SECTION 70 -- FEDERAL CREDIT PROGRAMS

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Summary of Changes

Moves the material formerly in Appendix C to this section.

Adds definitions for economic assumptions, forecast assumptions, loan terms, and methodological assumptions (section 70.2 (h), (j), (p), and (q)).

Provides guidance for calculating the execution subsidy cost rate (section 70.14).

Requires that agencies report subsidy cost for undisbursed loans as undelivered orders, not accounts payable (section 70.15).

Provides instructions for reporting non-subsidy cost collections (section 70.17).

Provides guidance on calculating interest expense and income (sections 70.22-70.26).

70.1 Does this section apply to me?

This section applies to you if your program provides direct loans or loan guarantees to non-Federal entities and is subject to the Federal Credit Reform Act of 1990, as amended (FCRA). Even though section 506 of the FCRA exempts certain credit programs from the FCRA's requirements, those programs are still required to follow other instructions contained in this Circular.

This section answers frequently asked questions, defines credit terms and concepts, and illustrates how apportionment and budget execution forms for a hypothetical credit program should appear. This section supplements the instructions provided in other parts of this Circular and should be used in conjunction with other credit program guidance in OMB Circular A-11, Preparation and Submission of Budget Estimates (section 85 explains the basic principles of credit reform) and Circular A-129, Policies for Federal Credit Programs and Non-Tax Receivables. You can find both Circulars at:

http://www.whitehouse.gov/omb/circulars.

70.2 What special terms must I know?

The following are key terms used in credit budgeting. In these definitions, the term "post-1991" means direct loan obligations or loan guarantee commitments made on or after October 1, 1991, and the resulting direct loans or loan guarantees. The term "pre-1992" means direct loan obligations or loan guarantee commitments made prior to October 1, 1991, and the resulting direct loans or loan guarantees. Also consult OMB Circular A-11 for the most current discussion of these terms.

(a) ***Administrative expenses*** mean all costs that are directly related to credit program operations. The FCRA requires that administrative expenses for both pre-1992 and post-1991 direct loans and loan guarantees be appropriated to and paid from program accounts. Administrative expenses are included in the liquidating accounts only if the amounts would have been available for administrative expenses under a provision of law in effect prior to October 1, 1991, and if no direct loan obligation or loan guarantee commitment has been made, or any modification of a direct loan or loan guarantee has been made, since September 30, 1991.

Administrative expenses that are tangentially related to the credit program should not be included in the program account. As an illustration, the cost of auditing credit programs that is financed in the accounts for Inspectors General should not be included. Administrative expenses include:

- The appropriate proportion of administrative expenses that are shared with non-credit programs;
- The cost of operating separate offices or units that make policy decisions for credit programs;
- The cost of loan systems development and maintenance, including computer costs (under no circumstances should computer costs be paid out of financing accounts);
- The cost of monitoring credit programs and private lenders for compliance with laws and regulations;
- The cost of all activities related to credit extension, loan servicing, write-off, and close out; and
- The cost of collecting delinquent loans, except for the costs of foreclosing, managing, and selling collateral that are capitalized or routinely deducted from the proceeds of sales.

The capitalized costs of foreclosing, managing, and selling collateral are not administrative expenses. Capitalized costs are those that add value to property prior to sale and those routinely deducted from the proceeds of sales of collateral. Capitalized costs are part of the cash flows that must be taken into account in calculating the subsidy cost. They are financed by the subsidy cost payment from the program account to the financing account and paid out of the financing account.

See OMB Circular A-11, section 85 for the most current discussion of costs to be paid from the financing account. Questions as to whether a specific cost should be paid from the financing account or the program account should be directed to OMB.

Administrative expenses may be expended directly from the program account or, if authorized by appropriation language, used to reimburse a salaries and expenses account or the Federal Financing Bank (FFB). If they are transferred to a salaries and expenses account or the FFB, record the transfer as an expenditure transfer. Record an obligation in object class 25.3 “Purchases of goods and services from Government accounts” and an outlay in the program account and an offsetting collection and reimbursable obligation in the appropriate object class in the salaries and expenses account. In the salaries and expenses account, obligations for administrative expenses may be recorded without necessarily identifying them as credit program expenses.

Administrative expenses are almost always provided by annual appropriations acts and, therefore, are discretionary spending. If such expenses are included in a program account that subsidizes a mandatory program, the account will be split between mandatory and discretionary spending.

Amounts appropriated for administrative expenses may not be used for subsidy costs, and amounts appropriated for subsidy costs may not be used for administrative expenses. Administrative or other expenses for non-credit programs should not be paid by the appropriation for credit administrative expenses in the program account.

(b) ***Claim payment*** means a payment made to private lenders when a guaranteed loan defaults.

(c) ***Cohort*** means all direct loans or loan guarantees of a program for which a subsidy cost appropriation is provided for a given fiscal year (except as provided below for pre-1992 direct loans and loan guarantees that are modified). For direct loans and loan guarantees for which a subsidy cost appropriation is provided for one fiscal year, the cohort will be defined by that fiscal year. For direct loans and loan guarantees for which multi-year or no-year appropriations are provided, the cohort is defined by the year of obligation. Direct loans and loan guarantees that are made from supplemental appropriations will be recorded in the same cohort as those that are funded in annual appropriations acts. These rules apply even if disbursements occur in subsequent fiscal years or if the loan is modified.

Cohort accounting applies to post-1991 direct loans and loan guarantees. It applies to pre-1992 direct loans and loan guarantees that have been modified but not to unmodified pre-1992 direct loans and loan guarantees. Post-1991 direct loans or loan guarantees remain with their original cohort throughout the life of the loans, even if they are modified. All of the modified pre-1992 direct loans of a program will be assigned to a single cohort and all of the modified pre-1992 loan guarantees for a program will be assigned to a single cohort, even if the subsidy cost appropriation is provided in different fiscal years. For purposes of budget presentation, cohorts will be aggregated. However, accounting and other records will be maintained separately for each cohort.

(d) ***Direct loan*** means a disbursement of funds by the Government to a non-Federal borrower under a contract that requires repayment of such funds with or without interest. The term includes:

- The purchase of, or participation in, a loan made by a non-Federal lender;

- Financing arrangements that defer payment for more than 90 days, including the sale of a government asset on credit terms; and

- Loans financed by the Federal Financing Bank (FFB) pursuant to agency loan guarantee authority.

The term does not include the acquisition of federally guaranteed loans in satisfaction of default or other guarantee claims or the price support loans of the Commodity Credit Corporation.

(e) ***Direct loan obligation*** means a legal or binding agreement by a Federal agency to make a direct loan when specified conditions are fulfilled by the borrower.

Acquisitions of federally guaranteed loans in satisfaction of default or other guarantee claims are not recorded as direct loan obligations. Instead, the amounts are recorded:

- As obligations incurred for default claims in budget execution reports;

- In object class 42 (insurance claims and indemnities), rather than object class 33 (investments and loans); and

- As loans receivable from the public on the balance sheet for financing accounts.

Pre-1992 loans made by the FFB on behalf of any agency continue to be recorded as direct loans of the agency. Agency guarantees of post-1991 loans that are financed by the FFB are treated as direct loans in the budget, but the intrabudgetary cash flows reflect elements of direct loans and loan guarantees. The direct loan financing account for these loans will collect and hold the subsidy cost payment from the program account. This balance, together with interest earnings, will be available to pay the FFB in the event of default by the non-Federal borrower. Agencies with programs financed by the FFB should consult with the OMB representative with primary responsibility for the program to ensure correct treatment of these loans.

(f) ***Direct loan subsidy cost*** means the estimated long-term cost to the Government of a direct loan, calculated on a net present value basis, excluding administrative costs. Specifically, the cost of a direct loan is the net present value, at the time when the direct loan is disbursed from the financing account, of the following estimated cash flows:

- Loan disbursements;
- Repayments of principal;
- Payments of interest;
- Recoveries or proceeds of asset sales; and
- Other payments by or to the Government over the life of the loan.

These estimated cash flows include the effects of estimated defaults, prepayments, fees, penalties, and expected actions by the Government and the borrower within the terms of the loan contract, such as the exercise by the borrower of an option included in the loan contract.

Obligations for the subsidy cost will be recorded against budget authority in the program account when the direct loan obligation is incurred. Accounts payable (to the direct loan financing account) will be recorded in the amount of the estimated obligation. The subsidy cost will be paid to the financing account when the loan is disbursed. (See OMB Circular A-11 section 85 and the OMB Credit Subsidy Calculator and accompanying documentation for information about estimating the subsidy cost.)

(g) ***Discount rates*** mean the collection of interest rates that are used to calculate the present value of the cash flows that are estimated over a period of years. For loans made, guaranteed, or modified in FY 2001 and thereafter, the cash flow estimated for each year (or other time period) is discounted using the interest rate on a marketable zero-coupon Treasury security with the same maturity from the date of disbursement as that cash flow. The discount rate assumptions for the budget will be provided by OMB in a file for use with the OMB Credit Subsidy Calculator. The FCRA requires that the rate at which interest is paid on the amounts borrowed or held as an uninvested balance by a financing account for a particular cohort must be identical to a weighted average discount rate derived from this collection of interest rates. An electronic spreadsheet is available from OMB to calculate budget estimates of the interest income or expense for financing accounts.

(h) ***Economic assumptions*** include the interest rates used for discounting cash flows and the rate of inflation. They also include the interest rate charged to the borrower on the loan, if the rate is tied to a variable benchmark, such as the rate on specified Treasury securities.

(i) ***Financing account*** means a non-budgetary account (its transactions are excluded from the budget totals) that records all of the cash flows resulting from post-1991 direct loans or loan guarantees. It disburses loans, collects repayments and fees, makes claim payments, holds balances, borrows from Treasury, earns or pays interest, and receives the subsidy cost payment from the credit program account. There is at least one financing account associated with each program account. Separate financing accounts are required for direct loan cash flows and for loan guarantee cash flows if the program account provides subsidy costs for both forms of credit. Financing account schedules are printed in the budget *Appendix* together with the program account.

