



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

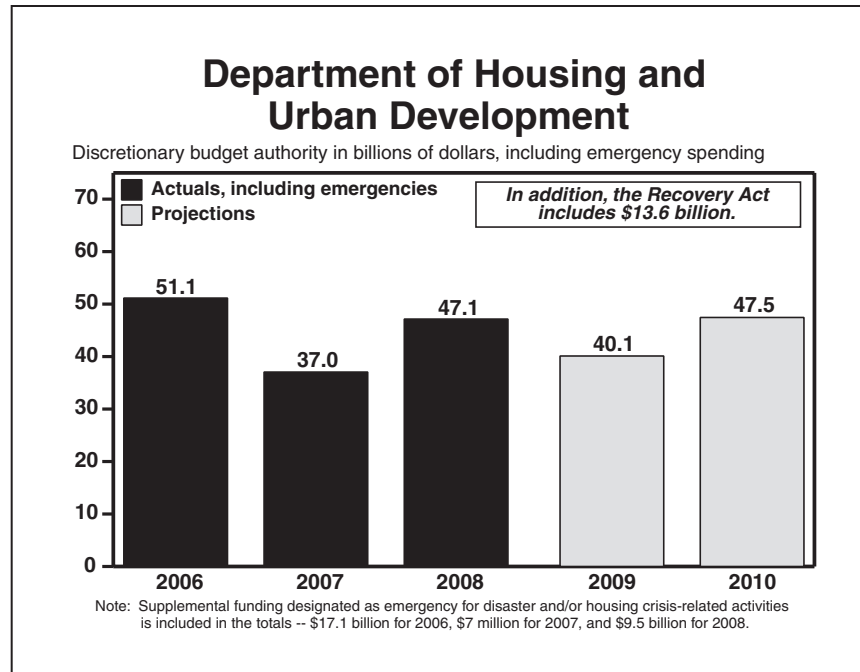
Funding Highlights:

- Provides full funding for the Community Development Block Grant program at \$4.5 billion. In addition, the Budget reforms the program's formula to better target economically distressed communities. The program will also stimulate innovations in metropolitan sustainability, university partnerships, and rural housing and economic development.
- Provides \$1 billion to capitalize and launch an Affordable Housing Trust Fund that will develop, rehabilitate, and preserve affordable housing targeted to very-low income households. The Fund will help to prevent homelessness and strengthen families.
- Increases funding for the Housing Choice Voucher program, which likewise makes housing affordable to very low-income households. The Department of Housing and Urban Development will also introduce legislative reforms to address the program's costly inefficiencies.
- Enables the Department to preserve approximately 1.3 million affordable rental units through increased funding for the Department's assisted multifamily properties.
- Combats mortgage fraud and predatory loans. The Budget funds enhanced enforcement of fair housing, mortgage disclosure, and settlement requirements.
- Creates a new Energy Innovation Fund to catalyze private sector investment in the energy efficiency of the Nation's housing stock.
- Creates a new Choice Neighborhoods Initiative to make a range of transformative investments in high-poverty neighborhoods where public and assisted housing is concentrated.
- Eliminates funding for ineffective and duplicative programs, including the Section 108 Community Development Loan Guarantees program and the American Dream Downpayment Initiative.

The Department of Housing and Urban Development (HUD) is committed to fulfilling its mission of increasing homeownership, supporting innovative and sustainable community development, and increasing access to affordable housing free from discrimination. The President's Budget restores and increases funding for many

HUD programs to achieve these important goals while reforming or eliminating duplicative and inefficient programs.

Provides Full Funding for the Community Development Block Grant (CDBG) Program. The President is fulfilling his pledge to



fully fund CDBG. The Budget provides \$4.5 billion for 2010 to ensure that communities continue to invest in and expand economic opportunities for low-income families. In addition to the significant funding increase, the Budget will modernize the program through statutory reforms. Through a more effective formula, appropriate incentives and accountability measures, and a new Sustainable Communities Initiative, the Administration will revamp the CDBG program to better target funds to distressed communities and promote sustainable and economically viable communities.

Provides Funding for an Affordable Housing Trust Fund for the First Time. The Housing Trust Fund was originally authorized in the Housing and Economic Recovery Act of 2008, with a dedicated funding stream from assessments on Fannie Mae and Freddie Mac. However, given their financial difficulties, the Federal Housing Finance Agency has indefinitely suspended these assessments. The Budget restores funding for the Housing Trust Fund by requesting \$1 billion to finance the development, rehabilitation, and preservation of affordable housing for very low income residents.

Increases Funding for the Housing Choice Voucher Program. A robust Housing Choice Voucher program will help more than two million extremely low- to low-income families with rental assistance to live in decent housing in neighborhoods of their choice. To address the program's costly inefficiencies, the Administration will introduce legislative reforms to help fully utilize available funding, alleviate the administrative burdens on the Public Housing Authorities, and establish a funding mechanism that is transparent and predictable in order to serve more needy families.

Increases Funding for the Project-Based Rental Assistance Program. The Project-Based Rental Assistance program will preserve approximately 1.3 million affordable rental units through increased funding for contracts with owners of multifamily properties. This critical investment will assist low- and very low-income households in obtaining decent, safe and sanitary housing in private accommodations.

Combats Mortgage Fraud and Precautionary Practices. The Budget provides funds for HUD to combat mortgage fraud and predatory practices and includes increased funding for fair housing enforcement. These resources will allow

HUD to increase enforcement of mortgage and home purchase settlement requirements. This involves proper disclosure of mortgage terms and permissible business practices and charges. Enhanced enforcement will create an environment in which home-buyers will be served with mortgage terms that are more easily understood and reliably honored by lenders.

Creates a New Energy Innovation Fund. The Budget includes funds for HUD to drive the creation of an energy-efficient housing market—including “retrofitting” of older, inefficient housing—and catalyze private sector lending for this purpose in the residential sector. Partnering with the Department of Energy on this initiative, HUD will contribute to the Administration’s broader effort to combat global warming, jumpstart the creation of a green economy, and reduce utility bills.

Creates a New Choice Neighborhoods Initiative. The Budget includes funds for HUD to support a range of transformative interventions in neighborhoods of concentrated poverty. This new initiative would challenge public, private and nonprofit partners to identify neighborhood interventions that would have the largest return on Federal investments.

Eliminates Funding for Ineffective and Duplicative Programs. The President’s Budget proposes to eliminate funding for two HUD programs totaling \$16 million. The Section 108 Community Development Loan Guarantees Program and the American Dream Downpayment Initiative are duplicative of larger programs that achieve similar results. By eliminating separate funding for these programs, HUD will streamline its resources and focus its efforts on programs that are more successful. Section 108 Community Development activities will continue to be eligible under CDBG.