

**Other Receivables**

Sustained audit costs include sustained audit findings, refunds of overpayment, FHA insurance premiums and foreclosed property proceeds due from the public. The Department recognizes that the amount of sustained audit costs anticipated from OIG disallowed costs are not reflected in the Department's financial statements. HUD expects to report these balances in FY 2014 based on expected recovery rates from OIG's pool of questioned costs reported by the Department's program recipients. The Department's believes that the amount is within a range of \$57 million to \$151 million but further confirmation of the underlying data and finalization of HUD's methodology is required.

The following shows accounts receivable as reflected in the Balance Sheet as of September 30, 2013 and 2012 (dollars in millions):

<u>Description</u>	2013			2012		
	<u>Gross Accounts Receivable</u>	<u>Allowance for Loss</u>	<u>Total, Net</u>	<u>Gross Accounts Receivable</u>	<u>Allowance for Loss</u>	<u>Total, Net</u>
Public						
Section 8 Settlements	\$ 10	\$ -	\$ 10	\$ 8	\$ -	\$ 8
Bond Refundings	17	-	17	23	(7)	16
Section 236 Excess Rental Income	6	(2)	4	7	(3)	4
Other Receivables:						
FHA	109	(96)	13	103	(79)	24
Ginnie Mae	121	-	121	736	(581)	155
Other Receivables	17	(2)	15	15	(9)	6
<b>Total Accounts Receivable</b>	<b>\$ 280</b>	<b>\$ (100)</b>	<b>\$ 180</b>	<b>\$ 892</b>	<b>\$ (679)</b>	<b>\$ 213</b>

**Note 7: Direct Loans and Loan Guarantees, Non-Federal Borrowers**

HUD reports direct loan obligations or loan guarantee commitments made prior to FY 1992 and the resulting direct loans or defaulted guaranteed loans, net of allowance for estimated uncollectible loans or estimated losses.

The FHA insures Home Equity Conversion Mortgages (HECM), also known as reverse mortgages. These loans are used by senior homeowners age 62 and older to convert the equity in their home into monthly streams of income and/or a line of credit to be repaid when they no longer occupy the home. Unlike ordinary home equity loans, a HUD reverse mortgage does not require repayment as long as the home is the borrower's principal residence.

The FHA also administers the HOPE for Homeowners (H4H) program. The program was established by Congress to help those at risk of default and foreclosure refinance into more affordable, sustainable loans.

The allowance for loan losses for the Flexible Subsidy Fund and the Housing for the Elderly and Disabled Program is determined as follows:

**Flexible Subsidy Fund**

There are four parts to the calculation of allowance for loss: (1) loss rate for loans written-off, (2) loss rate for restructured loans, (3) loss rate for loans paid-off, and (4) loss rate for loans delinquent or without repayment activity for 30 years. Loss rates for parts 1 and 3 are based on actual historical data derived from the previous three years. The loss rates for parts 2 and 4 are provided by or agreed to by the Housing Office of Evaluation.

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#### Housing for the Elderly and Disabled Program

There are three parts to the calculation of allowance for loss: (1) loss rate for loans issued a Foreclosure Hearing Letter, (2) loss rate for the estimated number of foreclosures in the current year, and (3) loss rate for loans delinquent for more than 180 days. Loss rates for parts 1 and 2 are determined by actual historical data from the previous five years. Loss rate for part 3 is determined or approved by the Housing Office of Evaluation.

Direct loan obligations or loan guarantee commitments made after FY 1991, and the resulting direct loans or defaulted guaranteed loans, are governed by the FCRA and are recorded as the net present value of the associated cash flows (i.e., interest rate differential, interest subsidies, estimated delinquencies and defaults, fee offsets, and other cash flows).