(j) ***Forecast assumptions*** are factors that affect the expected cash flows of the loan or guarantee. They are factors which are estimated, but not actually observable, at the time of loan origination or modification. They include: default rates, timing of defaults, delinquency rates, late fees, proceeds from the sale of collateral or acquired defaulted loans, income from (and costs of managing) foreclosed collateral and acquired defaulted guaranteed loans, reschedulings, prepayments, loan asset sales proceeds and costs, and disbursement rates.

(k) ***Liquidating account*** means a budget account that records all cash flows to and from the Government resulting from pre-1992 direct loan obligations or loan guarantee commitments (unless they have been modified and transferred to a financing account). Liquidating account collections in any year are available only for obligations incurred during that year or to repay debt. All liquidating accounts are classified as mandatory. Collections credited to a liquidating account include:

- Interest;
- Loan repayments and prepayments;
- Payments from financing accounts when required for modifications;
- Proceeds from the sales of loans; and
- Fees.

These collections are available only for:

- Interest payments and repayment of debt;
- Disbursements of loans;
- Default and other guarantee claim payments;
- Interest supplement payments;
- Cost of foreclosing, managing, and selling collateral that is capitalized or routinely deducted from the proceeds of sales;
- Payments to financing accounts when required for modifications;
- Administrative expenses but only if (1) amounts credited to the liquidating accounts would have been available for administrative expenses under a provision of law in effect prior to October 1, 1991, and (2) no direct loan obligations or loan guarantee commitments have been made, or any modification of a direct loan or loan guarantee has been made, since September 30, 1991; and
- Other payments that are necessary for the liquidation of pre-1992 direct loan obligations and loan guarantee commitments.

Amounts credited to liquidating accounts in any year are only available for obligations that are incurred in that year (the outlay may occur in a subsequent year) and for repayment of debt. Any remaining unobligated balances at the end of the fiscal year are unavailable for obligation in subsequent fiscal years and must be transferred to the general fund at the end of the fiscal year unless an extension has been approved by OMB.

The FCRA provides permanent indefinite authority to cover obligations and commitments in the event that funds in liquidating accounts are otherwise insufficient. If the liquidating account's obligations will exceed its collections during the year, the agency must request an apportionment and warrant of permanent indefinite authority estimated to be needed for the fiscal year, before the beginning of the fiscal year.

The liquidating account status of direct and/or guaranteed loans schedule reflects disbursements and repayments of pre-1992 loans. Therefore, in the liquidating account status of direct and/or guaranteed loans:

- There will be no post-1991 direct loan obligations or loan guarantee commitments;
- Direct and guaranteed loan disbursements will be shown only for pre-1992 direct loans or loan guarantees; and
- Repayments and prepayments will reflect only pre-1992 direct loan obligations and loan guarantee commitments.

(l) ***Loan asset sale*** means a sale of one or more loans to a non-Federal buyer, either individually, pooled, packaged, securitized, or as a joint venture, at a single point in time, subject to parties fulfilling the terms and conditions of the Government's offer. Loan assets consist of direct loans and loan receivables resulting from defaulted guaranteed loans.

(m) ***Loan guarantee*** means any guarantee, insurance, or other pledge with respect to the payment of all or a part of the principal or interest on any debt obligation of a non-Federal borrower to a non-Federal lender, except for the insurance of deposits, shares, or other withdrawable accounts in financial institutions. Loans that are financed by the FFB pursuant to agency loan guarantee authority are treated as direct loans rather than loan guarantees.

(n) ***Loan guarantee commitment*** means a binding agreement by a Federal agency to make a loan guarantee when specified conditions are fulfilled by the borrower, the lender, or any other party to the guarantee agreement.

(o) ***Loan guarantee subsidy cost*** means the estimated long-term cost to the Government of a loan guarantee, calculated on a net present value basis, excluding administrative costs. Specifically, the cost of a loan guarantee is the net present value, at the time when the guaranteed loan is disbursed by the lender, of the following estimated cash flows:

- Payments by the Government to cover defaults and delinquencies, interest subsidies, and other requirements; and

- Payments to the Government, including origination and other fees, penalties, and recoveries.

These estimated cash flows include the effects of expected Government actions and the exercise by the guaranteed lender or the borrower of an option included in the loan guarantee contract.

Obligations for the subsidy cost will be recorded against budget authority in the program account when the loan guarantee commitment is made. The subsidy cost will be paid to the guaranteed loan financing account when the loan is disbursed by the private lender. (See Circular A-11 section 85 and the OMB Credit Subsidy Calculator and accompanying documentation for information about estimating the subsidy cost.)

(p) ***Loan terms*** are those terms made explicit in the contract between the U.S. Government and the borrower or in the Federally-guaranteed contract between a private lender and the borrower. These assumptions are forecast in the original subsidy cost estimate but are known at the time of loan origination. They may include: the interest rate charged on loans, the extent of a guarantee, fees, repayment terms, collateral held, and other factors such as grace periods.

(q) ***Methodological assumptions*** are the technical practices used to develop subsidy cost estimates and loan modification cost estimates. These assumptions include methods and models or cash flow estimation, discounting methodology, and mathematical equations used in subsidy cost estimation. A requirement to use the same methodological assumptions includes using the same version of the OMB Credit Subsidy Calculator within cohorts.

(r) ***Modification*** means a Government action that (1) differs from actions assumed in the baseline estimate of cash flows and (2) changes the estimated cost of an outstanding direct loan (or direct loan obligation) or an outstanding loan guarantee (or loan guarantee commitment). The modification may be for a single loan or loan guarantee as well as a group; it may be any size; it may affect pre-1992 direct loans and loan guarantees or post-1991 direct loans or loan guarantees. New legislation that alters the baseline cash flow estimate for a loan or group of loans always results in a modification.

A Government action may change the cost directly by altering the terms of existing contracts, selling loan assets (with or without recourse) or converting guaranteed loans to direct loans by purchasing them from a private lender. It also may change the cost indirectly by legislatively changing the way in which a portfolio of direct loans or guaranteed loans is administered. Examples of changes in the terms of existing loan contracts are forgiveness, forbearance, interest rate reductions, extensions of maturity, and prepayments without penalty. Examples of changes in loan administration are new methods of debt collection, such as using tax refunds to repay loans and restrictions on debt collections. If the baseline cost estimate does not assume an action, and the cost would be increased or decreased as a result of that action, the action is a modification.

Modifications do not include a Government action that is assumed in the baseline cost estimate, as long as the assumption is documented and has been approved by OMB. For example, modifications would not include routine administrative workouts of troubled loans or loans in imminent default. They also would not include a borrower's or the Government's exercise of an option that is permitted within the terms of an existing contract, such as a borrower prepaying the loan. The baseline subsidy cost estimate must include all anticipated actions by the Government, lenders, and borrowers that are permissible under current law and that affect the cash flow. If later the cost estimate of an action by the borrower, lender, or the Government differs from what is anticipated in the documented baseline subsidy cost estimate, then the difference in cost is included in a reestimate.

Modifications do not include additional disbursements to borrowers that increase the amount of an outstanding direct loan or an outstanding loan guarantee. These are treated as new direct loans or loan guarantees in the amount of the additional disbursement.

There are situations where it is not clear whether a Government action constitutes a modification or a reestimate. These situations should be judged on a case-by-case basis by OMB in consultation with the agency. They could include actions by the Government that are not addressed in existing contracts, management changes that are within an agency's existing specific authority for the loan program, and broad changes in agency policy (e.g., loan sale policy). In general, if the possibility of the action was explicitly included in the cash flows for the baseline subsidy cost estimate, and this can be documented, it would most likely be a reestimate. If not, it would most likely be a modification.

Modifications produce a one-time change in the subsidy cost of *outstanding* direct loans and loan guarantees. The effect of the Government action on the subsidy cost of direct loan obligations and loan guarantee commitments made after the date of the modification, if there is any effect, is not a modification. Instead, the effects are incorporated in the initial cost estimates for subsequent direct loan obligations and loan guarantee commitments.

(s) ***Modification cost*** means the difference between the estimate of the net present value of the remaining cash flows assumed for the direct loan or loan guarantee contract before and after the modification. The estimate of the remaining cash flows before the modification must be the same as assumed in the baseline for the most recent President's budget. The estimate of the remaining cash flows after the modification must be the pre-modification cash flows adjusted solely to reflect the effects of the modification.

An outstanding direct loan (or direct loan obligation) or loan guarantee (or loan guarantee commitment) can not be modified in a manner that increases its cost, unless budget authority for the additional cost has been provided in advance in an appropriations act. If the modification is mandated in legislation, the legislation itself provides the budget authority to incur a subsidy cost obligation (whether explicitly stated or not).

Budget authority, an obligation, and an outlay will be recorded in the year in which the legislation is enacted or the administrative discretion is exercised, or in the case of appropriations acts enacted before the fiscal year to which they apply, the year for which appropriations are provided.

When post-1991 direct loans or loan guarantees are modified, a modification adjustment transfer between the financing account and the general fund must also be calculated. When pre-1992 direct loans or loan guarantees are modified, a transfer must be made between the liquidating account and financing account.

(t) ***Negative subsidies*** mean subsidy costs that are less than zero. They occur if the present value of cash inflows to the Government exceeds the present value of cash outflows. In such cases, appropriations bills must still provide specific authority before direct loans or loan guarantees can be made.

When a direct loan obligation or a loan guarantee commitment is made that has a negative subsidy cost, an amount equal to the negative subsidy cost will be obligated in the financing account. The financing account will pay this amount to the negative subsidy receipt account (or to the program account in the case of a mandatory program) when the loan is disbursed. The collections are recorded as offsetting receipts or offsetting collections, and they offset the agency's budget authority and outlays. The accounting for negative subsidies is discussed in (u) below.

(u) ***Negative subsidy receipt accounts*** mean budget accounts for the receipt of amounts paid from the financing account when there is a negative subsidy cost for the original estimate or a downward reestimate (see (t) and (x)). In most cases, the receipt account is a general fund receipt account and amounts are not earmarked for the credit program. They are available for appropriation only in the sense that all general fund receipts are available for appropriation.

At the discretion of the OMB representative with primary responsibility for the program, a special fund receipt account may instead be established for the purpose of earmarking the receipts for appropriation to the program (in which case a special fund expenditure account also will be established and merged with the program account). If the program is a discretionary program, these receipts are available for obligation only to the extent provided in annual appropriations acts. For mandatory programs, the receipts are permanently appropriated for subsidy costs but usually are available for administrative expenses only to the extent provided in annual appropriations acts. For mandatory programs, negative subsidies and downward reestimates may be credited directly to the program account as offsetting collections from non-Federal sources.

