

Note 24: FHA Net Costs

FHA organizes its operations into three overall program types: Single Family Forward, Multifamily/Healthcare, and Home Equity Conversion Mortgages (HECM). These program types are composed of two major funds: GI/SRI and MMI/CMHI. FHA encourages homeownership through its Single Family Forward programs by making loans readily available with its mortgage insurance programs. These programs insure mortgage lenders against losses from default, enabling those lenders to provide mortgage financing on favorable terms to homebuyers. Multifamily Housing Programs provide FHA insurance to approved lenders to facilitate the construction, rehabilitation, repair, refinancing, and purchase of multifamily housing projects such as apartment rentals, and cooperatives. Healthcare programs enable low cost financing of health care facility projects and improve access to quality health care by reducing the cost of capital. The HECM program provides eligible homeowners who are 62 years of age and older access to the equity in their property with flexible terms. Homeowners may opt for a lump sum payment of mortgage proceeds, monthly payments, line of credit or a combination thereof.

The following table shows Net Cost detail for the FHA (dollars in millions):

Fiscal Year 2013					
	Single Family Forward Program	HECM Program	Multifamily/Healthcare Program	Administrative Costs	Total
Costs					
Intragovernmental Gross Costs	\$ 727	\$ 53	\$ 142	\$ 21	\$ 943
Intragovernmental Earned Revenues	(1,720)	(823)	(62)	-	(2,605)
Intragovernmental Net Costs	\$ (993)	\$ (770)	\$ 80	\$ 21	\$ (1,662)
Gross Costs with the Public	\$ (5,840)	\$ (565)	\$ (1,927)	\$ 671	\$ (7,661)
Earned Revenues	(28)	(2)	(46)	-	(76)
Net Costs with the Public	\$ (5,868)	\$ (567)	\$ (1,973)	\$ 671	\$ (7,737)
Net Program Costs	\$ (6,861)	\$ (1,337)	\$ (1,893)	\$ 692	\$ (9,399)

Fiscal Year 2012					
	Single Family Forward Program	HECM Program	Multifamily/Healthcare Program	Administrative Costs	Total
Costs					
Intragovernmental Gross Costs	\$ 326	\$ 52	\$ 85	\$ 29	\$ 492
Intragovernmental Earned Revenues	(2,608)	(478)	(28)	-	(3,114)
Intragovernmental Net Costs	\$ (2,282)	\$ (426)	\$ 57	\$ 29	\$ (2,622)
Gross Costs with the Public	\$ 15,454	\$ 8,159	\$ (1,243)	\$ 660	\$ 23,030
Earned Revenues	(50)	(5)	(57)	-	(112)
Net Costs with the Public	\$ 15,404	\$ 8,154	\$ (1,300)	\$ 660	\$ 22,918
Net Program Costs	\$ 13,122	\$ 7,728	\$ (1,243)	\$ 689	\$ 20,296

Note 25: Commitments under HUD's Grant, Subsidy, and Loan Programs

A. Contractual Commitments

HUD has entered into extensive long-term commitments that consist of legally binding agreements to provide grants, subsidies or loans. Commitments become liabilities when all actions required for payment under an agreement have occurred. The mechanism for funding subsidy commitments generally differs depending on whether the agreements were entered into before or after 1988.

With the exception of the Housing for the Elderly and Disabled and Low Rent Public Housing Loan Programs (which have been converted to grant programs), Section 235/236, and a portion of "all other"