The following is an analysis of loan receivables, loan guarantees, liability for loan guarantees, and the nature and amounts of the subsidy costs associated with the loans and loan guarantees for FY 2013 and FY 2012:

#### A. List of HUD's Direct Loan and/or Guarantee Programs:

1. FHA
  - a) MMI/CMHI Direct Loan Program
  - b) GI/SRI Direct Loan Program
  - c) MMI/CMHI Loan Guarantee Program
  - d) GI/SRI Loan Guarantee Program
  - e) H4H Loan Guarantee Program
  - f) HECM Program
2. Housing for the Elderly and Disabled
3. All Other
  - a) CPD Revolving Fund
  - b) Flexible Subsidy Fund
  - c) Section 108 Loan Guarantees
  - d) Indian Housing Loan Guarantee Fund
  - e) Loan Guarantee Recovery Fund
  - f) Native Hawaiian Housing Loan Guarantee Fund
  - g) Title VI Indian Housing Loan Guarantee Fund
  - h) Green Retrofit Direct Loan Program
  - i) Emergency Homeowners' Loan Program

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**B. Direct Loans Obligated Pre-1992 (Allowance for Loss Method) (dollars in millions):**

	2013				
	Loans	Interest Receivable	Allowance for Loan Losses	Foreclosed Property	Value of
	Receivable, Gross				Assets Related to Direct Loans, Net
<b><u>Direct Loan Programs</u></b>					
FHA					
a) MMI/CHMI Direct Loan Program	\$ -	\$ -	\$ (5)	\$ -	(5)
b) GI/SRI Direct Loan Program	15	11	(7)	-	19
Housing for the Elderly and Disabled	2,096	22	(10)	-	2,108
All Other					
a) CPD Revolving Fund	5	-	(5)	2	2
b) Flexible Subsidy Fund	479	84	(42)	-	521
<b>Total</b>	<b>\$ 2,595</b>	<b>\$ 117</b>	<b>\$ (69)</b>	<b>\$ 2</b>	<b>\$ 2,645</b>

	2012				
	Loans	Interest Receivable	Allowance for Loan Losses	Foreclosed Property	Value of
	Receivable, Gross				Assets Related to Direct Loans, Net
<b><u>Direct Loan Programs</u></b>					
FHA					
a) MMI/CHMI Direct Loan Program	\$ -	\$ -	\$ (5)	\$ -	(5)
b) GI/SRI Direct Loan Program	15	11	(6)	-	20
Housing for the Elderly and Disabled	2,493	25	(19)	-	2,499
All Other					
a) CPD Revolving Fund	5	-	(5)	1	1
b) Flexible Subsidy Fund	508	89	(37)	-	560
<b>Total</b>	<b>\$ 3,021</b>	<b>\$ 125</b>	<b>\$ (72)</b>	<b>\$ 1</b>	<b>\$ 3,075</b>

**C. Direct Loans Obligated Post-1991 (dollars in millions):**

	2013				
	Loans	Interest Receivable	Allowance for Loan Losses	Foreclosed Property	Value of
	Receivable, Gross				Assets Related to Direct Loans
<b><u>Direct Loan Programs</u></b>					
All Other					
a) Green Retrofit Program	\$ 75	\$ 1	\$ (70)	\$ -	\$ 6
b) Emergency Homeowners' Loan Program	82	1	(81)	-	2
c) EHLRP Receipt Account	40	-	-	-	40
<b>Total</b>	<b>\$ 197</b>	<b>\$ 2</b>	<b>\$ (151)</b>	<b>\$ -</b>	<b>\$ 48</b>

	2012				
	Loans	Interest Receivable	Allowance for Loan Losses	Foreclosed Property	Value of
	Receivable, Gross				Assets Related to Direct Loans
<b><u>Direct Loan Programs</u></b>					
All Other					
a) Green Retrofit Program	\$ 80	\$ 1	\$ (69)	\$ -	\$ 12
b) Emergency Homeowners' Loan Program	69	-	(67)	-	2
<b>Total</b>	<b>\$ 149</b>	<b>\$ 1</b>	<b>\$ (136)</b>	<b>\$ -</b>	<b>\$ 14</b>

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**D. Total Amount of Direct Loans Disbursed (Post-1991) (dollars in millions):**

<u>Direct Loan Programs</u>	<u>Current Year</u>	<u>Prior Year</u>
All Other		
a) Green Retrofit Program	\$ -	\$ -
b) Emergency Homeowners' Loan Program	19	69
<b>Total</b>	<b>\$ 19</b>	<b>\$ 69</b>

**E. Subsidy Expense for Direct Loans by Program and Component (dollars in millions):**

**E1. Subsidy Expense for New Direct Loans Disbursed (dollars in millions):**

<u>Direct Loan Programs</u>	<u>2013</u>				
	<u>Interest</u>		<u>Fees and Other</u>		<u>Total</u>
	<u>Differential</u>	<u>Defaults</u>	<u>Collections</u>	<u>Other</u>	
All Other					
a) Green Retrofit Program	\$ -	\$ -	\$ -	\$ -	\$ -
b) Emergency Homeowners' Loan Program	-	-	-	18	18
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18</b>	<b>\$ 18</b>