Obligations may not be incurred against appropriations of the receipts until they have been credited to the receipt account. Because negative subsidy receipts are not credited to the receipt account until the underlying direct loan or guaranteed loan is disbursed, they might not become available in time to fund expenditures in a timely manner. Such situations might require an appropriation from the general fund to permit obligations to be made until receipts are available for obligation.

(v) ***Net proceeds***, when used in the context of loan asset sales, mean the amounts paid by the purchasers less all seller transaction costs (such as underwriting, rating agency, legal, financial advisory, and due diligence fees) that are paid out of the gross sales proceeds rather than paid as direct obligations by the agency. The net proceeds from the sale of an equity partnership are the same as defined above plus an estimate of the net present value of future cash inflows to the Government from the sale.

(w) ***Program account*** means a budget account that receives and obligates appropriations to cover the subsidy cost of a direct loan or loan guarantee and disburses this amount to the financing account. Program accounts usually receive a separate appropriation for administrative expenses.

(x) ***Reestimates*** mean revisions of the subsidy cost estimate of a cohort (or risk category) based on information about the actual performance and/or estimated changes in future cash flows of the cohort. Reestimates must be made immediately after the end of each fiscal year, as long as any loans in the cohort are outstanding, unless a different plan is approved by OMB. An upward reestimate indicates that insufficient funds had been paid to the financing account, so the increase (plus interest on reestimates) is paid from the program account to the financing account to make it whole. Permanent indefinite budget authority is available for this purpose pursuant to section 504(f) of the FCRA. A downward reestimate indicates that too much subsidy cost had been paid to the financing account. For discretionary programs, the excess (plus interest, as above) is disbursed to a negative subsidy receipt account. For mandatory programs, the excess (plus interest, as above) may be credited directly to the program account as offsetting collections or to a negative subsidy receipt account.

(y) ***Risk categories*** mean subdivisions of a cohort of direct loans or loan guarantees into groups that are relatively homogeneous in cost, given the facts known at the time of obligation or commitment. They are developed by agencies in consultation with the OMB representative with primary budget responsibility for the credit account. The number will depend on the size of the difference in subsidy cost between categories and the ability to predict it statistically based on facts known at origination.

Risk categories will group all direct loans or loan guarantees within a cohort that share characteristics predictive of defaults and other costs. They may be defined by characteristics or combinations of characteristics of the loan, the project financed, and/or the borrower. Examples of characteristics or indicators that may predict cost include:

- The loan-to-value ratio;
- The relationship between the loan interest rate and relevant market rates;
- Type of school attended for education loans;
- Country risk categories for international loans; and
- Various asset or income ratios.

Statistical evidence must be presented, based on historical analysis of program data or comparable credit data, concerning the likely costs of defaults, other deviations from contract, or other costs that are expected to be associated with the loans in that category.

(z) ***Work-outs*** mean plans that offer options short of default or foreclosure for resolving troubled loans or loans in imminent default, such as deferring or forgiving principal or interest, reducing the borrower's interest rate, extending the loan maturity, or postponing collection action. Work-outs are expected to minimize the cost to the Government of resolving troubled loans or loans in imminent default. They should only be utilized if it is likely that the borrower will be able to repay under the terms of the work-out and if the cost of the work-out is less than the cost of default or foreclosure. For post-1991 direct loans and loan guarantees, the expected effects of work-outs on cash flow are included in the original estimate of the subsidy cost. Therefore, to the extent that the effects of work-outs on cash flow are the same as originally estimated, they do not alter the subsidy cost. If the effects on cash flow are more or less than the original estimate, the differences are included in reestimates of the subsidy cost and are not a modification.

70.3 Are there special requirements for reporting Antideficiency Act violations?

Yes. The special requirements for credit programs are provided in section 40.3.

70.4 Must credit accounts be apportioned?

Yes. The Antideficiency Act requires that all appropriation and fund accounts, including credit program accounts, financing accounts, and liquidating accounts, be apportioned unless exempted by OMB or a specific statute. OMB may grant exemptions from apportionment in the form of a letter to the head of the department or establishment.

70.5 When do I submit an apportionment request (SF 132)?

If budgetary resources...	For example ...	Then ...
Result from current action by Congress	The annual appropriation in the program account for the: • direct loan subsidy cost, • loan guarantee subsidy cost, • administrative expenses, or • modifications.	Submit the initial apportionment request by August 21 or within 10 calendar days after the approval of the act providing the new budgetary resource, whichever is later. Submit reapportionment requests whenever circumstances change. For example, if the subsidy cost appropriation was apportioned solely to make new loans, then you must submit a reapportionment request for both the program and financing accounts before you make a modification that will increase the cost.
Do not result from current action by Congress	The unobligated balances in the financing accounts.	Submit the initial apportionment request by August 21 before the beginning of the fiscal year.
	Permanent indefinite appropriation in the program account to cover an upward reestimate.	Submit the request for anticipated reestimates with the initial apportionment. When the exact amount is calculated, submit a reapportionment to cover any increase over your initial approved amount.
	Permanent indefinite appropriation in the liquidating account.	Submit the initial apportionment request by August 21 before the beginning of the fiscal year. Submit reapportionments as needed.

70.6 How do I fill out the SF 132?

Sections 20 through 22 provide general apportionment guidance, including terminology, line descriptions, timing, and apportionment categories. As with other programs, you will need to locate and review the enacted appropriations language for your credit program. In some cases, you may also need to locate and review other authority in authorizing or substantive acts. The standard appropriations language for credit programs is illustrated in Exhibit 70A, and it consists of the following parts:

- Appropriation for the subsidy cost of the direct loan or guarantee program;
- Limitation on the loan program; and
- Appropriation for administrative expenses.

You need the appropriations language to verify that:

- Subsidy cost amounts and administrative expenses are shown correctly on your program account SF 132 (Exhibit 70B);

- Amounts apportioned to reimburse your salaries and expenses account, if any, are correct; and

- Program level portion for the guaranteed loan financing account SF 132 (Exhibit 70D) agrees with the limitation set in the appropriations language.

Exhibit 70E provides side-by-side, line-by-line instructions for completing the SF 132 for the program account, direct loan financing account, and guaranteed loan financing account.

70.7 Do amounts for an upward reestimate (and the interest on the reestimate) need to be apportioned?

Yes. An upward reestimate indicates that insufficient funds were paid to the financing account. The reestimate amount (plus interest on the reestimates) must be obligated and outlayed from the program account to the financing account to make sure it has sufficient resources. Before recording this obligation, ensure you have adequate resources apportioned. Section 504(f) of the FCRA provides permanent indefinite budget authority for this purpose. If you were unable to include the reestimate in your program account's initial apportionment or you requested too little, submit a reapportionment request for the additional permanent indefinite appropriation the program account needs to pay to the financing account. See Exhibit 70G for a sample reapportionment for an upward reestimate of a program account.

You must make a reestimate immediately after the end of each fiscal year as long as any loans are outstanding, unless a different plan is approved by OMB. OMB Circular A-11, section 85, provides instructions for calculating reestimates. After you complete your reestimate, prepare and submit an SF 132 as needed.

70.8 Do amounts for a downward reestimate (and the interest on the reestimate) need to be apportioned?

Yes. A downward reestimate indicates that the subsidy cost payment to the financing account by the program account was too large. The reestimate amount (plus interest on the reestimate) must be obligated and disbursed from the financing account. Before recording the obligation, ensure you have adequate resources apportioned. For direct loans only, if the downward reestimate is due to increased actual collections, use these amounts to cover the obligation. To the extent the reestimate is due to projected increased collections, request borrowing authority to cover the obligation. For loan guarantees only, to the extent the reestimate is due to lower default payments than initially estimated, either actual or projected, use your uninvested balance with Treasury to cover the obligation.

For discretionary programs, disburse the excess (plus interest on reestimates) to a negative subsidy receipt account. For mandatory programs, you may either directly credit the excess (plus interest on reestimates) to the program account as offsetting collections or to a negative subsidy receipt account (Exhibit 70H), as required by your OMB representative.

70.9 Do amounts for interest payments to Treasury need to be apportioned?

Yes. For financing accounts, additional amounts (i.e., amounts exceeding your estimate on the most recent approved apportionment) are automatically apportioned. For liquidating accounts, you will need to submit a reapportionment for any additional amounts.

70.10 Do amounts for debt repayments to Treasury need to be apportioned?

No. Capital transfers and redemption of debt (line 6C) are not obligations and therefore do not need to be apportioned on line 8. However, you do need to plan for repayments and show your estimated debt repayments as a negative amount on line 6C when you submit your SF 132.

70.11 How do I handle modifications?

Before you modify a direct loan or loan guarantee, you should take the following steps:

- *Step 1.* Estimate the cost of the modification (see Circular A-11, section 85);
- *Step 2.* Request an apportionment, if necessary;
- *Step 3.* Receive an approved apportionment from OMB, if necessary;
- *Step 4.* Modify the direct loan or loan guarantee; and
- *Step 5*. Record the obligation (see sections 70.20 and 70.21).

To determine whether you need a reapportionment:

If ...	**Then ...**
The current apportionment allows the apportioned resources to be used for modifications <u>and</u> the cost of the modification is <u>equal to or lower</u> than the amount apportioned less any amounts already obligated.	No reapportionment is required.
The current apportionment does <u>not</u> allow the apportioned resources to be used for modifications.	Yes. See Exhibit 70F for a sample reapportionment for a modification.
If the cost of the modification is <u>higher</u> than the amount apportioned less amounts already obligated.	Yes. See Exhibit 70F for a sample reapportionment for a modification.

70.12 Am I required to submit budget execution reports (SF 133)?

Yes. Submit SF 133s on a quarterly basis for all accounts, including those that OMB has exempted from apportionment. The OMB program examiner with primary budget responsibility for the credit account may require budget execution reports more frequently, such as monthly. For credit financing accounts, submit the final SF 133 on a cohort basis unless OMB has approved reporting on a combined basis.

