



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 23, 2003

### **H.R. 1276** **American Dream Downpayment Act**

*As ordered reported by the House Committee on Financial Services  
on May 21, 2003*

#### **SUMMARY**

H.R. 1276 would authorize the appropriation of \$200 million for each of fiscal years 2004 and 2005 to be used for down-payment assistance toward the purchase of single-family housing by low-income, first-time homebuyers. Uniformed employees of participating local jurisdictions, such as police and firefighters, whose income does not exceed 115 percent of the median income of the area would also be eligible for down-payment assistance.

CBO estimates that appropriation of the authorized amounts would cost \$400 million over the 2004-2008 period. Enacting H.R. 1276 would not affect direct spending or revenues.

H.R. 1276 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

CBO estimates that implementing H.R. 1276 would cost \$400 million over the 2004-2008 period, assuming appropriation of the amounts authorized for each year. For this estimate, we assume the bill will be enacted by the beginning of fiscal year 2004. The estimated outlays are based on historical patterns for similar activities in the HOME Investment Partnership Program. The estimated budgetary impact of H.R. 1276 is shown in the following table. The costs of this legislation fall within budget function 600 (income security).

By Fiscal Year, in Millions of Dollars						
	2003	2004	2005	2006	2007	2008
<b>SPENDING SUBJECT TO APPROPRIATION</b>						
Spending Under Current Law						
Budget Authority/Authorization Level <sup>a</sup>	1,987	2,021	2,061	2,104	2,148	2,196
Estimated Outlays	1,644	1,704	1,809	1,901	1,993	2,074
Proposed Changes						
Estimated Authorization Level	0	200	200	0	0	0
Estimated Outlays	0	20	120	180	80	0
Spending Under H.R. 1276						
Estimated Authorization Level	1,987	2,221	2,261	2,104	2,148	2,196
Estimated Outlays	1,644	1,724	1,929	2,081	2,073	2,074

a. The 2003 level is the amount appropriated for that year for the Home Investment Partnership Program. The 2004-2008 levels are baseline projections for the Home Investment Partnership Program, assuming annual adjustments for anticipated inflation.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 1276 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

### **ESTIMATE PREPARED BY:**

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