

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PUBLIC AND INDIAN HOUSING
HOUSING CERTIFICATE FUND
2020 Summary of Resources**

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Outlays
2018 Appropriation	-	202,027	-	202,027 ^a	59,589	121,600
2019 Annualized CR	-	174,438	-	174,438 ^b	137,428	100,000
2020 Request	-	69,000	-	69,000 ^c	20,000	80,000
Change from 2019	-	(105,438)	-	(105,438)	(117,428)	(20,000)

- a/ Resources shown assume \$186 million in carryover, after adding \$89 million in anticipated recoveries from prior obligations estimated to be collected during fiscal year 2018, subtracting \$73 million from sources 1974 and prior that are withdrawn, and reflecting \$51 million from source years 1975-1987 that will be cancelled and an equal amount appropriated.
- b/ Resources shown assume \$142 million in carryover, after adding \$68 million in anticipated recoveries from prior obligations estimated to be collected during fiscal year 2019, subtracting \$36 million from sources 1974 and prior that are withdrawn, and reflecting \$26 million from source years 1975-1987 that will be cancelled and an equal amount appropriated.
- c/ Resources shown assume \$37 million in carryover, after adding \$68 million in anticipated recoveries from prior obligations estimated to be collected during fiscal year 2020, subtracting \$36 million from sources 1974 and prior that are withdrawn, and reflecting \$26 million from source years 1975-1987 that will be cancelled and an equal amount appropriated.

1. Program Purpose and Budget Overview

The Housing Certificate Fund (HCF) is best described as a composite account. Prior to 2005, it funded contracts that are now administered in 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.

- Beginning in 2005, the account stopped receiving annual appropriations and the TBRA and PBRA accounts were established. HCF continues to “hold” the account’s prior obligations for original term (long-term, up to 40-year) PBRA contracts that were funded in advance. These funds continue to pay for contract expenses as they come due.

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- As original contract terms draw to completion, annual renewals 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.
- Any undisbursed funds remaining on contracts at termination are recaptured and either cancelled or re-appropriated (depending on the source year). Eligible uses of recaptures include PBRA renewals, amendments, and administrative fees for multifamily housing programs. In 2020, HCF recaptures are expected to provide a source of supplemental funding for performance-based contract administrators (PBCAs) or contractors, whose function is detailed in the PBRA account.

2. Request

The 2020 President's Budget request for HCF reflects the use of anticipated carryover and recaptures from previous years. No additional budget authority is requested. Continuing appropriations language for HCF 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. Recaptures of contract authority originating in 1974 and prior are cancelled. HUD anticipates recaptures of \$68 million for 2020. These recaptures, along with funds remaining from prior year HCF recoveries, are anticipated to support PBCA contracts, contractors, and contract renewals in the PBRA program, providing an offset to new appropriations needed in the PBRA account.

3. Justification

For more detailed information, please see the PBRA justification.

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**PUBLIC AND INDIAN HOUSING
HOUSING CERTIFICATE FUND
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
Contract Administrators	-	172,027	172,027	59,589	-	144,438	144,438	-
Renewal of Expiring Section 8 Contracts	-	30,000	30,000	-	-	30,000	30,000	-
Total	-	202,027	202,027	59,589	-	174,438	174,438	-

Notes:

- For fiscal year 2018, resources include carryover of \$186 million in carryover, and \$89 million in anticipated recoveries from prior obligations estimated to be collected during fiscal year 2018, subtracting \$73 million from sources 1974 and prior that are withdrawn, and reflecting \$51 million from source years 1975-1987 that will be cancelled and an equal amount appropriated.
- For fiscal year 2019, resources assume \$142 million in carryover, after adding \$68 million in anticipated recoveries from prior obligations estimated to be collected during fiscal year 2019, subtracting \$36 million from sources 1974 and prior that are withdrawn, and reflecting \$26 million from source years 1975-1987 that will be cancelled and an equal amount appropriated.
- For fiscal year 2020, resources assume \$37 million in carryover, after adding \$68 million in anticipated recoveries from prior obligations estimated to be collected during fiscal year 2020, subtracting \$36 million from sources 1974 and prior that are withdrawn, and reflecting \$26 million from source years 1975-1987 that will be cancelled and an equal amount appropriated.

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

The 2020 President's Budget includes the appropriation language below:

(INCLUDING CANCELLATIONS)

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 [2019]2020 and prior years may be used for renewal of or amendments to section 8 project-based contracts and for performance-based contract administrators or contractors, 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 heretofore 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 2019 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 Act, 2019 (Division C of P.L. 115-245, as amended). The amounts included for 2019 reflect the annualized level provided by the continuing resolution.