70.13 How do I fill out the SF 133?

Section 30 provides general budget execution reporting guidance, including terminology, line descriptions, and timing. You prepare the SF 133 to show the extent that resources controlled by the SF 132 and other resources have been consumed. The relationship between program and financing accounts is dynamic, affecting different entries of the SF 132 and SF 133 at different stages of the process as transactions occur throughout the year. These complex relationships are illustrated in Exhibit 70L which provides side-by-side, line-by-line instructions for completing the first quarter SF 133 for the hypothetical credit program. Exhibits 70I through 70K illustrate the individual SF 133s for the program, direct loan financing, and guaranteed loan financing accounts, respectively, for the first quarter. Exhibit 70P continues the presentation of Exhibit 70L by describing the entries for the SF 133 for the fourth quarter. Exhibits 70M through 70O illustrate the individual SF 133s for the program, direct loan financing, and guaranteed loan financing accounts, respectively, for the fourth quarter.

Because program accounts typically receive one-year budget authority, the SF 133 will have an unexpired account column as well as five expired account columns. Financing and liquidating accounts, however, have no-year authority so their SF 133s will have only an unexpired column (see section 11.5 for a discussion of period of availability).

70.14 How do I calculate the initial subsidy cost estimate for execution?

You are required to use the OMB Credit Subsidy Calculator to calculate subsidy cost estimates. You may obtain information on downloading the calculator and technical support from OMB's Budget Analysis Branch at (202) 395-3945.

In most cases, you will use the same subsidy cost rate for execution as you calculated earlier for the Presidential policy rate. However, if the risk rating has changed for any reason, then you must update the subsidy cost rate to reflect the factors actually known at the time the loan contract is signed.

To update your estimates, follow the same process described in Circular A-11 (section 85) to calculate the Presidential policy estimates, updating only those assumptions that reflect the changed factors. Do <u>not</u> change the forecast technical assumptions or the methodological assumptions.

For mandatory programs only, also update the economic assumptions to reflect those in the Mid-Session Review if it has been released by the time you are making the calculations.

70.15 What transactions do I report when the Government incurs direct loan obligations or makes loan guarantee commitments?

For the program account (Exhibit 70I):

- Include the estimated subsidy cost obligations on line 8A, *Obligations incurred, Direct.* If resources for the subsidy cost were apportioned in Category A, include the amount on line 8A1. If the resources were apportioned in Category B, include the amount on line 8A2 in the appropriate category; and

- Include the amount on line 14C, *Obligated balance, Undelivered orders*, since the amount is not yet outlayed to the financing account.

For the direct loan financing account (Exhibit 70J):

- Include the subsidy cost payment obligated in the program account but not yet paid on line 3B2, *Spending authority from offsetting collections, Change in unfilled customer orders, Without advance from Federal sources*; and

- Include the amount on line 14B, *Obligated balance, Unfilled customer orders, Federal sources without advance,* since the amounts have not been received from the program account.

- To show the borrowing component:

  - Before signing the contract, verify that OMB has apportioned enough borrowing authority on line 1B to cover the part of the direct loan obligation not covered by the subsidy cost payment and upfront fees;

  - After you sign the contract, include the obligation on line 8, *Obligations incurred*. If the direct loan was apportioned in Category A, include the amount on line 8A1. If the direct loan was apportioned in Category B, include it on line 8A2 in the appropriate category; and

  - Include the amount on line 14C, *Obligated balance, Undelivered orders*.

For the loan guarantee financing account (Exhibit 70K):

- Include the subsidy payment obligated in the program account but not yet paid on line 3B2, *Spending authority from offsetting collections, Change in unfilled customer orders, Without advance from Federal sources;* and

- Include the amount on line 10D, *Unobligated balance not available, Other*, when the amounts are not apportioned and held as a reserve for future defaults. When the amounts are apportioned, include the amounts on line 9A, *Unobligated balance*.

70.16 What transactions do I report when the Government disburses a direct loan or a private lender disburses a guaranteed loan?

For the program account (Exhibit 70I), just before a loan is disbursed from the financing account:

- Pay the financing account and include the subsidy cost payment on line 15A, *Disbursements*; and
- Reduce line 14C, *Obligated balance, Undelivered orders* by the same amount.

For the financing account:

- When the subsidy cost payment is received from the program account, reduce line 3B2, *Without advance from Federal sources*, and increase line 3A1, *Collected*;
- For direct loan programs (Exhibit 70J), once the loan is actually disbursed, include the loan disbursement on line 15A, *Disbursements* and reduce the amount of loans payable from line 14C, *Obligated balance, Undelivered orders*;
- For loan guarantee programs (Exhibit 70K), do not report any loan disbursement because the private lender disbursed the loan, not the Federal Government. The subsidy cost payment collected by the financing account is held as an uninvested balance that earns interest from Treasury until it is used, for example, to pay default claims; interest supplements; the capitalized costs of foreclosing, managing, and selling collateral assets acquired as a result of defaults; and the costs routinely deducted from the proceeds of sales. Until these resources are needed for such obligations and they are apportioned, include them on line 10D, *Unobligated balance not available, Other*.

70.17 How do I handle non-subsidy cost collections?

Report all collections of direct loan principal, interest on direct loans, fees, proceeds from the liquidation of collateral assets, as well as any other collections, to the appropriate cohort and risk category in the financing or liquidating account, as appropriate. Place the amount you anticipate collecting on line 3C, *Spending authority from offsetting collections, Anticipated for rest of year, without advance*. As collections are actually received throughout the year, report them on line 3A1, *Earned, Collected,* with a corresponding reduction on line 3C and a negative amount on line 15B, *Collections*. Because these amounts in financing accounts earn interest, include them in the interest income calculations (see section 70.24).

In financing accounts, non-subsidy cost collections may be used only for the cohort that generated the collection. Except for fees collected, these amounts are not available to make new loans. These amounts are available to:

- Fund a portion of the direct loan, if the collection is a fee paid by the borrower;
- Pay the capitalized costs of foreclosing, managing, and selling collateral assets acquired as the result of defaults on direct or guaranteed loans and costs that are routinely deducted from the proceeds of sales (see Circular A-11, section 85 for items that qualify);
- Make annual payments of interest to Treasury; and

- Make repayments of principal on amounts borrowed from Treasury using any remaining amounts.

Non-subsidy cost collections in guaranteed loan financing accounts are available to:

- Pay the capitalized costs of foreclosing, managing, and selling collateral assets acquired as the result of defaults on direct or guaranteed loans and costs that are routinely deducted from the proceeds of sales;
- Maintain an unobligated balance to pay such capitalized costs or routinely deducted costs, if any;
- Pay default claims and interest supplements on guaranteed loans;
- Make annual payments of interest to Treasury;
- Make repayments of principal on amounts borrowed from Treasury; and
- Add to the unobligated balance.

To the extent that there are insufficient collections to make timely payment of interest or principal on Treasury borrowings, the financing account must borrow to make such payments. If the cohort's expected future cash flows will not be sufficient to fully repay this additional borrowing plus the cohort's other expected obligations, you must calculate a reestimate and use the subsidy cost collections from this reestimate to repay the additional borrowing, with interest.

In liquidating accounts, these amounts may be used for similar expenses (see section 70.2) without regard to cohort.

70.18 What transactions do I report when a guaranteed loan defaults?

Loan guarantee default claims are recorded in financing and liquidating accounts. When you receive a loan guarantee default claim:

- Verify that the amount of the default claim is apportioned;
- Include the obligation to pay the claim on line 8, *Obligations incurred*. If defaults were apportioned in Category A, place the amount on line 8A1. If defaults were apportioned in Category B, place it on line 8A2 in the appropriate category; and
- Include the amount as payable to the private lender on line 14D, *Obligated balance, Accounts payable*.

When you disburse a payment for a loan guarantee default claim:

- Include the payment on line 15A, *Outlays, Disbursements*; and
- Reduce the amounts payable on line 14D by the amount reported on line 15A.

70.19 What should I do with unobligated balances in the liquidating account?

You must transfer any unobligated balance remaining at the end of the fiscal year to the general fund unless OMB has approved an extension. Include this transfer on line 6C, *Permanently not available, Capital transfers and redemption of debt*. Amounts credited to liquidating accounts in any year are available only for obligations that are incurred in that year and repaying debt owed to the Treasury (including the FFB).

70.20 How do I report modifications of post-1991 direct loans and loan guarantees?

A modification results in a subsidy cost increase or decrease, which must be recorded on the SF 133 as follows:

If Modification...	Then...
Increases cost	In the program account, include: ▸ The increase on line 8, *Obligations incurred.* If the resources for subsidy cost were apportioned in category A, include the amount on line 8A1. If the resources were apportioned in category B, include the amount on line 8A2 in the appropriate category; and: ▸ The payment to the financing account on line 15A, *Outlays, Disbursements*. Note: You cannot incur subsidy cost obligations for modifications unless budgetary resources are available in the program account and have been apportioned for modifications. In the financing account, include: ▸ The collection from the program account on line 3A1, *Spending authority from offsetting collections*, *Earned*, *Collected*. Credit this amount to the cohort and risk category of the modified loan. Decrease the estimated collection on line 3C, if appropriate; ▸ For a direct loan modification, use these amounts to pay interest and other expenses and to repay debt owed to Treasury; and ▸ For a loan guarantee modification, use these amounts as needed to pay default claims and other expenses. Remaining balances will be held as uninvested balances with Treasury and will earn interest at the same rate as is paid on other funds held by the financing account for the same cohort.

Decreases cost	In the financing account include:
	▸ The estimated decrease on line 8, *Obligations incurred*. If the resources for the subsidy cost were apportioned in category A, include the amount on line 8A1. If the resources were apportioned in category B, include the amount on line 8A2 in the appropriate category); and
	▸ The payment of the amount transferred to the appropriate account on line 15A, *Outlays, Disbursements*:
	    ▸ For discretionary programs, include the collection in a negative subsidy receipt account.
	    ▸ For mandatory programs, you may (subject to the approval of the OMB representative with budget responsibility for the credit program) credit the amount directly to the program account as offsetting collections.