<u>Direct Loan Programs</u>	<u>2012</u>				
	<u>Interest</u>		<u>Fees and Other</u>		<u>Total</u>
	<u>Differential</u>	<u>Defaults</u>	<u>Collections</u>	<u>Other</u>	
All Other					
a) Green Retrofit Program	\$ -	\$ -	\$ -	\$ -	\$ -
b) Emergency Homeowners' Loan Program	-	-	-	67	67
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 67</b>	<b>\$ 67</b>

**E2. Modifications and Re-estimates (dollars in millions):**

<u>Direct Loan Programs</u>	<u>2013</u>			
	<u>Total</u>	<u>Interest Rate</u>	<u>Technical</u>	<u>Total</u>
	<u>Modification</u>	<u>Re-estimates</u>	<u>Re-estimates</u>	<u>Re-estimates</u>
All Other				
a) Green Retrofit Program	\$ -	\$ -	\$ -	\$ -
b) Emergency Homeowners' Loan Program	-	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<u>Direct Loan Programs</u>	<u>2012</u>			
	<u>Total</u>	<u>Interest Rate</u>	<u>Technical</u>	<u>Total</u>
	<u>Modification</u>	<u>Re-estimates</u>	<u>Re-estimates</u>	<u>Re-estimates</u>
All Other				
a) Green Retrofit Program	\$ -	\$ -	\$ -	\$ -
b) Emergency Homeowners' Loan Program	-	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**E3. Total Direct Loan Subsidy Expense (dollars in millions):**

<u>Direct Loan Programs</u>	<u>Current Year</u>	<u>Prior Year</u>
All Other		
a) Green Retrofit Program	\$ -	\$ -
b) Emergency Homeowners' Loan Program	18	67
<b>Total</b>	<b>\$ 18</b>	<b>\$ 67</b>

**F. Subsidy Rates for Direct Loans by Program and Component:**

Budget Subsidy Rates for Direct Loans

<u>Direct Loan Programs</u>	<u>2013</u>				
	<u>Interest Differential</u>	<u>Defaults</u>	<u>Fees and Other Collections</u>	<u>Other</u>	<u>Total</u>
All Other					
a) Green Retrofit Program	41.0%	42.7%	0.0%	(1.3%)	82.3%
b) Emergency Homeowners' Loan Program	0.0%	0.0%	0.0%	97.7%	97.7%

<u>Direct Loan Programs</u>	<u>2012</u>				
	<u>Interest Differential</u>	<u>Defaults</u>	<u>Fees and Other Collections</u>	<u>Other</u>	<u>Total</u>
All Other					
a) Green Retrofit Program	41.0%	42.7%	0.0%	(1.3%)	82.3%
b) Emergency Homeowners' Loan Program	0.0%	0.0%	0.0%	97.7%	97.7%

**G. Schedule for Reconciling Subsidy Cost Allowance Balances (Post-1991 Direct Loans) (dollars in millions):**

<u>Beginning Balance, Changes, and Ending Balance</u>	<u>FY 2013</u>	<u>FY 2012</u>
Beginning balance of the subsidy cost allowance	\$ 137	\$ 69
Add: subsidy expense for direct loans disbursed during the reporting years by component:		
a) Interest rate differential costs	-	-
b) Default costs (net of recoveries)	-	-
c) Fees and other collections	-	-
d) Other subsidy costs	18	67
<b>Total of the above subsidy expense components</b>	<b>18</b>	<b>67</b>
Adjustments:		
a) Loan modifications	-	-
b) Fees received	-	-
c) Foreclosed properties acquired	-	-
d) Loans written off	(5)	-
e) Subsidy allowance amortization	1	1
f) Other	-	-
<b>Ending balance of the subsidy cost allowance before re-estimates</b>	<b>151</b>	<b>137</b>
Add or subtract subsidy re-estimates by component:		
a) Interest rate re-estimate	-	-
b) Technical/default re-estimate	-	-
<b>Total of the above re-estimate components</b>	<b>-</b>	<b>-</b>
Ending balance of the subsidy cost allowance	<b>\$ 151</b>	<b>\$ 137</b>

