



Estimated Budgetary Effects of Title IV, Committee on Financial Services, H.R. 5376, the Build Back Better Act, as Posted on the Website of the House Committee on Rules on November 3, 2021 (Rules Committee Print 117-18), as Amended by Yarmuth Amendment 112

	By Fiscal Year, Millions of Dollars										2022-2026	2022-2031	
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
Increases or Decreases (-) in Direct Spending													
Section 40001. Public Housing Investments													
Budget Authority	65,000	0	0	0	0	0	0	0	0	0	0	65,000	65,000
Estimated Outlays	1,957	6,458	12,365	12,960	12,938	6,560	3,940	2,788	1,928	1,283		46,678	63,177
Section 40002. Investments in Affordable and Accessible Housing Production													
Budget Authority	25,000	0	0	0	0	0	0	0	0	0	0	25,000	25,000
Estimated Outlays	13	766	1,273	3,748	4,245	4,240	3,641	2,993	2,490	750		10,045	24,159
Section 40003. Housing Investment Fund													
Budget Authority	750	0	0	0	0	0	0	0	0	0	0	750	750
Estimated Outlays	20	85	150	188	149	93	41	16	8	0		592	750
Section 40004. Section 811 Supportive Housing for People With Disabilities													
Budget Authority	500	0	0	0	0	0	0	0	0	0	0	500	500
Estimated Outlays	41	100	123	98	50	28	21	16	15	1		412	493
Section 40005. Section 202 Supportive Housing for the Elderly Program													
Budget Authority	500	0	0	0	0	0	0	0	0	0	0	500	500
Estimated Outlays	50	123	100	75	50	50	25	12	2	1		398	488
Section 40006. Improving Energy Efficiency or Water Efficiency or Climate Resilience of Affordable Housing													
Budget Authority	2,000	0	0	0	0	0	0	0	0	0	0	2,000	2,000
Estimated Outlays	40	128	244	335	376	333	267	162	49	6		1,123	1,940
Section 40007. Revitalization of Distressed Multi-Family Properties													
Budget Authority	1,600	0	0	0	0	0	0	0	0	0	0	1,600	1,600
Estimated Outlays	20	71	106	136	236	306	276	206	141	0		569	1,498
Section 40008. Investments in Rural Rental Housing													
Budget Authority	2,000	0	0	0	0	0	0	0	0	0	0	2,000	2,000

Estimated Outlays

20

113

249

389

383

251

206

176

121

41

1,154

1,949

Section 40009. Housing Vouchers													
Budget Authority	24,000	0	0	0	0	0	0	0	0	0	0	24,000	24,000
Estimated Outlays	1,204	1,947	2,731	3,364	4,163	3,651	3,420	3,410	60	50		13,409	24,000
Section 40010. Project-Based Rental Assistance													
Budget Authority	1,000	0	0	0	0	0	0	0	0	0	0	1,000	1,000
Estimated Outlays	200	212	200	200	188	0	0	0	0	0	0	1,000	1,000
Section 40011. Investments in Native American Communities													
Budget Authority	1,000	0	0	0	0	0	0	0	0	0	0	1,000	1,000
Estimated Outlays	306	242	135	155	55	38	20	20	0	0	0	893	971
Section 40012. Increased Affordable Housing Program Investment													
Budget Authority	162	162	162	162	162	162	0	0	0	0	0	810	972
Estimated Outlays	162	162	162	162	162	162	0	0	0	0	0	810	972
Section 40101. CDBG Funding for Affordable Housing and Infrastructure													
Budget Authority	3,050	0	0	0	0	0	0	0	0	0	0	3,050	3,050
Estimated Outlays	48	175	409	615	537	501	396	240	104	25		1,784	3,050
Section 40102. Lead-Based Paint Hazard Control and Housing-Related Health and Safety Hazard Mitigation in Housing of Families With Lower Incomes													
Budget Authority	5,000	0	0	0	0	0	0	0	0	0	0	5,000	5,000
Estimated Outlays	50	175	375	613	838	925	850	638	388	148		2,051	5,000
Section 40103. Unlocking Possibilities Program													
Budget Authority	1,750	0	0	0	0	0	0	0	0	0	0	1,750	1,750
Estimated Outlays	348	523	350	351	176	2	0	0	0	0	0	1,748	1,750
Section 40104. Strengthening Resilience Under National Flood Insurance Program													
Budget Authority	600	0	0	0	0	0	0	0	0	0	0	600	600
Estimated Outlays	105	294	467	246	64	0	0	0	0	0	0	1,176	1,176
Section 40105. Community Restoration and Revitalization Fund													
Budget Authority	3,000	0	0	0	0	0	0	0	0	0	0	3,000	3,000
Estimated Outlays	50	175	415	615	685	549	338	141	30	2		1,940	3,000
Section 40106. Fair Housing Activities and Investigations													
Budget Authority	700	0	0	0	0	0	0	0	0	0	0	700	700
Estimated Outlays	20	62	107	133	131	98	61	35	19	8		453	674