70.21 How do I report modifications of pre-1992 direct loans and loan guarantees?

You estimate and account for the increase or decrease in cost in the same way as modifications of post-1991 loans. In addition to the steps enumerated in section 70.20, normally you must transfer the modified direct loan assets or loan guarantee liabilities from the liquidating account to the financing account. As part of the transfer, you must make a payment from the financing account to the liquidating account, in the case of direct loans, or from the liquidating account to the financing account, in the case of loan guarantees. OMB Circular A-11 section 85 describes these transactions. In exceptional cases, subject to the approval of the OMB representative with responsibility for the credit program, the modified loans may be retained in the liquidating account. In each case, fill out the budget execution report as follows:

If Asset or Liability will be	Then...
Transferred to the financing account	For direct loans, report an obligation in the financing account that is equal to the payment amount on line 8B, *Obligations incurred, Category B, Modifications* and a disbursement in the same amount on line 15A, *Outlays, Disbursements*. Include the receipt of the payment in the liquidating account on line 3A1, *Spending authority from offsetting collections, Earned, Collected.* For loan guarantees, include the obligation and outlay in the liquidating account and the offsetting collection in the financing account.
Retained by the liquidating account	Where the modification increases the cost: ▸ For the program account, report an obligation for the appropriate subsidy cost amount on line 8B, *Obligations incurred, Category B, Modifications* and an outlay in the same amount on line 15A, *Outlays, Disbursements*. ▸ For the financing account, include the corresponding transaction on line 3A1, *Spending authority from offsetting collections, Earned, Collected,* an obligation on line 8, and a disbursement on line 15A. ▸ For the liquidating account, include the payment on line 3A1, *Spending authority from offsetting collections, Earned, Collected*. This payment compensates this account for the reduction in its assets (direct loan) or its increased liability (loan guarantee). Where the modification decreases the cost: ▸ For the liquidating account, include permanent indefinite authority to make the payment to the financing account on line 1A, *Budget authority, Appropriation.* ▸ For the financing account, include this receipt on line 3A1, *Spending authority from offsetting collections, Earned, Collected* and include the subsequent payment to the negative subsidy receipt account on line 15A, *Outlays, Disbursements*.

70.22 Why do financing accounts borrow from Treasury?

The FCRA provides indefinite borrowing authority to financing accounts to fund the unsubsidized portion of direct loans and to satisfy obligations in the event the financing account's resources are insufficient.

For direct loan financing accounts, each loan disbursement is financed by the subsidy cost payment from the program account, fees where applicable, and borrowing from Treasury. The financing account makes a single borrowing from Treasury at the beginning of each fiscal year for each cohort based on the estimated net loan disbursements for the cohort in that fiscal year.

For loan guarantees, the financing account may borrow from Treasury when balances in the financing account are insufficient to pay claims. These borrowings generally occur on an as-needed basis.

If a direct loan or loan guarantee program or risk category generates negative subsidy cost, the financing account must borrow from Treasury to cover the payment to the negative subsidy receipt account.

All borrowing is dated October 1 regardless of whether it is the original amount borrowed at the beginning of the year or a supplementary amount borrowed later in the year. As a result of treating the entire amount as a single borrowing, interest expense is not affected by whether all borrowed funds were disbursed or whether the original borrowing had to be supplemented later in the year.

70.23 Why do financing accounts earn interest?

The basic purpose of a guaranteed loan financing account is to accumulate funds to finance future default costs. Subsidy cost payments to the account, fees collected, and other collections are retained in the financing account as an uninvested balance and earn interest at the same rate as the discount rate used to calculate the subsidy cost. The subsidy cost payments, fees, other collections, and interest earnings will be sufficient to finance the net default costs if the initial estimate of subsidy cost is correct.

In direct loan financing accounts, undisbursed Treasury borrowings earn interest at the same rate as the financing account pays on its debt owed to Treasury so that borrowing from Treasury for subsequent disbursements during the year does not have any effect on the results of operations or net financial position of the financing account.

70.24 Who calculates interest expense and income?

You do, using the guidance and interest calculator provided at http://w3.access.gpo.gov/usbudget/credit. Staff at the Department of Treasury's Bureau of Public Debt may also perform the calculations to ensure agreement between Treasury and your agency.

70.25 When do I calculate interest expense and income?

You must make the calculations to provide an estimate for the initial SF 132. You also will make these calculations again at the end of the year based on year-end actuals to determine the payment amount. For loan guarantee programs, when the lender does not provide timely information for year-end calculations, you also need to recalculate the actual expense as lender data is made available.

70.26 What interest rate do I use to calculate interest expense and income?

The FCRA requires that the rates for discounting cashflows, financing account borrowing, and financing account interest earnings be identical and based on the Treasury rate in effect during the period of loan disbursement. If your loans disburse in segments over several years, several interest rates will be applicable to an individual loan or group of loans. The correct interest rates are provided for you in the OMB Credit Subsidy Calculator available from your OMB representative. Simply, these rates reflect a weighted average for each cohort, adjusted for actual rates when the cohort is at least 90 percent disbursed.

Because most credit programs do not have a seasonal bias in their loan disbursement patterns, interest expense and income calculations for cohorts that are currently disbursing are based on the assumption that the actual loan amounts disbursed during the year were disbursed equally throughout the four quarters. In those few programs that have a strong seasonal pattern, special weighted average interest rates appropriate to these patterns should be calculated.

For loan guarantee financing accounts, the interest rate for cash accumulations related to each loan guarantee is determined by the date that the commercial lender disburses the loan being guaranteed. Because commercial lenders may not report to you in a timely manner, you can use an estimated fourth quarter amount for disbursements and collections when you report to Treasury at the end of the fiscal year, adjusting this estimate as actual lender data is accumulated.

70.27 How are these exhibits related?

The following exhibits illustrate how to fill out the standard format for apportionment (SF 132) and budget execution (SF 133) for credit programs. They are necessarily simplified presentations highlighting the budget execution dynamics for interrelated credit accounts. The budget execution scenario illustrated here begins with the program account receiving an appropriation for both direct loans and loan guarantees (Exhibit 70A), continues with apportionment of the program and financing accounts (Exhibits 70B-70D), and concludes with preparing the first and last quarterly budget execution reports for each account (Exhibits 70I-70O). The relationships between the program and financing accounts and between apportionment and execution reporting are shown by “nesting” these exhibits (i.e., the amounts appropriated flow through the apportionment and reporting formats). Exhibits 70E, 70L, and 70P provide a side-by-side comparison of the program account, the direct loan financing account, and the guaranteed loan financing account for the initial apportionment and the first and final budget execution reports. Exhibits for modifications and reestimates are also provided.

The following assumptions are made for this example:

- This is a new credit program so there are no previous years;
- 25% of the amounts appropriated for both direct and guaranteed loan subsidy cost are obligated each quarter but only 80% of the amounts are disbursed each quarter (with the remainder in the next quarter);
- 25% of the amount appropriated for administrative expenses is obligated and outlayed each quarter;
- No borrower fees are charged; and
- Simplified interest and repayments are assumed for this example only.

Standard Apropriations Language

Subsidy cost of the direct loan program

Subsidy cost of the loan guarantee program

For the cost of direct loans, $11,530,000, and for the cost of loan guarantees, $6,000,000, as authorized by 7 U.S.C. 999: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $100,000,000 and total loan principal, any part of which is to be guaranteed, not to exceed $70,000,000. In addition, for administrative expenses to carry out direct and loan guarantee programs, $1,000,000.

Authorizing stature

Limitation on direct loan program

Limitation on loan guarantee program

Administrative expenses

Initial Apportionment Program Account

Fiscal year CY

SF132 APPORTIONMENT AND REAPPORTIONMENT SCHEDULE

AGENCY: Department of Government BUREAU: Office of the Secretary	APPROPRIATION OR FUND TITLE AND SYMBOL Credit Program Account		
DESCRIPTION	AMOUNT ON LATEST SF 132	AGENCY REQUEST	ACTION BY OMB
BUDGETARY RESOURCES			
1. Budget Authority			
A. Appropriation……………. P.L. 106-XXX..……		18,530,000	
7. Total budgetary resources…................................…		18,530,000	
APPLICATION OF BUDGETARY RESOURCES			
8. Apportioned: *Memorandum: Obligations incurred*			
Category B:			
(1) Direct loan subsidy………………………		11,530,000	
(2) Guaranteed loan subsidy…………………		6,000,000	
(3) Administrative expenses…………………		1,000,000	
12. Total budgetary resources……………....…………		18,530,000	

Subsidy ($11,530,000 + $6,000,000) + administrative expenses ($1,000,000).

These two entries should be equal.

SUBMITTED *Authorized officer* ____________ (Date)

APPORTIONED________________ __________ (Date)

Initial Apportionment
Direct Loan Financing Account

Fiscal year CY

SF 132 APPORTIONMENT AND REAPPORTIONMENT SCHEDULE

AGENCY: Department of Government BUREAU: Office of the Secretary	APPROPRIATION OR FUND TITLE AND SYMBOL Direct Loan Financing Account		
DESCRIPTION	AMOUNT ON LATEST SF 132	AGENCY REQUEST	ACTION BY OMB
BUDGETARY RESOURCES			
1. Budget Authority			
B. Borrowing authority……………………………….		88,470,000	
3. Spending authority from offsetting collections (gross)			
C. Anticipated for rest of year without advance……….		21,773,000	
6. Permanently not available:			
C. Capital transfers and redemption of debt…....………		-8,562,750	
7. Total budgetary resources…..................................……		101,680,250	
APPLICATION OF BUDGETARY RESOURCES			
8. Apportioned: *Memorandum: Obligations incurred*			
Category A:			
(1) First quarter…….………………..……….		25,000,000	
(2) Second quarter………………………………		25,000,000	
(3) Third quarter…………………………………		25,000,000	
(4) Fourth quarter………………………………		25,000,000	
Category B:			
(1) Interest paid to Treasury		1,680,250	
12. Total budgetary resources……………....……………..		101,680,250	

Direct loan limitation ($100,000,000) minus subsidy ($11,530,000).

Subsidy from the program account ($11,350,000)+ repayments from borrower ($10,243,000). 100% of the subsidy is recorded because the spending plan assumes that all loans will be obligated in the first year.

Principal repayments to Treasury.

These two entries should be equal.

