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 $33 million for fiscal year 2017, of which $3 million will be canceled; the remaining $30 million in anticipated recaptures will be used to supplement funding for Performance Based Contract Administration (PBCA) contracts in the PBRA 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. 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.
Housing Certificate Fund

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 the Project-Based Rental Assistance justification.

4. How do we know that this program works?

Please see the Project-Based Rental Assistance justification.

5. Proposals in the Budget

Not Applicable.
Housing Certificate Fund

PUBLIC AND INDIAN HOUSING

HOUSING CERTIFICATE FUND
Summary of Resources by Program
(Dollars in Thousands)

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<td>Contract Renewals ....</td>
<td>...</td>
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<td>Contract Administrators</td>
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<td>Section 8 Amendments ..</td>
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<td>Administrative Fees ...</td>
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<td>Total ...........................</td>
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<td>211,664</td>
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<td>...</td>
<td>228,295</td>
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</tbody>
</table>

NOTES:

1. Resources include “2014 Carryover Into 2015” of $211.6 million, 30 million in recaptures, net of balances cancelled ($13.4 million) from source year 1974.
2. Resources include “2015 Carryover Into 2016” of $30 million, $33 million in anticipated recoveries from prior obligations estimated to be collected during fiscal year 2016, of which $3 million is anticipated to be from source year 1974 and cancelled.
PUBLIC AND INDIAN HOUSING
HOUSING CERTIFICATE FUND
Appropriations Language

The fiscal year 2017 President’s Budget includes proposed changes in the appropriation language listed and explained below. New language is italicized and underlined, and language proposed for deletion is bracketed.

(INCLUDING [RESCISIONS] 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 2016 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 shall be rescinded 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 rescinded permanently cancelled, and an amount of additional new budget authority, equivalent to the amount rescinded permanently cancelled is hereby appropriated, to remain available until expended, for the purposes set forth under this heading, in addition to amounts otherwise available. (Department of Housing and Urban Development Appropriations Act, 2016.)