

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Federal Credit Reform Proposal

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

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87-0862X



February 18, 1987

BULLETIN NO. 87-8

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Federal Credit Reform Proposal

1. Purpose. This Bulletin provides:

a. An explanation of the Administration's proposed legislation to reform the budgetary treatment and financing of Federal credit programs; and

b. Instructions for submitting to OMB the budget materials and data necessary to support the proposal.

OMB will send the draft legislation itself to affected agencies for review and comment through normal legislation review channels.

2. Authority.

Section 1104 of Title 31 of the United States Code.

3. Background.

The President indicated in his budget message that the Administration would ask the Congress to enact "legislation whereby the true cost to the economy of Federal credit programs would be counted in the budget." (See page M-10, Budget of the United States Government, 1988.) The proposal was described in broad terms in Part 3b, "Federal Credit," of the Budget, where it was indicated that account-level details would be sent to the Congress in March.

4. Coverage.

Unless otherwise indicated by the agency's OMB representative, these instructions apply to all Federal agencies that conduct direct loan or loan guarantee programs as defined below. (See Attachment A.)

5. Definitions.

Direct loan. A direct loan is: (1) a disbursement of funds to a non-Federal entity by a Federal agency that is contracted to be repaid, with or without interest; (2) a purchase of non-Federal loans by a Federal agency through secondary market

operations; and (3) a sale of Federal agency assets to a non-Federal entity on credit terms of more than 90 days duration. This definition is the same as the one included in section 33.2 of OMB Circular No. A-11, which has been used for the Federal credit budget, except that non-Federal loans acquired in satisfaction of default on loan guarantees are not covered by the proposal. Loans acquired by default will not be treated as new direct loans under the proposal, because it will be assumed that the subsidy estimate and payment to the Fund at the time the guarantee was made included an amount for the default payment. Direct loans for FY 1988 that would have been financed by the Federal Financing Bank will be covered (see 7. Assumptions).

Federal Credit Revolving Fund. This fund will be established by the proposed legislation and managed by the Secretary of the Treasury (referred to herein as the "Secretary") as the central financing mechanism for Federal direct loans and a reserve against defaults on guaranteed loans. (Referred to herein as the "Fund".)

Guaranteed loan. A guaranteed loan is: (1) a non-Federal debt instrument on which an agency pledges to pay part or all of the amount due to a lender or holder in the event of default by the borrower; and (2) a direct Federal loan that an agency has sold to the public under a guarantee, agreement to repurchase, or other form of recourse. This is the same definition as the one included in section 33.2 of OMB Circular No. A-11, which has been used for the Federal credit budget. The term does not include the insurance of deposits, shares, or other withdrawable accounts in financial institutions.

Market value. This is the amount received when a direct loan is sold to a private investor. Loans are to be sold promptly after they are made, competitively, without recourse to the Federal Government in the event of default, and with the buyers assuming responsibility for servicing them. If the loan has not been sold, the market value is the difference between the face value and the estimated subsidy.

Subsidy. The subsidy is the measure of the benefit to the borrower from having received Federal credit rather than private credit. For a direct loan, the subsidy is the difference between the face value of the loan and the market value. For guaranteed loans, it is the net cost to the Government of reinsuring the guarantee (including transfer of responsibility for all future administration) with a private insurer plus the present value of any interest subsidy paid by the Federal Government to the lender. Some credit programs, particularly guarantee programs, charge beneficiaries fees. Such fees reduce the Federal subsidy and, therefore, will be taken into account in estimating the subsidy.

For direct loans that have not been sold and guaranteed loans that have not been reinsured, the subsidy is the estimated present value of the difference in cost to the borrower between the Federal direct loan or guaranteed loan and alternative private financing available to the same or a similar borrower for the same or a similar purpose.

Subsidy account. This is a budget account for a subsidy appropriation. In most cases, these will be general fund appropriations accounts. (See "subsidy appropriation.")

Subsidy appropriation. This is an appropriation for the payment of credit subsidies by an agency to the Fund. In most cases, such appropriations will be from the general fund and provided annually in appropriations acts. OMB will establish new accounts on the Master Account Title (MAT) file of the Budget Preparation System (BPS) for this purpose. However, where loans or guarantees are from special or trust funds, the subsidy will be paid from such funds. If the receipts of a special or trust fund are available only as provided in annual appropriations, the annual appropriation request will include a specified amount for subsidy payments. If the receipts of a special or trust fund are available without annual appropriation, language will be proposed to be enacted in annual appropriations acts to limit the amount available for subsidy payments. In the case of a few public enterprise revolving funds, credit programs are incidental to the principal activity of the fund and income is derived primarily from non-credit transactions. In such cases, the subsidy will be paid out of the income of the revolving fund account, and language will be proposed to be enacted in annual appropriations acts to limit the amount available for subsidy payments.