SUBMITTED *Authorized officer* ________ (Date)

APPROVED________________ __________ (Date)

Initial Apportionment
Guaranteed Loan Financing Account

Fiscal year CY

SF 132 APPORTIONMENT AND REAPPORTIONMENT SCHEDULE

AGENCY: Department of Government	APPROPRIATION OR FUND TITLE AND SYMBOL		
BUREAU: Office of the Secretary	Guaranteed Loan Financing Account		
DESCRIPTION	AMOUNT ON LATEST SF 132	AGENCY REQUEST	ACTION BY OMB
PROGRAM LEVEL			
1. Guaranteed loan levels:			
A. Current year……………………………………		70,000,000	
B. Unused from prior years………………………			
APPLICATION			
2. Apportioned:			
Category A:			
(1) First quarter			
(2) Second quarter			
(3) Third quarter			
(4) Fourth quarter			
Category B:			
(1) Guaranteed loan program		70,000,000	
BUDGETARY RESOURCES			
3. Spending authority from offsetting collections (gross)			
C. Anticipated for rest of year without advance………		6,360,000	
7. Total budgetary resources……………………………		6,360,000	
APPLICATION OF BUDGETARY RESOURCES			
11. Unapportioned balance of revolving fund…………		6,360,000	
12. Total budgetary resources……………………………		6,360,000	

Limitation on loan guarantees.

These top lines are only used on the SF 132 for guaranteed loan financing accounts.

Subsidy from the program account ($6,000,000) + interest from Treasury ($360,000).

These two entries should be equal.

SUBMITTED *Authorized officer* ___________ APPORTIONED____________ _________

(Date) (Date)

INITIAL APPORTIONMENT SIDE-BY-SIDE-ACCOUNT COMPARISON

Line Entry	Program Account	Financing Account-Direct	Financing Account-Guaranteed
		Program Level	
1. Guaranteed loan levels A. Current year			Record the loan guarantee limitation, in this case $70,000,000.
		Application	
2. Apportioned: Category B (1) Guaranteed loan program			Should equal the amount on line 1 immediately above.
		Budgetary Resources	
1. Budget authority A. Appropriations	The total amount specified in the appropriations language and becoming available on or after October 1 of the fiscal year. It is composed of amounts to cover direct and guaranteed loan subsidy costs and administrative expenses ($11,530,000 +$6,000,000 + $1,000,000).		
B. Borrowing authority		The amount of borrowing authority anticipated to be used to cover obligations during the year that are not covered by subsidy cost payments or fees. Usually, assume direct loan obligations equal to the direct loan limitation and subtract corresponding estimates of subsidy cost payments and any fees paid by the borrower ($100,000,000 - $11,530,000). (This example assumes borrowers are not charged any fees.)	

Line Entry	Program Account	Financing Account-Direct	Financing Account-Guaranteed
3. Spending authority from offsetting collections (Gross) C. Anticipated for rest of year without advance		The expected collections of credit subsidy cost payments from the program account, plus expected repayments from borrowers ($11,530,000 + $10,243,000).	The expected collections of credit subsidy cost payments from the program account plus interest earned from Treasury ($6,000,000 + $360,000).
6. Permanently not available C. Capital transfers and redemption of debt		Repayments of Treasury debt are shown as a reduction in resources rather than as obligations and disbursements. Does not include interest payments made on debt owed to Treasury, which are treated as an obligation and an outlay. To calculate principal repayments to Treasury, contact your OMB representative.	
7. Total Budgetary Resources	The sum of lines 1-6 and always equal to line 12.	The sum of lines 1-6 and always equal to line 12.	The sum of lines 1-6 and always equal to line 12.
Status of Budgetary Resources			
8. Apportioned Category A: (1) First quarter (2) Second quarter (3) Third quarter (4) Fourth quarter		The amount for each quarter to incur direct loan obligations and to disburse loans. Assuming that 100% of the direct loans will be obligated evenly throughout the first year, entries for each quarter are calculated by dividing the direct loan limitation level equally into four quarters ($100,000,000 * .25).	
Category B: (1) Direct loan subsidy cost (2) Guaranteed loan subsidy cost	Includes separate amounts for direct loan and loan guarantee subsidy cost and administrative expenses. Because this program	In this example, $1,680,250 is requested for interest payments to Treasury.	

Line Entry	Program Account	Financing Account-Direct	Financing Account-Guaranteed
(3) Administrative expenses (4) Interest paid to Treasury	expects to obligate the full amounts in the first fiscal year, the total amount of subsidy cost and administrative expenses appropriated to the account should be apportioned.		
11. Unapportioned balance of revolving fund			Records the amount of subsidy cost payments and interest which will be held to finance future defaults ($6,000,000 + $360,000).
12. Total Budgetary Resources	The sum of lines 8-11 and always equal to line 7.	The sum of lines 8-11 and always equal to line 7.	The sum of lines 8-11 and always equal to line 7.

Reapportionment for Modification
Program Account

Fiscal year CY

SF 132 APPORTIONMENT AND REAPPORTIONMENT SCHEDULE

AGENCY: Department of Government BUREAU: Office of the Secretary	APPROPRIATION OR FUND TITLE AND SYMBOL Credit Program Account		
DESCRIPTION	AMOUNT ON LATEST SF 132	AGENCY REQUEST	ACTION BY OMB
BUDGETARY RESOURCES			
1. Budget Authority			
A. Appropriation……………. P.L. 106-XXX………	18,530,000	19,530,000	
7. Total budgetary resources…...................................….	18,530,000	19,530,000	
APPLICATION OF BUDGETARY RESOURCES			
8. Apportioned: *Memorandum: Obligations incurred*			
Category B:			
(1) Direct loan subsidy………………………	11,530,000	11,530,000	
(2) Guaranteed loan subsidy…………………	6,000,000	6,000,000	
(3) Administrative expenses…………………	1,000,000	1,000,000	
(4) Direct loan modification………..…………		1,000,000	
12. Total budgetary resources……………....……………	18,530,000	19,530,000	

Subsidy ($11,530,000 + $6,000,000) + modification ($1,000,000) + administrative expenses ($1,000,000).

If your current apportionment does not provide budgetary resources to cover the modification cost, you must submit a reapportionment.

These two entries shoud be equal.

Budgetary resources for modifications must be apportioned in advance.

SUBMITTED *Authorized officer* ________ (Date) APPORTIONED________ ________ (Date)

Reapportionment for Upward Reestimate
Program Account

Fiscal year CY

SF 132 APPORTIONMENT AND REAPPORTIONMENT SCHEDULE

AGENCY: Department of Government BUREAU: Office of the Secretary	APPROPRIATION OR FUND TITLE AND SYMBOL Credit Program Account		
DESCRIPTION	AMOUNT ON LATEST SF 132	AGENCY REQUEST	ACTION BY OMB
BUDGETARY RESOURCES			
1. Budget Authority			
A. Appropriation……………P.L. 106-XXX..………	18,530,000	18,530,000	
E. Other…………………… FCRA…………....….		1,000,000	
7. Total budgetary resources…....................................…	18,530,000	19,530,000	
APPLICATION OF BUDGETARY RESOURCES			
8. Apportioned: *Memorandum: Obligations incurred*			
Category B:			
(1) Direct loan subsidy………..………………	11,530,000	11,530,000	
(2) Guaranteed loan subsidy…………………	6,000,000	6,000,000	
(3) Administrative expenses…………………	1,000,000	1,000,000	
(4) Reestimate………………………………		1,000,000	
12. Total budgetary resources……………....…………	18,530,000	19,530,000	

If your current apportionment does not provide budgetary resources to cover the upward reestimate, you must submit a reapportionment requesting permanent indefinite authority to cover upward reestimate of $1,000,000.

Until indefinite appropriations are warranted, include them on line 1E. On subsequent apportionments, include the warranted amounts on line 1A (see description of indefinite appropriation in section 22.1).

Budgetary resources for upward reestimate.

These two entries should be equal.

SUBMITTED___*Authorized officer*___ ___________ APPORTIONED_________________ __________

(Date) (Date)

Reapportionment for Downward Reestimate
Direct Loan Financing Account

Fiscal year CY

SF 132 APPORTIONMENT AND REAPPORTIONMENT SCHEDULE

AGENCY: Department of Government	APPROPRIATION OR FUND TITLE AND SYMBOL		
BUREAU: Office of the Secretary	Direct Loan Financing Account		
DESCRIPTION	AMOUNT ON LATEST SF 132	AGENCY REQUEST	ACTION BY OMB
BUDGETARY RESOURCES			
1. Budget Authority			
B. Borrowing authority	88,470,000	88,470,000	
3. Spending authority from offsetting collections (gross)			
A. Earned:			
1. Collected	21,773,000	22,773,000	
6. Permanently not available:			
C. Capital transfers and redemption of debt	-8,562,750	-8,562,750	
7. Total budgetary resources	101,680,250	102,680,250	
APPLICATION OF BUDGETARY RESOURCES			
8. Apportioned: *Memorandum: Obligations incurred*			
Category A:			
(1) First quarter	25,000,000	25,000,000	
(2) Second quarter	25,000,000	25,000,000	
(3) Third quarter	25,000,000	25,000,000	
(4) Fourth quarter	25,000,000	25,000,000	
Category B:			
(1) Interest paid to Treasury	1,680,250	1,680,250	
(2) To receipt account		1,000,000	
(3)			
(4)			
12. Total budgetary resources	101,680,250	102,680,250	

Direct loan limitation ($100,000,000) minus subsidy ($11, 530,000).

If your current apportionment does not address the downward reestimate, you must submit a reapportionment.

$1,000,000 more was collected from borrowers than estimated.

This entry is principal repayments to Treasury.

These entries should be equal.

Because this is a downward reestimate the amount will be obligated and disbursed to the receipt account.