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### H. Defaulted Guaranteed Loans from Pre-1992 Guarantees (Allowance for Loss Method) (dollars in millions):

	2013				
	Defaulted Guaranteed Loans			Value of Assets Related to Defaulted Guaranteed Loans	
	Receivable, Gross	Interest Receivable	Allowance for Loan and Interest Losses	Foreclosed Property, Net	Guaranteed Loans Receivable, Net
FHA					
a) MMI/CMHI Funds	\$ 18	\$ -	\$ (23)	\$ 22	\$ 17
b) GI/SRI Funds, Excluding HECM	2,225	228	(945)	9	1,517
c) GI/SRI Funds, HECM	5	2	(2)	7	12
<b>Total</b>	<b>\$ 2,248</b>	<b>\$ 230</b>	<b>\$ (970)</b>	<b>\$ 38</b>	<b>\$ 1,546</b>

	2012				
	Defaulted Guaranteed Loans			Value of Assets Related to Defaulted Guaranteed Loans	
	Receivable, Gross	Interest Receivable	Allowance for Loan and Interest Losses	Foreclosed Property, Net	Guaranteed Loans Receivable, Net
FHA					
a) MMI/CMHI Funds	\$ 17	\$ -	\$ (33)	\$ 24	\$ 8
b) GI/SRI Funds, Excluding HECM	2,339	219	(1,378)	10	1,190
c) GI/SRI Funds, HECM	5	1	(2)	5	9
<b>Total</b>	<b>\$ 2,361</b>	<b>\$ 220</b>	<b>\$ (1,413)</b>	<b>\$ 39</b>	<b>\$ 1,207</b>

### I. Defaulted Guaranteed Loans from Post-1991 Guarantees (dollars in millions):

	2013				
	Defaulted Guaranteed Loans			Value of Assets Related to Defaulted Guaranteed Loans	
	Receivable, Gross	Interest Receivable	Allowance for Subsidy Cost (Present Value)	Foreclosed Property, Gross	Guaranteed Loans Receivable, Net
FHA					
a) MMI/CMHI Funds	\$ 3,487	\$ 163	\$ (4,957)	\$ 4,500	\$ 3,193
b) GI/SRI Funds, Excluding HECM	686	2	(359)	152	481
c) GI/SRI Funds, HECM	2,038	951	(1,015)	67	2,041
d) H4H Program	-	-	1	1	2
All Other					
a) Indian Housing Loan Guarantee	-	-	-	30	30
b) Native Hawaiian Housing Loan Guarantee	-	-	-	1	1
<b>Total</b>	<b>\$ 6,211</b>	<b>\$ 1,116</b>	<b>\$ (6,330)</b>	<b>\$ 4,751</b>	<b>\$ 5,748</b>

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	2012				
	Defaulted				Value of Assets
	Guaranteed	Allowance for		Foreclosed	Related to
	Loans	Subsidy Cost	Property,	Defaulted	
Receivable,	Interest	(Present	Gross	Guaranteed Loans	
Gross	Receivable	Value)	Gross	Receivable, Net	
FHA					
a) MMI/CMHI Funds	\$ 1,744	\$ 41	\$ (4,482)	\$ 4,888	\$ 2,191
b) GI/SRI Funds, Excluding HECM	683	2	(559)	201	327
c) GI/SRI Funds, HECM	1,775	806	(934)	53	1,700
All Other	-	-	-	20	20
<b>Total</b>	<b>\$ 4,202</b>	<b>\$ 849</b>	<b>\$ (5,975)</b>	<b>\$ 5,162</b>	<b>\$ 4,238</b>

	<u><b>2013</b></u>	<u><b>2012</b></u>
Total Credit Program Receivables and Related Foreclosed Property, Net	<u><b>\$9,986</b></u>	<u><b>\$8,534</b></u>

**J. Guaranteed Loans Outstanding** (dollars in millions):

J1. Guaranteed Loans Outstanding (dollars in millions):

	2013	
	Outstanding Principal, Guaranteed Loans, Face Value	Amount of Outstanding Principal Guaranteed
<b>Loan Guarantee Programs</b>		
FHA Programs		
a) MMI/CMHI Funds	\$ 1,167,538	\$ 1,087,079
b) GI/SRI Funds	115,234	104,680
c) H4H Program	117	113
All Other	5,718	5,713
<b>Total</b>	<b>\$ 1,288,607</b>	<b>\$ 1,197,585</b>