Section 40107. Intergovernmental Fair Housing Activities and Investigations												
Budget Authority	100	0	0	0	0	0	0	0	0	0	100	100
Estimated Outlays	35	50	10	5	0	0	0	0	0	0	100	100
Section 40201. First-Generation Downpayment Assistance												
Budget Authority	10,000	*	3	9	15	17	13	5	2	*	10,027	10,064
Estimated Outlays	205	210	648	1,304	2,035	1,992	1,503	475	162	*	4,402	8,534
Section 40202. Home Loan Program												
Budget Authority	5,000	-27	-67	-162	-97	-7	-7	-1	0	0	4,647	4,632
Estimated Outlays	185	299	469	1,330	813	127	128	28	2	0	3,096	3,381
Section 40203. HUD-Insured Small Dollar Mortgage Demonstration Program												
Budget Authority	100	0	0	0	0	0	0	0	0	0	100	100
Estimated Outlays	11	41	28	14	6	0	0	0	0	0	100	100
Section 40204. Investments in Rural Homeownership												
Budget Authority	100	0	0	0	0	0	0	0	0	0	100	100
Estimated Outlays	45	28	18	9	0	0	0	0	0	0	100	100
Section 40301. Program Administration, Training, Technical Assistance, Capacity Building, and Oversight												
Budget Authority	1,000	0	0	0	0	0	0	0	0	0	1,000	1,000
Estimated Outlays	100	200	250	200	200	50	0	0	0	0	950	1,000
Section 40302. Community-LED Capacity Building												
Budget Authority	100	0	0	0	0	0	0	0	0	0	100	100
Estimated Outlays	10	20	25	20	20	5	0	0	0	0	95	100
Section 40401. Minority Business Development Agency												
Budget Authority	1,600	0	0	0	0	0	0	0	0	0	1,600	1,600
Estimated Outlays	37	110	176	251	311	290	224	149	52	0	885	1,600
Section 40402. Enhanced Use of Defense Production Act of 1950												
Budget Authority	500	0	0	0	0	0	0	0	0	0	500	500
Estimated Outlays	25	100	125	100	75	30	20	0	0	0	425	475
Section 40403. Supporting Factory-Built Housing Through SSBCI												
Budget Authority	25	0	0	0	0	0	0	0	0	0	25	25
Estimated Outlays	5	10	8	2	0	0	0	0	0	0	25	25
Total Changes in Direct Spending												
Budget Authority	156,137	135	98	9	80	172	6	4	2	0	156,459	156,643

Estimated Outlays	5,312	12,879	21,718	27,618	28,886	20,281	15,377	11,505	5,571	2,315	96,413	151,462
	Increases in Revenues											
Section 40012. Increased Affordable Housing Program Investment Estimated Revenues	134	134	134	134	131	129	0	0	0	0	667	796
	Net Increase in the Deficit From Changes in Direct Spending and Revenues											
Estimated Effect on the Deficit	5,178	12,745	21,584	27,484	28,755	20,152	15,377	11,505	5,571	2,315	95,746	150,666

See the Notes tab for additional details.



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Notes

Estimates for title IV reflect the passage of H.R. 3684, the Infrastructure Investment and Jobs Act.

Budget authority reflects appropriations specifically provided in title IV or amounts estimated by CBO.

The costs of title IV fall within budget functions 050 (national defense), 370 (commerce and housing credit), 450 (community and regional development), 600 (income security), and 700 (veterans benefits and services).

CBO estimates that multiple agencies will not spend all of the budget authority provided in sections 40001, 40002, 40004, 40005, 40006, 40007, 40008, 40011, 40106, 40201, 40202, and 40402.

CDBG = Community Development Block Grant; HUD = Department of Housing and Urban Development; LED = light-emitting diode; SSBCI = State Small Business Credit Initiative Act; * = between zero and \$500,000.

- a. Until 2027, section 40012 would require Federal Home Loan Banks to increase annual contributions for affordable housing programs from 10 percent to 15 percent of the previous year's net income. The additional contributions from banks are classified both as an increase in federal revenues because they are compulsory and as an increase in direct spending because they are spent without further appropriation. CBO estimates that section 40012 would increase direct spending by \$970 million, after accounting for sequestration, and increase revenues by about \$800 million over the 2022-2031 period, for a net increase in the deficit of about \$170 million. Because the annual contributions by banks would reduce the base for income and payroll taxes, the estimate of net revenues includes an offset of approximately 22 percent.
- b. Section 40104 would cancel the outstanding debt of the National Flood Insurance Program and direct the Federal Emergency Management Agency to spend amounts that would be used under current law to make interest payments in 2022 and 2023 for flood-mapping activities. The interest payments and subsequent receipts are intergovernmental transfers and have no net effect on the deficit; outlays for flood mapping would be direct spending. Thus, CBO estimates, the provision would increase direct spending by \$576 million over the 2022-2031 period. Section 40104 also would appropriate \$600 million for a grant program to provide discounts on premiums to low-income policyholders.
- c. Section 40201 would provide down payment assistance for first-time, low-income home buyers, as defined in the bill. CBO expects that, relative to CBO's baseline budget projections, the program would increase total mortgage volume over the 2022-2031 period. Some of those mortgages would be guaranteed by Fannie Mae, Freddie Mac, or the Department of Veterans Affairs. CBO estimates that the increases in mortgage volume for those programs would increase direct spending by \$64 million over the 2022-2031 period.
- d. Section 40202 would establish a program to offer mortgages with below-market interest rates to low-income, first-time home buyers. Under this provision, HUD and the Department of Agriculture would guarantee those mortgages and the Department of the Treasury would subsidize the originators by purchasing corresponding mortgage-backed securities at a premium and selling them on the open market. CBO estimates that subsidizing the originators of those mortgages would increase direct spending by about \$3.75 billion over the 2022-2031 period. In addition, we estimate that the mortgage guarantees would reduce direct spending by \$368 million over the same period. To estimate the budgetary effects of loan guarantees, CBO uses the methodology specified in the Federal Credit Reform Act. On that basis, CBO estimates that the net present value of the premiums collected by HUD for mortgage guarantees under the program would exceed the cost of any losses caused by defaults on the insured loans.

Title IV would not increase on-budget deficits after 2031.

Title IV contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.