



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D C. 20548

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PROGRAM ANALYSIS
DIVISION

B-206668

JANUARY 21, 1983

The Honorable Jake Garn
Chairman, Subcommittee on
HUD-Independent Agencies
Committee on Appropriations
United States Senate

The Honorable Walter D. Huddleston
Ranking Minority Member, Subcommittee
on HUD-Independent Agencies
Committee on Appropriations
United States Senate



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Subject: The Department of Housing and Urban Development's
Compliance With Continuing Resolution Provision
For Using the Full Amounts of Enacted Loan
Guarantee Limitations (GAO/PAD-83-15)

This letter is in response to your January 26, 1982, request for the General Accounting Office to closely monitor compliance with Section 136 of P.L. 97-92, the third continuing resolution for fiscal year 1982. Section 136 provided that "subject only to the absence of qualified applicants . . . the head of each department or agency . . . shall enter into commitments to guarantee or insure in the full amounts provided for in this joint resolution or other applicable law." To assess the Administration's compliance, we reviewed the Department of Housing and Urban Development's (HUD) response to the resolution because of the magnitude of HUD's loan guarantee programs within your Committee's purview. In particular, we reviewed the Federal Housing Administration (FHA), Government National Mortgage Association (GNMA), and Section 108 loan guarantee programs, as noted in your request.

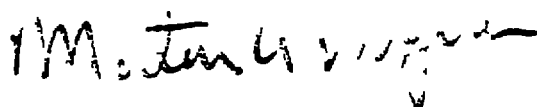
Our opinion is that HUD has complied with Section 136 of P.L. 97-92, the third continuing resolution. This opinion is primarily supported by two different actions that occurred subsequent to the passage of the continuing resolution. The first action to occur (6 days after passage) was a memorandum by the HUD General Counsel advising the Department's Office of Budget to request OMB apportionments sufficient to operate the Section 108 and GNMA loan guarantee programs in accordance with the program levels indicated in the third continuing resolution or, upon its being signed into law, H.R. 4034.

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The second action to occur was the actual release of authority for the Section 108 loan guarantee program. The FHA and GNMA loan guarantee programs were using their available authority; however, in contrast, the Section 108 loan guarantee program was at that time being restrained from making any new loan guarantee commitments. In January and February, two related actions show that authority for the Section 108 loan guarantee program was released. First, HUD requested and OMB approved an apportionment equal to the amounts specified in the appropriations language. Second, HUD execution schedules show that commitments were starting to be made in February and continued through the rest of the fiscal year.

If there is anything further we can do to assist your oversight of loan guarantee programs, please call on us.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Morton A. Myers". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Morton A. Myers
Director