	2012	
	Outstanding Principal, Guaranteed Loans, Face Value	Amount of Outstanding Principal Guaranteed
<b>Loan Guarantee Programs</b>		
FHA Programs		
a) MMI/CMHI Funds	\$ 1,141,718	\$ 1,069,419
b) GI/SRI Funds	111,586	100,720
c) H4H Program	124	122
All Other	5,190	5,185
<b>Total</b>	<b>\$ 1,258,618</b>	<b>\$ 1,175,446</b>

J2. Home Equity Conversion Mortgage Loans Outstanding (dollars in millions):

	2013 Current Year Endorsements	Cumulative	
		Current Outstanding Balance	Maximun Potential Liability
<b>Loan Guarantee Programs</b>			
FHA Programs	\$ 14,671	\$ 100,869	\$ 145,918
	2012 Current Year Endorsements	Cumulative	
		Current Outstanding Balance	Maximun Potential Liability
<b>Loan Guarantee Programs</b>			
FHA Programs	\$ 13,111	\$ 93,565	\$ 139,858

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**J3. New Guaranteed Loans Disbursed (dollars in millions):**

<u>Loan Guarantee Programs</u>	<b>2013</b>	
	<u>Outstanding Principal, Guaranteed Loans, Face Value</u>	<u>Amount of Outstanding Principal Guaranteed</u>
FHA Programs		
a) MMI/CMHI Funds	\$ 240,276	\$ 237,443
b) GI/SRI Funds	23,344	23,191
c) H4H Program	-	-
All Other	794	793
<b>Total</b>	<b>\$ 264,414</b>	<b>\$ 261,427</b>

<u>Loan Guarantee Programs</u>	<b>2012</b>	
	<u>Outstanding Principal, Guaranteed Loans, Face Value</u>	<u>Amount of Outstanding Principal Guaranteed</u>
FHA Programs		
a) MMI/CMHI Funds	\$ 213,267	\$ 211,043
b) GI/SRI Funds	18,806	18,709
c) H4H Program	-	-
All Other	869	869
<b>Total</b>	<b>\$ 232,942</b>	<b>\$ 230,621</b>

**K. Liability for Loan Guarantees (Estimated Future Default Claims, Pre-1992) (dollars in millions):**

<u>Loan Guarantee Programs</u>	<b>2013</b>		
	<u>Liabilities for Losses on Pre-1992 Guarantees, Estimated Future Default Claims</u>	<u>Liabilities for Loan Guarantees for Post- 1991 Guarantees (Present Value)</u>	<u>Total Liabilities For Loan Guarantees</u>
FHA Programs	\$ 8	\$ 39,124	\$ 39,132
All Other	-	173	173
<b>Total</b>	<b>\$ 8</b>	<b>\$ 39,297</b>	<b>\$ 39,305</b>

<u>Loan Guarantee Programs</u>	<b>2012</b>		
	<u>Liabilities for Losses on Pre-1992 Guarantees, Estimated Future Default Claims</u>	<u>Liabilities for Loan Guarantees for Post- 1991 Guarantees (Present Value)</u>	<u>Total Liabilities For Loan Guarantees</u>
FHA Programs	\$ 17	\$ 51,688	\$ 51,705
All Other	-	160	160
<b>Total</b>	<b>\$ 17</b>	<b>\$ 51,848</b>	<b>\$ 51,865</b>

**L. Subsidy Expense for Post-1991 Guarantees:**

**L1. Subsidy Expense for Current Year Loan Guarantees (dollars in millions):**

<u>Loan Guarantee Programs</u>	<b>2013</b>				
	<u>Endorsement Amount</u>	<u>Default Component</u>	<u>Fees Component</u>	<u>Other Component</u>	<u>Subsidy Amount</u>
FHA					
a) MMI/CMHI Funds, Excluding HECM	\$ 240,276	\$ 7,135	\$ (24,207)	\$ (7)	\$ (17,079)
b) MMI/CMHI Funds, HECM	14,671	536	(902)	-	(366)
c) GI/SRI Funds	23,344	571	(1,484)	-	(913)
d) H4H Program	-	-	-	-	-
All Other	-	14	-	-	14
<b>Total</b>	<b>\$ 278,291</b>	<b>\$ 8,256</b>	<b>\$ (26,593)</b>	<b>\$ (7)</b>	<b>\$ (18,344)</b>

