Budget entrusts community and economic development activities to the state and local level and proposes to eliminate CDBG, which would effectively eliminate the Section 108 program as an additional financing source for communities.

As of December 2018, the Section 108 program supported 600 unpaid loans in communities across the country, with an outstanding loan balance of \$1.25 billion. Existing loan guarantee commitments could extend up to 25 years into the future because borrowers have up to five years to make their first advance, and the 20-year loan commitment does not begin until the first advance is made. The Section 108 office will continue to ensure timely repayment of these loans on a quarterly basis as well as continue to provide regulatory and programmatic oversight.

Community Development Loan Guarantee

**COMMUNITY PLANNING AND DEVELOPMENT
COMMUNITY DEVELOPMENT LOAN GUARANTEE
Summary of Resources by Program**

(Dollars in Thousands)

Budget Activity	2018 Budget Authority	2017 Carryover Into 2018	2018 Total Resources	2018 Obligations	2019 Annualized CR	2018 Carryover Into 2019	2019 Total Resources	2020 Request
Loan Guarantee Subsidy	-	-	-	-	-	-	-	-
Loan Commitment Level	[300,000]	-	[300,000]	-	[300,000]	-	[300,000]	-
Total	[300,000]	-	[300,000]	-	[300,000]	-	[300,000]	-