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(202) 708-0685

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TRUMP ADMINISTRATION PROPOSES 2018 HUD BUDGET
Spending plan will preserve support for 4.5 million HUD-assisted households

WASHINGTON – The Trump Administration today announced the proposed 2018 Budget for the U.S. Department of Housing and Urban Development (HUD). The Budget reflects the President’s commitment to support HUD’s critical functions that provide rental assistance to low-income and vulnerable households and to help work-eligible families achieve self-sufficiency. The President’s 2018 Budget continues to provide rental assistance for 4.5 million households while recognizing a greater role for State and local governments, and the private sector, to address community and economic development needs. [Read HUD’s proposed FY 2018 Budget.](#)

HUD’s request includes \$40.68 billion in gross discretionary funding for the Department. The proposed reductions would be implemented primarily through rental assistance reforms and eliminating funding for programs. Additional savings are associated with streamlining HUD’s own internal operations. Meanwhile, the Budget seeks \$2.25 billion to help local communities house and serve persons and families who are experiencing homelessness.

“This Budget reflects this Administration’s commitment to fiscal responsibility while continuing HUD’s core support of our most vulnerable households,” said HUD Secretary Ben Carson. “We will work very closely with Congress to support the critical work of our agency as we vigorously pursue new approaches to help work-eligible households achieve self-sufficiency.”

Reforming Rental Assistance Programs

The Budget proposes to continue support for 4.5 million HUD-assisted households while offering a set of policy reforms to reduce costs to taxpayers. These policies cover HUD’s Housing Choice Voucher (HCV), Public Housing

Operating/Capital Fund, Project-Based Rental Assistance (PBRA), Housing for the Elderly (Section 202) and Housing for Persons with Disabilities (Section 811) programs. The Administration seeks to provide funding flexibilities and relieve regulatory and other cost burdens on public housing authorities. The Budget also proposes changes to tenant rent contributions, with some protections for those who experience hardships. Together, these policies serve as a starting point as HUD works to modernize an outdated and complex support system.

The Administration proposes removing the statutory limit on the number of public housing units that can participate in HUD's *Rental Assistance Demonstration (RAD)*. Currently, only 225,000 units of public housing can take advantage of this affordable housing preservation program. RAD is an important strategy to recapitalize the nation's at-risk public housing stock, which requires billions of dollars to make critical repairs and improvements. In RAD's short history, the program has generated more than \$4 billion in private investment in public housing, preserving more than 61,000 units of affordable housing. The 2018 Budget also requests that senior housing developments participating in HUD's Section 202 Program become eligible to participate in RAD to help preserve housing for the elderly. [Read more about RAD.](#)

Supporting Homeownership and Fair Housing

The 2018 Budget continues to support homeownership through the FHA mortgage insurance programs, providing up to \$400 billion in new loan guarantee authority and making changes to strengthen FHA's *Home Equity Conversion Mortgage (HECM)* or 'reverse mortgage' program. The Budget includes a \$30 million administrative fee to support the modernization of FHA's aging systems, some that are based upon the outdated COBOL programming language.

In addition, the Budget seeks \$500 billion in new guarantee authority for Ginnie Mae, a part of HUD. Ginnie Mae makes affordable housing a reality for millions of low- and moderate-income households across America by channeling global capital into the nation's housing markets. Specifically, Ginnie Mae provides significant liquidity, allowing lenders to obtain a better price for their mortgage loans in the secondary mortgage market. The

lenders can then use the proceeds to fund new mortgage loans. Without this liquidity, lenders would be forced to keep all loans in their own portfolio, meaning they would not have adequate capital to make new loans.

The Administration is also seeking \$65.3 million to support HUD's fair housing mission, the same funding level provided in the prior three years.

Eliminating/Reducing Ineffective Programs

The Administration is seeking the elimination of the *Community Development Block Grant (CDBG) Program*, devolving the activities the block grant program supports to the State and local level. Since 1980, and most recently in 2013, HUD studies found that CDBG is increasingly not well targeted to the poorest communities and has not demonstrated a measurable impact on communities. Similarly, the Budget proposes the elimination of HUD's *Choice Neighborhoods Initiative*, *HOME Investment Partnerships Program*, and the *Self-Help Homeownership Opportunity Program (SHOP)*, because State and local governments are better-positioned to serve their communities' needs.

Controlling Lead Hazards and Promoting Healthy Homes

To protect families and their young children from potentially dangerous lead-based paint hazards, the Budget requests \$130 million to promote healthy and lead-safe housing.

Finding Efficiencies

The Budget provides \$1.32 billion for HUD's internal operations. The request also provides \$250 million for the Department's Information Technology Fund, including \$10 million for cybersecurity and modernization investments to help local public housing authorities and managing risks in the Federal Housing Administration's (FHA) mortgage insurance programs.

[Read HUD's proposed FY 2018 Budget.](#)

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HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. More information about HUD and its programs is available on the Internet at www.hud.gov and <http://espanol.hud.gov>.

You can also connect with HUD on [social media](#) and follow Secretary Carson on [Twitter](#) and [Facebook](#) or sign up for news alerts on [HUD's Email List](#).