SUBMITTED *Authorized officer* ______________ APPORTIONED________________ __________

(Date) (Date)

End of First Quarter-Program Account Report on Budget Execution

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Period ended 12/31/CY

AGENCY: Department of Government	APPROPRIATION OR FUND TITLE AND SYMBOL			
BUREAU: Office of the Secretary	Credit Program Account			
	Unexpired			
BUDGETARY RESOURCES				
1. Budget Authority				
A. Appropriations......................P.L. 106-XXX….....	18,530,000			
7. Total budgetary resources...……............................…	18,530,000			
STATUS OF BUDGETARY RESOURCES				
8. Obligations incurred:				
A. Direct				
2. Category B:				
1. Direct loan subsidy……………………………	2,882,500			
2. Guaranteed loan subsidy…....………………….	1,500,000			
3. Administrative expenses……………………….	250,000			
9. Unobligated balance:				
A. Apportioned:				
1. Balance, currently available…........................…	13,897,500			
11. Total status of budgetary resources…....…..............	18,530,000			
RELATION OF OBLIGATIONS TO OUTLAYS				
14. Obligated balance, net, end of period:				
C. Undelivered orders (+)………………………...…	876,500			
15. Outlays:				
A. Disbursements (+)……………………...……….	3,756,000			

The appropriations becoming available on or after October 1 of the fiscal year. In this case, it is composed of direct loan subsidy ($11,530,000) + guaranteed loan subsidy ($6,000,000) + administrative expenses ($1,000,000).

25% of the total direct and guaranteed loan subsidy has been obligated.

25% of the total administrative expenses has been obligated.

Amount apportioned under Category B of the latest SF 132 ($18,530,000) minus the total obligations incurred on line 8.B. above ($4,632,500).

Loan subsidy obligated but not yet disbursed.

Loan subsidy and administrative cost obligated and disbursed.

SUBMITTED ____________________ __________
(Authorized Officer) (Date)

(Preparer: Name)________________
(Address) _________________
(Phone number) ________________

End of First Quarter- Direct Loan Financing Account
Report on Budget Execution

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Fiscal Year CY

AGENCY: Department of Government	APPROPRIATION OR FUND TITLE AND SYMBOL	
BUREAU: Office of the Secretary	Direct Loan Financing Account	
	Unexpired	
BUDGETARY RESOURCES		Amount apportioned on latest SF 132.
1. Budget Authority		
B. Borrowing Authority……………………………	88,470,000	
3. Spending authority from offsetting collections (Gross)		
A. Earned:		
1. Collected……………………………………	2,306,000	As direct loans are obligated and disbursed, the loan subsidy is collected from the program account.
B. Change in unfilled customer orders:		
2. Without advance from Federal sources……………	576,500	Direct loan subsidy obligated but not yet received from the program account.
C. Anticipated for rest of year without advance……………	18,890,500	The remainder of the loan subsidy expected from the program account for the unobligated portion of the direct loans plus the expected repayments from borrowers that will not be received until the end of the fiscal year.
6. Permanently not available:		
C. Capital transfers and redemption of debt…………………	-8,562,750	Principal repayments to Treasury.
7. Total budgetary resources……………………………	101,680,250	
STATUS OF BUDGETARY RESOURCES		
8. Obligations incurred:		
A. Direct……………………………………………		
1. Category A…………………………………	25,000,000	Obligations incurred against the amount apportioned for this period under Catergory A of the latest SF 132.
2. Category B Interest payment to Treasury……………	1,680,250	Interest is obligated through the year but not yet disbursed.
10. Unobligated balance not available:		
A. Apportioned for subsequent periods……………………	75,000,000	Amount apportioned on latest SF 132 by time periods (under Category A &B) that will not become available until after the reporting period.
11. Total status of budgetary resources……………………	101,680,250	
RELATION OF OBLIGATIONS TO OUTLAYS		
14. Obligated balance, net, end of period:		
B. Unfilled customer orders, Federal sources without advance(-)……………………	-576,500	Subsidy receivable from the program account for the portion of the direct loans that were obligated but not disbursed.
C. Undelivered orders (+)………………………………	6,680,250	Direct loans obligated but not yet disbursed + interest payment to Treasury obligated but not yet disbursed.
15. Outlays:		
A. Disbursements (+)……………………………………	20,000,000	Loans disbursed from the account, as of this reporting period.
B. Collections (-)………………………………………	-2,306,000	Direct loan subsidy collected from program account.

SUBMITTED__________________ ___________
(Authorized Officer) (Date)

(Preparer: Name)________________
(Address) ________________
(Phone number) ________________

End of First Quarter Guaranteed Loan Financing Account Report on Budget Execution

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Fiscal Year CY

AGENCY: Department of Government	APPROPRIATION OR FUND TITLE AND SYMBOL			
BUREAU: Office of the Secretary	Guaranteed Loan Financing Account			
	Unexpired			
BUDGETARY RESOURCES				
3. Spending authority from offsetting collections (Gross)				
A. Earned:				
1. Collected……………………	1,200,000			
B. Change in unfilled customer orders:				
2. Receivable from Federal sources………………	300,000			
C. Anticipated for rest of year without advance………………	4,860,000			
7. Total budgetary resources……………………	6,360,000			
STATUS OF BUDGETARY RESOURCES				
10. Unobligated balance not available:				
D. Other………………………	6,360,000			
11. Total status of budgetary resources………………	6,360,000			
RELATION OF OBLIGATIONS TO OUTLAYS				
15. Outlays:				
A. Disbursements (+)……………………				
B. Collections (-)……………………	-1,200,000			

When loan guarantees have been committed and the loans disbursed, the subsidy is received from the program account.

Subsidy obligated but not yet received from program account.

The remainder of loan guarantee subsidy expected from the program account.

Guaranteed loan financing accounts hold a reserve for future defaults.

Subsidy collected from program account.

SUBMITTED ____________________ _______
(Authorized Officer) (Date)

(Preparer: Name)________________
(Address) ________________
(Phone number) ________________

BUDGET EXECUTION REPORTING -- END OF FIRST QUARTER
SIDE-BY-SIDE ACCOUNT COMPARISON

Line Entry	Program Account	Financing Account-Direct	Financing Account-Guaranteed
	Budgetary Resources		
1. Budget Authority A. Appropriations	The total amount becoming available on or after October 1 of the fiscal year. It is composed of amounts for direct loan and loan guarantee subsidy costs and administrative expenses ($11,530,000 + $6,000,000 + $1,000,000). The entry for this line should equal the entry on line 1A of the latest SF 132 for this account.		
B. Borrowing authority		The amount of borrowing authority anticipated to be used to cover obligations during the year that are not covered by subsidy cost payments or fees. Usually, assume direct loan obligations equal to the direct loan limitation and subtract corresponding estimates of subsidy cost payments and any fees paid by the borrower ($100,000,000 - $11,530,000). The entry for this line should equal the entry on line 1B of the latest SF 132 for this account.	
3. Spending authority from offsetting collections (Gross) A. Earned 1. Collected		When a direct loan is disbursed, the financing account collects the subsidy cost payment from the program account. So far, only 80% of the loans obligated this quarter	When a guaranteed loan is disbursed by a private lender, the financing account collects the subsidy cost payment from the program account. These collections are held to finance future defaults.

Line Entry	Program Account	Financing Account-Direct	Financing Account-Guaranteed
		have been disbursed so only 80% of the subsidy cost should be collected ($2,882,500 * .8). Later, as borrowers make repayments, such amounts will also be recorded on this line.	So far, private lenders have disbursed only 80% of the loans guaranteed this quarter ($1,500,000 * .8).
B. Change in unfilled customer orders: 2. Without advance from Federal sources		The portion of the subsidy cost for loans obligated but not yet disbursed in the first quarter ($2,882,500 * .2). When the remaining 20% of the loans is disbursed, the program account will pay the remaining subsidy cost to the financing account, and the amount on this line will be moved to line 3A1.	The portion of the subsidy cost for guarantees committed but not yet disbursed in the first quarter ($1,500,000 * .2). When the remaining 20% of the loans is disbursed, the program account will pay the remaining subsidy cost to the financing account, and the amount on this line will be moved to line 3A1.
C. Anticipated for rest of year without advance		The anticipated subsidy cost payments from the program account for loans planned to be obligated in the remaining quarters of this year and expected borrower repayments of principal and interest for this year [($2,882,500 * 3) + $10,243,000]. As direct loans are obligated and disbursed, reflect these actions by moving the corresponding amounts to lines 3A2 and 3A1, as appropriate.	The anticipated subsidy cost payments from the program account for guarantees planned to be committed in the remaining quarters of this year and interest earned from Treasury [($1,500,000 * 3) + $360,000]. As guarantees are committed and guaranteed loans are disbursed, reflect these actions by moving the corresponding amounts to lines 3A2 and 3A1, as appropriate.
6. Permanently not available C. Capital transfers and redemption of debt		Repayments of Treasury debt are shown as a reduction in resources rather than as an obligation of resources. This entry does not include interest payments made on borrowing from	

Line Entry	**Program Account**	**Financing Account-Direct**	**Financing Account-Guaranteed**
		Treasury, which are treated as an obligation and an outlay.	
7. Total Budgetary Resources	Represents all the budgetary resources available for new obligations. This line should always equal line 11. However, because this is an example of a new program, the entry should also equal line 1A.	The sum of lines 1-6 and should equal line 11.	The sum of lines 1-6 and should equal line 11.
		Status of Budgetary Resources	
8. Obligations incurred A. Direct 1. Category A		A quarter of the borrowing authority and subsidy cost has been obligated ($100,000,000 * .25).	
2. Category B: (a) Direct loan subsidy cost (b) Guaranteed loan subsidy cost (c) Admin. expenses (d) Interest payment to Treasury	A quarter of the direct loan and loan guarantee subsidy cost and administrative expenses has been obligated, so a quarter of each [.25 * ($11,530,000 + $6,000,000 + $1,000,000)] is recorded.	The interest payment to Treasury ($1,680,250) is recorded.	
9. Unobligated balance: A. Apportioned: 1. Balance currently available	Based on the latest SF 132, a total of $18,530,000 is apportioned for this account, but only $4,632,500 ($2,882,500 + $1,500,000 +$250,000) has been obligated. Therefore, the remaining $13,897,500 is recorded.		
10. Unobligated balance not available: A. Apportioned for subsequent periods		Because this account is apportioned by time periods, the amount apportioned on the latest SF 132 (line 8, *Category A*) that will not become available until after this	

