

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Public and Indian Housing

Housing Certificate Fund

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Outlays
2020 Appropriation	-	40,384	-	84,317	11,982	120,000
2021 Appropriation	-	72,335	-	101,000	27,000	28,000
2022 President's Budget	-	74,000	-	93,000	25,000	13,000
Change from 2021	-	1,666	-	(8,000)	(2,000)	(15,000)

Note: Refer to the table below for a description of the source of the funds.

PROGRAM PURPOSE

The Housing Certificate Fund (HCF) is best described as a composite account. Prior to 2005, it funded contracts that are now administered in 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.

- Beginning in 2005, the account stopped receiving annual appropriations and the TBRA and PBRA accounts were established.
- HCF continues to “hold” the account’s prior obligations for original term PBRA contracts that were funded in advance (i.e., long-term, up to 40 years). These funds continue to pay for contract expenses as they come due.
- As original contract terms draw to completion, annual renewals 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.
- Any undisbursed funds remaining on contracts at termination are recaptured and either cancelled or re-appropriated (depending on the source year). Eligible uses of recaptures include PBRA renewals, amendments, and administrative fees for multifamily housing programs.

BUDGET OVERVIEW

The 2022 President’s Budget requests no funding for the HCF, which is equal to the 2021 enacted level. The Budget for HCF reflects the use of anticipated carryover and recaptures from previous years. Continuing appropriations language for HCF 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. Recaptures of contract authority originating in 1974 and prior are cancelled.

SOURCE OF FUNDS

	Carryover ^{a/}	Recaptures	Rescind ^{b/}	Appropriations ^{c/}	Total Resources	Obligations
2020	37,564,300	60,041,429	(44,425,136)	31,136,306	84,316,929	11,982,375
2021	72,334,554	39,000,000	(36,000,000)	26,000,000	101,000,000	27,000,000
2022	74,000,000	27,000,000	(23,000,000)	15,000,000	93,000,000	25,000,000

a/ 2020 carryover is net of SF-133 adjustment.

b/ Rescissions include all recaptured funds appropriated prior to 1987.

c/ An equivalent amount of the rescinded funds from 1974 to 1987 are then re-appropriated to HUD.

HUD anticipates using available residual funding from the HCF account to supplement appropriations in the PBRA account. Currently, HUD estimates this need at \$25 million but may use more based on actual operational need. The recaptures in 2022, along with funds remaining from prior year HCF recoveries, are anticipated to support Performance Based Contract Administrators (and/or successor contracts) and contract renewals in the PBRA program, providing an offset to new appropriations needed in the PBRA account.

JUSTIFICATION

For more detailed information, please see the “Project-Based Rental Assistance (PBRA)” justification.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2020 Budget Authority	2019 Carryover Into 2020	2020 Total Resources	2020 Obligations	2021 Appropriation	2020 Carryover Into 2021	2021 Total Resources	2022 President's Budget
Contract Administrators	-	40,384	84,317	11,982	-	72,335	101,000	-
Renewal of Expiring Section 8 Contract	-	-	-	-	-	-	-	-
Total	-	40,384	84,317	11,982	-	72,335	101,000	-

See above table for explanation of figures.

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

None.

APPROPRIATIONS LANGUAGE

The 2022 President’s Budget includes proposed changes in the appropriations language listed below. New language is italicized, and language proposed for deletion is bracketed.

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 [2021]*2022* 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 fiscal years 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, 2021.*)