**L2. Subsidy Expense for Prior Year Loan Guarantees (dollars in millions):**

<u>Loan Guarantee Programs</u>	<b>2012</b>				
	<u>Endorsement Amount</u>	<u>Default Component</u>	<u>Fees Component</u>	<u>Other Component</u>	<u>Subsidy Amount</u>
FHA					
a) MMI/CMHI Funds, Excluding HECM	\$ 213,267	\$ 6,829	\$ (13,203)	\$ 993	\$ (5,381)
b) MMI/CMHI Funds, HECM	13,111	754	(954)	-	(200)
c) GI/SRI Funds	18,806	647	(1,041)	-	(394)
d) H4H Program	-	-	-	-	-
All Other	-	16	-	-	16
<b>Total</b>	<b>\$ 245,184</b>	<b>\$ 8,246</b>	<b>\$ (15,198)</b>	<b>\$ 993</b>	<b>\$ (5,959)</b>

**L3. Modification and Re-estimates (dollars in millions):**

<u>Loan Guarantee Programs</u>	<b>2013</b>			
	<u>Total Modifications</u>	<u>Interest Rate Re-estimates</u>	<u>Technical Re-estimates</u>	<u>Total Re-estimates</u>
FHA				
a) MMI/CMHI Funds	\$ -	\$ -	\$ 9,862	\$ 9,862
b) GI/SRI Funds	-	-	(1,443)	(1,443)
All Other	-	-	(2)	(2)
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,417</b>	<b>\$ 8,417</b>

  

<u>Loan Guarantee Programs</u>	<b>2012</b>			
	<u>Total Modifications</u>	<u>Interest Rate Re-estimates</u>	<u>Technical Re-estimates</u>	<u>Total Re-estimates</u>
FHA				
a) MMI/CMHI Funds	\$ -	\$ -	\$ 16,636	\$ 16,636
b) GI/SRI Funds	-	-	3,993	3,993
All Other	-	-	13	13
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,642</b>	<b>\$ 20,642</b>

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### L4. Total Loan Guarantee Subsidy Expense (dollars in millions):

<u>Loan Guarantee Programs</u>	<u>Current Year</u>	<u>Prior Year</u>
FHA		
a) MMI/CMHI Funds	\$ (7,582)	\$ 11,054
b) GI/SRI Funds	(2,356)	3,599
c) H4H Program	-	-
All Other	\$ 11	\$ 30
Total	<u>\$ (9,927)</u>	<u>\$ 14,683</u>

### **M. Subsidy Rates for Loan Guarantees by Programs and Component:**

#### Budget Subsidy Rates for Loan Guarantees for FY 2013 Cohorts

<u>Loan Guarantee Program</u>	<u>Fees and Other</u>			<u>Total</u>
	<u>Default</u>	<u>Collections</u>	<u>Other</u>	
<b>FHA Programs</b>				
MMI/CMHI				
Single Family - Forward	3.0%	(9.4%)		(6.5%)
Single Family - HECM	2.4%	(6.2%)		(3.8%)
Single Family - Refinancing	10.2%	(7.7%)	(2.6%)	0.0%
Multi Family - Section 213	3.0%	(9.4%)		(6.5%)
GI/SRI				
Multifamily				
Section 221(d)(4)	4.4%	(6.9%)		(2.5%)
Section 207/223(f)	1.1%	(5.8%)		(4.7%)
Section 223(a)(7)	1.1%	(5.8%)		(4.7%)
Section 232	3.1%	(7.4%)		(4.3%)
Section 242	1.3%	(7.7%)		(6.4%)
H4H				
Single Family - Section 257				0.0%
<b>All Other Programs</b>				
CDBG, Section 108(b)	2.5%			2.5%
Loan Guarantee Recovery	50.0%			50.0%
Indian Housing	1.4%	0.0%		1.4%
Native Hawaiian Housing	0.5%	0.0%		0.5%
Title VI Indian Housing	10.9%			10.9%

