

**HOUSING
FLEXIBLE SUBSIDY FUND
2011 Summary Statement and Initiatives
(Dollars in Thousands)**

FLEXIBLE SUBSIDY FUND	Enacted/ Request	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Outlays
2009 Appropriation	\$128,451 ^a	...	\$128,451	...	-\$25,661
2010 Appropriation/Request	154,451 ^b	...	154,451	...	-26,000
2011 Request	<u>...</u>	<u>23,000^c</u>	<u>...</u>	<u>23,000</u>	<u>...</u>	<u>-23,000</u>
Program Improvements/Offsets	-131,451	...	-131,451	...	+3,000

- a/ Includes unobligated balance of \$101.8 million carried forward from fiscal year 2008 and \$26 million of offsetting collections and \$1 million of recaptures in fiscal year 2009.
- b/ Includes unobligated balance of \$128.5 million carried forward from fiscal year 2009 and \$26 million of offsetting collections anticipated for fiscal year 2010.
- c/ Amount reflects unobligated balance of \$154.5 million carried forward from fiscal year 2010 and \$23 million of offsetting collections anticipated for fiscal year 2011. The \$154.5 million will be written off and returned to the Treasury in fiscal year 2011, thereby zeroing out the unobligated balance accumulated through the end of fiscal year 2010.

Summary Statement

The unobligated balance remaining in this account in fiscal year 2011 will consist of interest payments and principal repayments on loans, and interest on investments. However, none of these funds are available for obligation without Congressional appropriations. During fiscal year 2011, the Department will write off unobligated balances accumulated through the end of fiscal year 2010 and return them to the Treasury. Those balances are unavailable without additional appropriation language and scoring of additional Budget Authority. The Department also proposes to repeal the language in the 2005 Consolidated Appropriations Act (P.L. 108-447) and the 2006 Appropriations Act (P.L. 109-115), both of which made permanent the transfer of excess rental receipts from the Rental Housing Assistance Fund to the Flexible Fund. Those transfers are accruing at the rate of approximately \$4 million annually. They will henceforth be retained in the Rental Housing Assistance Fund to accommodate any future refund of excess rental income and rent rebate requirements.

Collections in the Flexible Subsidy fund will continue to occur as a result of repayments of Flexible Subsidy loans outstanding and repayment of grants as may be appropriate. Such collections are estimated at \$23 million in fiscal year 2011.

No new obligations are anticipated in fiscal year 2011.

Flexible Subsidy Fund

The Flexible Subsidy Fund was initially authorized by the Housing and Community Development Amendments (HCD) of 1978, subsequently amended by the Housing and Community Development (HCD) Act of 1987, and further amended by the McKinney Homeless Assistance Amendments Act of 1988. The HCD Amendments of 1978 established the Flexible Subsidy Fund into which repaid funds would be credited along with any transfer from the Rental Housing Assistance Fund.

Refunding of excess rental income remitted to the Department could be made from either the Rental Housing Assistance Fund or the Flexible Subsidy Fund, as authorized by Section 532 of the fiscal year 2000 Appropriations Act and amended by Section 861 of the American Homeownership and Economic Opportunity Act of 2000.

Initiatives

No new initiatives are proposed for fiscal year 2011.

Flexible Subsidy Fund

**HOUSING
FLEXIBLE SUBSIDY FUND
Summary of Resources by Program
(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2009 Budget Authority</u>	<u>2008 Carryover Into 2009</u>	<u>2009 Total Resources</u>	<u>2009 Obligations</u>	<u>2010 Budget Authority/ Request</u>	<u>2009 Carryover Into 2010</u>	<u>2010 Total Resources</u>	<u>2011 Request</u>
Flexible subsidy	\$128,451	\$128,451	...	...	\$154,451	\$154,451	...
Total	128,451	128,451	...	...	154,451	154,451	...

2008 Carryover into 2009. The balance consists of an unobligated balance of \$101.8 million carried forward from fiscal year 2008, \$26 million of offsetting collections, and \$1 million of recaptures for fiscal year 2009.

2009 Carryover into 2010. The balance consists of an unobligated balance of \$128.5 million carried forward from fiscal year 2009 and \$26 million of offsetting collections anticipated for fiscal year 2010.

<u>FTE</u>	<u>2009 Actual</u>	<u>2010 Estimate</u>	<u>2011 Estimate</u>
Headquarters .....	...	...	...
Field	6	6	6
Total	6	6	6

Flexible Subsidy Fund

**HOUSING
FLEXIBLE SUBSIDY FUND
Program Offsets
(Dollars in Thousands)**

Flexible Subsidy	<u>Amount</u>
2009 Appropriation
2010 Appropriation/Request
2011 Request	<u>...</u>
Program Improvements/Offsets

Proposed Actions

There are no proposed appropriations for this program.

Flexible Subsidy Fund

HOUSING
FLEXIBLE SUBSIDY FUND
Justification of Proposed Changes in Appropriations Language

The following language has been placed in the General Provisions of the Fiscal Year 2011 Budget Estimates:

Sec. 224. The paragraphs under the heading "Flexible Subsidy Fund" in Public Law 108-447 and in Public Law 109-115 are repealed.

Flexible Subsidy Fund

**HOUSING
FLEXIBLE SUBSIDY FUND
Crosswalk of 2009 Availability
(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2009 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2009 Resources</u>
Flexible subsidy	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>\$128,451</u>	<u>\$128,451</u>
Total	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	128,451	128,451

Carryover. The carryover balance consists of an unobligated balance of \$101.8 million carried forward from fiscal year 2008, \$26 million of offsetting collections, and \$1 million of recaptures for fiscal year 2009.

Flexible Subsidy Fund

**HOUSING
FLEXIBLE SUBSIDY FUND
Crosswalk of 2010 Changes
(Dollars in Thousands)**

<u>Budget Activity</u>	2010 President's Budget Request	Congressional Appropriations Action on 2010 Request	2010 Supplemental/ Rescission	Reprogrammings	Carryover	Total 2010 Resources
Flexible Subsidy	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>\$154,451</u>	<u>\$154,451</u>
Total	154,451	154,451

Carryover. The carryover balance consists of the \$128.5 million of unobligated balances from fiscal year 2009 carried forward into fiscal year 2010 and \$26 million of offsetting collections anticipated for fiscal year 2010.