6. General treatment under the proposed legislation.

The agencies will continue to operate credit programs under their existing authorities; that is, they will arrange, approve, and service direct loans that have not been sold and loan guarantees that have not been reinsured. However, the proposed legislation will modify the means and the mechanisms by which credit programs are financed beginning on October 1, 1987. Under the proposal, the subsidy value of credit will be charged to appropriations to the agencies for that purpose, and the market value of credit will, in consultation with the agency, be financed by the Fund.

While the Secretary will be responsible for determining the subsidy value of the loans and guarantees made under various programs, the agencies will continue to be responsible for determining, subject to the usual review in the budget process, the volume of credit to be extended. Therefore, the agencies will recommend to OMB the amount to be appropriated for subsidies and limitations on direct loans and guaranteed loans to be included in appropriations acts. The level of credit that may be

extended will be the lesser of the specified limits or the level supported by the resources available to pay subsidies.

The Fund will begin serving as a central financing mechanism for new Federal direct loans obligated and loan guarantees committed in FY 1988. With respect to such direct and guaranteed loans:

- o The Fund will make disbursements for direct loans, pay for reinsurance for guaranteed loans, and pay default claims on guaranteed loans that are not reinsured.
- o The Fund will receive subsidy payments from Government agencies.
- o Government agencies will collect from the public on behalf of the Fund, and credit directly to the Fund, all fees charged for direct loans and loan guarantees, the interest and repayments of principal on loans that are not sold, and any collections on defaulted guaranteed loans.
- o The Fund will receive the proceeds from the sales of loans.
- o The Fund will maintain reserves to cover payments for defaults on any guaranteed loans that are not reinsured.

At the time an agency obligates the Government to make a direct loan or commits the Government to guarantee a loan, it will be required to record an obligation for the subsidy value of the entire loan and to make payments to the Fund at least annually that are equal to the estimated subsidy value of the credit being disbursed by the Fund during that year. The payments usually will be financed by appropriations from the general fund, requested in the President's budget each year and enacted in annual appropriations acts. For special and trust funds and certain public enterprise revolving funds, the subsidy will be paid from the non-credit income of those funds. For FY 1988, budget amendments to modify appropriations requested or to provide limitations on the use of available resources in the FY 1988 Budget will be submitted with the proposed legislation.

Initially, the amount of the subsidy payments for a particular credit program will be calculated, using the method currently prescribed in OMB Circular NO. A-70 (August 24, 1984), "Policies and Guidelines for Federal Credit Programs." However, the information learned from sales and reinsurance will be used to improve the subsequent calculations of subsidy payments. Most direct loans will be sold promptly after they are made, and most guarantees will be reinsured as markets are developed, unless specifically exempted by the Secretary. The proposed law will authorize the Secretary to determine the subsidy. The Secretary will base his determination on information that is provided by the agencies and learned from sales and reinsurance. (However,

for the purpose of this Bulletin, the agencies will calculate the subsidy payments, which will be reviewed by OMB.) Unless an exception is agreed to by the Secretary in advance, there will be no retroactive adjustment to the subsidy payments, up or down, if the actual subsidy, as determined by direct loan sales and loan guarantee reinsurance, differs from the estimates; the gain or loss will go to the Fund. However, retroactive adjustments to the subsidy estimates will be made, and additional payments will be required, if the agency decides to modify the terms of the original loan or guarantee agreement (to increase forbearance, for example).

7. Assumptions.

The proposal will apply to direct loans for which obligations will be incurred and loan guarantees for which commitments will be made in FY 1988 and beyond. Therefore, transactions related to direct loans for which obligations were incurred or loan guarantees for which commitments were made before FY 1988 (regardless of when disbursement occurs) will continue to be carried out in the existing agency account or fund.

For some programs, the FY 1988 Budget shows direct loan obligations in FY 1988 and beyond in existing agency accounts that would be financed by the Federal Financing Bank. It should be assumed for the purposes of this Bulletin that such loans will be financed in the same manner as loans financed by other means; that is, the market value will be financed by the Fund and the subsidy value will be paid by the agency to the Fund.

The following assumptions apply to the sale of direct loans, unless the agency arranges with its OMB representative to use different assumptions. For programs where direct loan obligations are estimated to be \$100 million or more per year, it should be assumed that all of the direct loans will be sold and that the sale of any loan will occur within 3 months of the time of the final disbursement. For loan programs where obligations are less than \$100 million per fiscal year, it should be assumed that the loans will not be sold.

Assumptions about the reinsurance of guaranteed loans will be provided to the agency by its OMB representative.

