

**COMMUNITY PLANNING AND DEVELOPMENT
COMMUNITY DEVELOPMENT LOAN GUARANTEE
2019 Summary Statement and Initiatives
(Dollars in Thousands)**

COMMUNITY DEVELOPMENT LOAN GUARANTEE	<u>Enacted/ Request</u>	<u>Carryover</u>	<u>Supplemental/ Rescission</u>	<u>Total Resources</u>	<u>Obligations</u>	<u>Outlays</u>
2017 Appropriation .....	...^a	...	...	...	...	\$1,246
2018 Annualized CR .....	...^a	...	...	...	...	2,600
2019 Request	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>2,539</u>
Change from 2018 .....	...	...	...	...	...	-61

NOTE: The table above reflects only discretionary budget authority; mandatory authority for upward credit reestimates are excluded.
a/ No credit subsidy budget authority was requested since the program moved to a fee-based program.

1. Program Purpose and Fiscal Year 2019 Budget Overview

The 2019 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 fiscal year 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 collateral. The 2019 Budget devolves community and economic development activities to the State and local level and proposes to eliminate CDBG, and it would effectively eliminate the Section 108 program as a financing source for communities.

As of December 2017, the Section 108 program supports 632 outstanding loans in communities across the country, with a total loan balance of \$1.38 billion. Existing guaranteed loans could extend up to twenty years into the future, and existing commitments, if financed, could extend that date further into the future. HUD will work with Section 108 borrowers to address guarantees that are structured around future CDBG funds and to prevent default, as well as continuing to provide regulatory and programmatic oversight.

Community Development Loan Guarantee

**COMMUNITY PLANNING AND DEVELOPMENT
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Summary of Resources by Program
(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2017 Budget Authority</u>	<u>2016 Carryover Into 2017</u>	<u>2017 Total Resources</u>	<u>2017 Obligations</u>	<u>2018 Annualized CR</u>	<u>2017 Carryover Into 2018</u>	<u>2018 Total Resources</u>	<u>2019 Request</u>
Loan Guarantee Subsidy	...	...	...	...	...	...	...	...
Loan Commitment Level .	[\$300,000]	...	[\$300,000]	...	[\$297,963]	...	[\$297,963]	...
Total	[300,000]	...	[300,000]	...	[297,963]	...	[297,963]	...

NOTE: For fiscal year 2018, Public Law 115-56 requires a reduction of 0.6791 percent from the fiscal year 2017 enacted budget authority.