Line Entry	Program Account	Financing Account-Direct	Financing Account-Guaranteed
		reporting period is recorded here. This is calculated by taking the total Category A apportionment on the latest SF 132 minus the obligations incurred on line 8A of this SF 133 ($100,000,000 - $25,000,000).	
D. Other			Guaranteed loan financing accounts hold an interest-earning reserve for future defaults. Record the amount of subsidy cost payments and interest received and anticipated ($4,860,000 + $1,200,000 + $300,000) for the year.
11. Total Status of Budgetary Resources	The sum of lines 8-10 and should equal line 7.	The sum of lines 8-10 and should equal line 7.	The sum of lines 8-10 and should equal line 7.
Relation of Obligations to Outlays			
14. Obligated balance, net, end of period: B. Unfilled customer orders, Federal sources without advance		The amount of direct loan subsidy cost payment receivable from the program account for the portion of the direct loan subsidy cost that was obligated but remains undisbursed ($2,882,500 * .2).	
C. Undelivered orders	The amount of obligated but not disbursed budgetary resources. In this example, 20% of the subsidy cost obligated in the first quarter will not be disbursed until a later quarter [($2,882,500 + $1,500,000) * .2].	The amount payable to Treasury for interest expense and the amount of direct loans obligated but not yet disbursed by the financing account [$1,680,250 + ($25,000,000 * .2)].	
15. Outlays A. Disbursements	The amount of obligations that are liquidated by disbursements. In this	The loan amount outlayed. Only 80% of the $25,000,000 obligated is disbursed as	

Line Entry	Program Account	Financing Account-Direct	Financing Account-Guaranteed
	example, only 80% of the subsidy cost obligated this quarter [($2,882,500 + $1,500,000) * .8] (see line 3A1 of the financing account) and 25% of the administrative expenses have been disbursed. The sum of these two disbursements ($3,506,000 + $250,000) is recorded.	of this reporting period ($25,000,000 * .8).	
B. Collections		Repayments from the borrowers are not expected until the end of the year, so this entry should reflect only the amount of the direct loan subsidy cost payments that have been disbursed from the program account (see line 3A1), recorded as a negative amount.	Records the amount of the loan guarantee subsidy cost payments that have been disbursed from the program account (see line 3A1), recorded as a negative amount.

End of Fiscal Year Program Account
Report on Budget Execution

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Period ending 9/30 CY

AGENCY: Department of Government BUREAU: Office of the Secretary	APPROPRIATION OR FUND TITLE AND SYMBOL Credit Program Account			
	Unexpired			
BUDGETARY RESOURCES				
1. Budget Authority				
A. Appropriations..............P.L. 106-XXX......................	18,530,000			
7. Total budgetary resources...	18,530,000			
STATUS OF BUDGETARY RESOURCES				
8. Obligations incurred:				
A. Direct				
2. Category B:				
1. Direct loan subsidy..	11,530,000			
2. Guaranteed loan subsidy..................................	6,000,000			
3. Administrative expenses...................................	1,000,000			
11. Total status of budgetary resources............................	18,530,000			
RELATION OF OBLIGATIONS TO OUTLAYS				
14. Obligated balance, net, end of period:				
C. Undelivered orders (+)..	3,506,000			
15. Outlays:				
A. Disbursements (+)..	15,024,000			
B. Collections (-)..				

100% of direct and guaranteed loan subsidy and administrative expenses have been obligated.

Loan subsidy obligated but not disbursed.

Loan subsidy disbursed + administrative expenses disbursed.

SUBMITTED __________________ ____________

(Authorized Officer) (Date)

(Preparer: Name)__________________

(Address) __________________

(Phone number) ___________________

End of Fiscal Year-Direct Loan Financing Account
Report on Budget Execution

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Fiscal Year CY

AGENCY: Department of Government	APPROPRIATION OR FUND TITLE AND SYMBOL			
BUREAU: Office of the Secretary	Direct Loan Financing Account			
	Unexpired			
BUDGETARY RESOURCES				
1. Budget Authority				
B. Borrowing authority	88,470,000			
3. Spending authority from offsetting collections (Gross)				
A. Earned:				
1. Collected	19,467,000			
B. Change in unfilled customer orders:				
2. Without advance	2,306,000			
6. Permanently not available:				
C. Capital transfers and redemption of debt	-8,562,750			
7. Total budgetary resources	101,680,250			
STATUS OF BUDGETARY RESOURCES				
8. Obligations incurred:				
A. Direct				
1. Category A	100,000,000			
2. Category B:				
1. Interest payment to Treasury	1,680,250			
11. Total status of budgetary resources	101,680,250			
RELATION OF OBLIGATIONS TO OUTLAYS				
14. Obligated balance, net, end of period:				
B. Unfilled customer orders, Fed sources w/o advance (-)	-2,306,000			
D. Accounts payable (+)	20,000,000			
15. Outlays:				
A. Disbursements (+)	81,680,250			
B. Collections (-)	-19,467,000			

Amount apportioned on latest SF 132.

Direct loan subsidy collected from the program account ($11,530,000 * 80%) + repayments from borrower ($10,243,000).

Portion of the direct loan subsidy obligated but not yet disbursed from the program account ($11,530,000* 20%).

Principal repayments toTreasury.

Direct loan subsidy still receivable from program account.

Amount of direct loans obligated but not yet disbursed ($100,000,000 * 20%).

Portion of the loan that has been disbursed ($100,000,000 * 80%) + interest paid to Treasury ($1,680,250).

Direct loan subsidy collected from the program account ($11,530,000 * 80%) + repayments from borrower ($10,243,000).

SUBMITTED ______________ ___________
(Authorized Officer) (Date)

(Preparer: Name)_________________
(Address) _________________
(Phone number) __________________

End of Fiscal Year Guaranteed Loan Financing Account Report on Budget Execution

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Fiscal Year CY

AGENCY: Department of Government	APPROPRIATION OR FUND TITLE AND SYMBOL			
BUREAU: Office of the Secretary	Guaranteed Loan Financing Account			
	Unexpired			
BUDGETARY RESOURCES				
3. Spending authority from offsetting collections (Gross)				
A. Earned:				
1. Collected......................................	5,160,000			
B. Change in unfilled customer orders:				
2. Without advance from Federal sources..................	1,200,000			
7. Total budgetary resources..................................	6,360,000			
STATUS OF BUDGETARY RESOURCES				
10. Unobligated balance not available:				
D. Other..	6,360,000			
11. Total status of budgetary resources..........................	6,360,000			
RELATION OF OBLIGATIONS TO OUTLAYS				
15. Outlays:				
A. Disbursements (+)..				
B. Collections (-)...	-5,160,000			

Subsidy collected from the program account plus interest.

The portion of subsidy obligated but not received from the program account.

Guaranteed loan financing accounts hold a reserve for future defaults.

Amount of subsidy and interest collected.

SUBMITTED ___________________ ___________
(Authorized Officer) (Date)

(Preparer: Name)__________________
(Address) __________________
(Phone number) ___________________

BUDGET EXECUTION REPORTING -- END OF FISCAL YEAR
SIDE-BY-SIDE ACCOUNT COMPARISON

Line Entry	Program Account	Financing Account-Direct	Financing Account-Guaranteed
		Budgetary Resources	
1. Budget Authority: A. Appropriations	In this example, this entry should be the same as the End of First Quarter.		
B. Borrowing authority		In this example, this entry should be the same as the End of First Quarter.	
3. Spending authority from offsetting collections (Gross) A. Earned 1. Collected		This entry should be updated to reflect that payments totaling 80% of the subsidy cost ($11,530,000 * .8) have been collected from the program account and $10,243,000 was collected from borrower repayments.	This entry should be updated to reflect that payments totaling 80% of the subsidy cost ($6,000,000 * .8) have been collected from the program account and $360,000 was received from Treasury for interest.
B. Change in unfilled customer orders: 2. Without advance from Federal sources		The remaining 20% of the subsidy cost payments receivable from the program account is recorded ($11,530,000 * .2).	The remaining 20% of the subsidy cost payments receivable from the program account is recorded ($6,000,000 *.2).
6. Permanently not available C. Capital transfers and redemption of debt		In this example, this entry should be the same as the End of First Quarter.	
7. Total Budgetary Resources	The sum of lines 1-6 and should always equal line 11.	The sum of lines 1-6 and should always equal line 11.	The sum of lines 1-6 and should always equal line 11.
		Status of Budgetary Resources	
8. Obligations incurred A. Direct 1. Category A		Update this line to reflect that the full $100,000,000 has been obligated.	
2. Category B: (a) Direct loan subsidy cost (b) Guaranteed loan	The full amount of direct and guaranteed loan subsidy cost ($11,530,000 +	Record the interest payment to Treasury.	

Line Entry	Program Account	Financing Account-Direct	Financing Account-Guaranteed
subsidy cost (c) Admin. expenses (d) Interest payment to Treasury	$6,000,000) and administrative expenses ($1,000,000) has been obligated.		
10. Unobligated balance not available: D. Other			The amount of subsidy cost payments and interest received and anticipated ($5,160,000 + $1,200,000) for the year.
11. Total Status of Budgetary Resources	The sum of lines 8-10 and should equal line 7.	The sum of lines 8-10 and should equal line 7.	The sum of lines 8-10 and should equal line 7.
Relation of Obligations to Outlays			
14. Obligated balance, net, end of period: B. Unfilled customer orders, Federal sources without advance		Records the remaining 20% of the loan subsidy cost obligated but not yet disbursed ($11,530,000 * .2).	
C. Undelivered orders	Records the amount of direct loan and loan guarantee subsidy cost and administrative expenses obligated but undisbursed. Reflects the amount of budgetary resources for subsidy cost that remains in the program account [($11,530,000 + $6,000,000) * .2]. All of the administrative expenses have been disbursed.	This is the amount of loans obligated but not yet disbursed ($100,000,000 * .2).	
15. Outlays A. Disbursements	When a direct loan is disbursed from the financing account, the subsidy cost payment moves from line 14D to line 15A. In this example, because 80% of the loans and 100% of the administrative expenses have been disbursed, the entry is	Record the loans disbursed plus the amount of interest paid to Treasury [($100,000,000 * .8) + $1,680,250].	

Line Entry	Program Account	Financing Account-Direct	Financing Account-Guaranteed
	80% of the subsidy cost plus the full amount of administrative expenses [($17,530,000 * .8) + $1,000,000].		
B. Collections		The amount of loan subsidy cost payments collected from the program account and the amount of repayments collected from borrowers is recorded as a negative value [($11,530,000 * .8) + $10,243,000].	Update this entry to reflect the subsidy cost payments and interest received.