#### Budget Subsidy Rates for Loan Guarantees for FY 2012 Cohorts

<u>Loan Guarantee Program</u>	<u>Fees and Other</u>			<u>Total</u>
	<u>Default</u>	<u>Collections</u>	<u>Other</u>	
<b>FHA Programs</b>				
MMI/CMHI				
Single Family - Forward	3.7%	(6.4%)		(2.8%)
Single Family - HECM	5.7%	(7.3%)		(1.5%)
Multi Family - Section 213	3.7%	(6.4%)		(2.8%)
GI/SRI				
Multifamily				
Section 221(d)(4)	5.3%	(6.4%)		(1.1%)
Section 207/223(f)	3.5%	(5.6%)		(2.2%)
Section 223(a)(7)	3.5%	(5.6%)		(2.2%)
Section 232	3.6%	(5.6%)		(2.0%)
Section 242	1.8%	(5.6%)		(3.8%)
H4H				
Single Family - Section 257				0.0%
<b>All Other Programs</b>				
CDBG, Section 108(b)	2.5%			2.5%
Loan Guarantee Recovery	50.0%			50.0%
Indian Housing	1.5%			1.5%
Native Hawaiian Housing	0.9%			0.9%
Title VI Indian Housing	10.8%			10.8%

**N. Schedule for Reconciling Loan Guarantee Liability Balances (Post-1991 Loan Guarantees)**  
(dollars in millions):

<u>Beginning Balance, Changes, and Ending Balance</u>	<u>2013</u>	<u>2012</u>
Beginning balance of the loan guarantee liability	\$ 55,144	\$ 36,214
Add: subsidy expense for guaranteed loans disbursed during the reporting years by component:		
(a) Interest supplement costs	-	-
(b) Default costs (net of recoveries)	8,256	8,246
(c) Fees and other collections	(26,593)	(15,198)
(d) Othe subsidy costs	(7)	993
Total of the above subsidy expense components	<u>\$ (18,344)</u>	<u>\$ (5,959)</u>
Adjustments:		
(a) Loan guarantee modifications	-	-
(b) Fees Received	12,029	10,743
(c) Interest supplemental paid	-	-
(d) Foreclosed property and loans acquired	11,835	5,888
(e) Claim payments to lenders	(29,417)	(20,275)
(f) Interest accumulation on the liability balance	1,687	1,425
(g) Other	(27)	(51)
Ending balance of the subsidy cost allowance before re-estimates	<u>\$ 32,907</u>	<u>\$ 27,985</u>
Add or Subtract subsidy re-estimates by component:		
(a) Interest rate re-estimate	-	-
(b) Technical/default re-estimate	1,316	20,167
(c) Adjustment of prior years credit subsidy re-estimates	7,414	6,992
Total of the above re-estimate components	<u>8,730</u>	<u>27,159</u>
<b>Ending balance of the subsidy cost allowance</b>	<b><u>\$ 41,637</u></b>	<b><u>\$ 55,144</u></b>
Less: unrealized Ginnie Mae claims from defaulted loans	<u>\$ (2,332)</u>	<u>\$ (3,279)</u>
<b>Ending balance of the subsidy cost allowance</b>	<b><u>\$ 39,305</u></b>	<b><u>\$ 51,865</u></b>

**O. Administrative Expenses** (dollars in millions):

<u>Loan Guarantee Program</u>	<u>2013</u>	<u>2012</u>
FHA	\$ 647	\$ 647
All Other	-	-
<b>Total</b>	<b><u>\$ 647</u></b>	<b><u>\$ 647</u></b>

**Note 8: Other Non-Credit Reform Loans**

The following shows HUD's Other Non-Credit Reform Loans Receivable as of September 30, 2013 and September 30, 2012 (dollars in millions):

<u>Description</u>	<u>2013</u>			
	<u>FHA</u>	<u>Ginnie Mae</u>	<u>All Other</u>	<u>Total</u>
Mortgage Loans Held for Investment, net	\$ -	\$ 3,336	\$ -	\$ 3,336
Advances Against Defaulted Mortgage-Backed Security Pools, net	-	99	-	99
Properties Held for Sale, net	-	23	-	23
Foreclosed Property	-	481	-	481
Short Sale Claims Receivable	-	62	-	62
<b>Total</b>	<b><u>\$ -</u></b>	<b><u>\$ 4,001</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 4,001</u></b>