

**COMMUNITY PLANNING AND DEVELOPMENT
COMMUNITY DEVELOPMENT LOAN GUARANTEE
2018 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>
2016 Appropriation .....	...^a	...	...	...	...	\$2,390 ^b
2017 Annualized CR .....	...^a	...	...	...	...	3,595 ^b
2018 Request	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>2,600^b</u>
Change from 2017 .....	...	...	...	...	...	-995

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

b/ Obligations and outlays of discretionary appropriated funds only—does not include mandatory re-estimate of \$489K.

1. Program Purpose and Fiscal Year 2018 Budget Overview

The Department is not requesting loan guarantee authority for the Community Development Loan Guarantee program, also known as the Section 108 program. The Section 108 program historically has provided federal guarantees to private lenders to assist communities in undertaking large community or economic development projects. This program is linked to the Community Development Block Grant (CDBG) Program with respect to programmatic requirements and as a source of collateral. The Budget does not request funding for CDBG in fiscal year 2018, and devolves community and economic development activities to the State and local level.

Currently, the Section 108 program supports 714 outstanding loans in communities across the country, with a total loan balance of \$1.51 billion and oversight responsibilities that may extend up to twenty-five years into the future. Even though the budget does not request new guarantee authority, the Section 108 office must continue to execute strong management and oversight on the outstanding portfolio to avoid unnecessary risks and cost to the taxpayer.

Community Development Loan Guarantee

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

<u>Budget Activity</u>	<u>2016 Budget Authority</u>	<u>2015 Carryover Into 2016</u>	<u>2016 Total Resources</u>	<u>2016 Obligations</u>	<u>2017 Annualized CR</u>	<u>2016 Carryover Into 2017</u>	<u>2017 Total Resources</u>	<u>2018 Request</u>
Loan Guarantee Subsidy	...	...	...	...	...	...	...	...
Loan Commitment Level	[\$300,000]	...	[\$300,000]	...	[\$299,430]	...	[\$299,430]	...
Total	[300,000]	...	[300,000]	...	[299,430]	...	[299,430]	...

NOTE: In 2016 and 2017, the program uses a fee-based approach established by the appropriations acts. In fiscal year 2017, the loan commitment level is estimated at \$150 million. The 2018 Budget does not request loan guarantee commitment authority or credit subsidy.