

**PUBLIC AND INDIAN HOUSING
HOUSING CERTIFICATE FUND
2015 Summary Statement and Initiatives
(Dollars in Thousands)**

| HOUSING CERTIFICATE FUND | <u>Enacted/ Request</u> | <u>Carryover</u> | <u>Supplemental/ Rescission</u> | <u>Total Resources</u> | <u>Obligations</u> | <u>Outlays</u> |
|------------------------------------|-----------------------------|---------------------------|-------------------------------------|----------------------------|--------------------|----------------|
| 2013 Appropriation | \$80,751 ^a | \$68,109 ^b | -\$32,565 ^c | \$116,295 | ... | \$479,000 |
| 2014 Appropriation/Request | ... | 157,295 ^d | -6,000 | 151,295 | \$151,295 | 326,000 |
| 2015 Request | <u>...</u> | <u>23,000^e</u> | <u>-3,000</u> | <u>20,000</u> | <u>20,000</u> | <u>199,000</u> |
| Program Improvements/Offsets | ... | -134,295 | +3,000 | -131,295 | -131,295 | -127,000 |

- a/ This number represents source year 1975-1987 recoveries that were cancelled and an equal amount of budget authority was appropriated (the same treatment of recoveries enacted in fiscal years 2013 and 2014 is proposed for fiscal year 2015).
- b/ Includes \$24 million in carryover and \$44 million in recoveries (excluding source years 1975-1987).
- c/ Includes \$32.4 million from source year 1974 or prior, which was cancelled per P.L. 113-6, and an across-the-board reduction of 0.2 percent of the 2013 appropriated amount of \$80.751 million (\$162 thousand).
- d/ Includes \$116 million in carryover and \$41 million in anticipated recoveries from prior obligations estimated to be collected during fiscal year 2014. Of the anticipated recoveries, per 113-76, \$26 million is estimated to be from source years-1975-1987 and will be cancelled and an equal amount appropriated, and \$6 million is estimated to be from source year 1974 or prior and will be cancelled.
- e/ Includes \$0 carryover and \$23 million in anticipated recoveries from prior obligations estimated to be collected during fiscal year 2015. Of the recoveries, \$15 million is estimated to be from source years 1975-1987 and would be cancelled and an equal amount appropriated, and \$3 million is estimated to be from source year 1974 or prior and would be cancelled.

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 \$15 million for fiscal year 2015.

Non-cancelled recaptures will be used for renewals of or amendments to rental assistance contracts, and administrative fees – primarily in the Project-Based Section 8 Program.

Housing Certificate Fund

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.

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.

Housing Certificate Fund

**PUBLIC AND INDIAN HOUSING
HOUSING CERTIFICATE FUND
Summary of Resources by Program
(Dollars in Thousands)**

| <u>Budget Activity</u> | <u>2013 Budget Authority</u> | <u>2012 Carryover Into 2013</u> | <u>2013 Total Resources</u> | <u>2013 Obligations</u> | <u>2014 Budget Authority/ Request</u> | <u>2013 Carryover Into 2014</u> | <u>2014 Total Resources</u> | <u>2015 Request</u> |
|-------------------------|------------------------------|---------------------------------|-----------------------------|-------------------------|---------------------------------------|---------------------------------|-----------------------------|---------------------|
| Contract Renewals | ... | ... | ... | ... | -\$6,000 | \$41,000 | \$35,000 | ... |
| Contract Administrators | \$48,186 | \$68,109 | \$116,295 | ... | ... | 116,295 | 116,295 | ... |
| Section 8 Amendments .. | ... | ... | ... | ... | ... | ... | ... | ... |
| Administrative Fees ... | ... | ... | ... | ... | ... | ... | ... | ... |
| Total | 48,186 | 68,109 | 116,295 | ... | -6,000 | 157,295 | 151,295 | ... |

NOTES:

"2013 Carryover Into 2014" includes \$41 million in anticipated recoveries from prior obligations estimated to be collected during fiscal year 2014, of which \$6 million is estimated to be from source year 1974 and will be cancelled.

Housing Certificate Fund

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

The fiscal year 2015 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 ~~[RESCISSIONS]~~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 ~~[2014]~~2015 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, 2014.*)