

Homes & Communities

U.S. Department of Housing
and Urban Development

Newsroom

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Cathy MacFarlane
(202) 708-0685
www.hud.gov/news/

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BUSH ADMINISTRATION PROPOSES \$33.6 BILLION HUD BUDGET – INCORPORATING PROGRAMS WILL HELP HOMEBUYERS, RENTERS AND HOMELESS

WASHINGTON - Expanding programs to increase homeownership, to provide rental assistance, and to assist the homeless are among the highlights of President Bush's proposed fiscal year 2007 budget unveiled today by Housing and Urban Development Secretary Alphonso Jackson. Jackson said the \$33.6 billion budget blueprint will support the Department's core priorities while expanding on the Administration's efforts toward establishing an ownership society and caring for those who might otherwise be living on the streets.

"The President's proposed budget is a real investment in building a society based on ownership and reaching out to those people and places in need to make sure every American has a place to call home," said Jackson. "This budget puts a premium on demonstrating results and allows HUD to sustain our core programs that are built on compassion while we continue to improve the way we serve our communities around this country."

Promoting Economic Opportunity and Ownership

More Americans, including more minority families, own their own home today than ever before. In June 2002, President Bush challenged the nation to increase the number of minority homeowners by 5.5 million by the end of this decade. Since the President issued his challenge, 2.4 million minority families have joined the ranks of homeowners. The 2007 budget includes increases to several programs that advance the President's goal of creating an ownership society:

Transforming FHA - HUD will propose transforming the Federal Housing Administration to include updating decades-old requirements that severely limit FHA's ability to reach the very homeowners it was created to serve. HUD will propose amending the *National Housing Act* to allow FHA to offer new options to benefit lower income borrowers who currently are forced to purchase nonprime, high-risk mortgage products to purchase their homes. This proposal will restore FHA to fulfill its mission to give families a safe deal at a fair price.

HOME Investment Partnerships (HOME) Program - HOME is the largest

federal block grant program dedicated to creating affordable housing for low-income families. The Administration proposes \$1.9 billion for the HOME program in 2007, an increase of \$123 million from this year. Each HOME dollar allocated to local jurisdiction traditionally stimulates more than three dollars from other public and private sources.

The American Dream Downpayment Initiative (ADDI) - The 2007 Budget provides \$100 million to help first-time homebuyers overcome the biggest obstacles to homeownership - downpayment and closing costs. Since President Bush signed this initiative into law, ADDI has helped nearly 14,000 families purchase their first home, nearly half of whom are minority.

Self-Help Homeownership Opportunity Program (SHOP) - The Budget proposes \$40 million for HUD's SHOP Program, which allows lower income families to purchase their first home through their own "sweat equity." Those who receive funds from SHOP must contribute at least 100 hours of their own labor to make a house their home.

The Community Development Block Grant (CDBG) Program will be receiving a proposed \$3 billion. In addition, the 2007 budget proposes to reform the program to more effectively contribute to local community and economic development. Formula changes will be proposed to direct more of the program's base funds to communities that cannot meet their own needs; bonus funds will be available to communities that demonstrate the greatest progress in expanding homeownership and opportunity for their residents.

Housing Counseling - The proposed budget requests \$45 million (a \$10 million increase) to support hundreds of housing counseling programs across the country. These counseling programs prepare families for buying their first home, help them steer clear of predatory lending practices and assist current homeowners in avoiding default. Housing counseling is the most cost effective way to educate and assist homeowners to help them make informed financial choices and avoid high-cost loans that place them at greater risk of foreclosure.

Housing for Homeless Persons & Persons Living with HIV/AIDS

Continuum of Care - The President is proposing a record level of funding to help homeless persons find a house and serve homeless persons and families. The 2007 Budget provides \$1.5 billion through HUD's *Continuum of Care* homeless assistance grants, \$1.2 billion more than in 2006. This funding will provide emergency, transitional, and permanent supportive housing to more than 160,000 persons.

Housing Opportunities for Persons with AIDS (HOPWA) - The budget proposes \$300 million to support stable housing, improved access to health care and supportive services for low-income persons living with HIV/AIDS, an increase of \$14 million over FY 2006. Through formula grants to states and local communities as well as competitively awarded grants, these resources will provide critical needed housing assistance to more than 75,000 families.

Rental Assistance for Low-Income Housing

The 2007 HUD Budget proposes a \$502 million increase in funding for the *Choice Voucher Program*. This significant increase to the voucher program is in addition to a \$639 million increase to Section 8 Project-Based rental assistance.

will allow HUD to renew all existing rental housing assistance contracts, opportunity to help even more low-income families to afford decent rental housing. HUD estimates that combined, these two programs will help 3.4 million families afford a decent home.

Fair Housing

In order to meet President Bush's goal of increasing minority homeownership, HUD is critical that every American has access to housing of their choice, free from discrimination. For FY 2007, the budget includes \$45 million to support enforcement, education and outreach efforts to combat illegal discrimination across the country. This requested amount also supports HUD's ongoing efforts to ensure displaced families from the Gulf Coast hurricanes are not further displaced by those who would deny them housing based on their race, religion, sex and status and disability.

HUD is the nation's housing agency committed to increasing homeownership, particularly among minorities; creating affordable housing opportunities for low-income Americans; and supporting the homeless, elderly, people with disabilities and people living with AIDS. The Department also promotes economic and community development as well as enforces the nation's fair housing laws. Information about HUD and its programs is available on the Internet at www.hud.gov and espanol.hud.gov.

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U.S. Department of Housing and Urban Development
451 7th Street S.W., Washington, DC 20410
Telephone: (202) 708-1112 TTY: (202) 708-1455
[Find the address of a HUD office near you](#)