8. Materials and data required.

a. In general. The following materials and data are required for each existing account that finances direct loans or guaranteed loans and for each proposed subsidy account:

- (1) appropriation language changes;
- (2) a program and financing (P&F) schedule;

(3) credit schedules (status of direct loans and/or status of guaranteed loans, as appropriate);

(4) revised supplementary source data (SSD) for the Budget Preparation System (BPS).

These requirements are discussed in detail below. (The following are not required: a justification of need, an explanation of request, an object class schedule or data, or a personnel summary.)

The required language revision sheets and the budget Appendix schedules must be submitted using Standard Form 300 or a facsimile. Facsimiles produced by computer spreadsheet programs are acceptable.

The language pages and the Appendix schedules will show three columns for dollar amounts, each for FY 1988. The amounts shown on the language sheets should be in dollars, and the amounts shown in the Appendix schedules should be in thousands of dollars. The left-hand column (labeled "Request pending") will show the amounts included the FY 1988 column of the schedule submitted with the Budget. The middle column (labeled "Proposed amendment") will show net decreases or increases to amounts in the left-hand column. The right-hand column (labeled "Revised request") will show the sum of the amounts in the left-hand and middle columns.

For the purpose of collecting budget data, OMB will create special appropriations account data (AAD) files. Agencies will enter data into the BPS in the same mode as they used for the FY 1988 Budget. Agencies with access to the BPS will enter data directly through their computer terminals, and they may order copies of the AAD file by remote job entry. Access will be restricted to accounts with credit programs. Agencies that do not have access to the system will be provided copies of the AAD file listing, which they will mark up and submit to OMB.

The budget amendments proposed will not reflect any changes other than those necessary to carry out the credit reform proposal. Where items for later transmittal under proposed legislation (transmittal codes 2 and 7 in the data base) were included in the budget, and where they would be affected by the credit reform proposal, a separate set of materials and data must be submitted to show the effects of the proposal on them. No appropriations language is required.

Agencies will be notified by their OMB representative where the detailed instructions below must be modified for a specific program. If an agency believes that it would be appropriate to deviate from these instructions, it must obtain approval from OMB in advance of its submission.

b. Existing accounts. For each account in the FY 1988 budget with estimates for new direct loan obligations or guaranteed loan commitments in FY 1988 or beyond, the following materials and data are required:

(1) Revisions to appropriations language must be submitted in the format of Attachment B. Referring to the language that was proposed for the account in the Appendix, the revisions must reduce the appropriation requested by the amounts that were included to fund new loan obligations and to finance default payments, if any, related to loan guarantee commitments made in FY 1988. The revisions also must delete credit limitation language and substitute language that prohibits any new direct loan obligations or guaranteed loan commitments.

(2) Program and financing (P&F) schedule. A schedule in the format of Attachment C must be submitted.

The following changes, as appropriate, related to direct loan obligations or loan guarantee commitments that would have been made in FY 1988 will be reflected in the schedule:

- o a reduction of new direct loan obligations (do not reduce obligations for loans acquired by defaults related to loan guarantee commitments made before FY 1988);
- o a reduction of loan guarantee claim payments for guarantees;
- o a reduction in administrative expenses;
- o a reduction in collections of interest, loan repayments, proceeds from the sales of loans, and credit transaction fees;
- o an increase in the redemption of agency debt held by the Treasury or the Federal Financing Bank;
- o a reduction in budget authority; and
- o resulting changes in unobligated balances, obligations incurred, net, obligated balances, and outlays.

In addition, a capital transfer of the amounts of collections and balances that are in excess of the amounts required to carry out the liquidation of outstanding loans and guarantees and to redeem agency debt will be shown. The proposed legislation will require such transfers.

(3) Status of direct loan schedule. A schedule in the format of Attachment D must be submitted.

The following transactions, as appropriate, related to direct loan obligations or loan guarantee commitments that would have been made in FY 1988 will be reflected in the schedule:

- o a reduction of new direct loan obligations (subject to limitation or not) to zero (do not reduce obligations for direct loans acquired by defaults related to loan guarantee commitments made before FY 1988);
- o a reduction in direct loan disbursements;
- o a reduction in repayments and prepayments;
- o any changes in adjustments; and
- o resulting changes in outstanding balances.

(4) Status of guaranteed loan schedule. A schedule in the format of Attachment E must be submitted.

The following transactions, as appropriate, related to direct loan obligations or loan guarantee commitments that would have been made in FY 1988 will be reflected in the schedule:

- o a reduction in guaranteed loans (subject to limitation or not) to zero;
- o a reduction of disbursements of new guaranteed loans;
- o a reduction of repayments and prepayments;
- o any changes in adjustments; and
- o resulting changes in outstanding balances.

(5) Supplementary source data. Revised data, corresponding to the changes reflected in the schedules, must be provided for:

- o SSD-A/D, budget authority and outlays (FY 1988-1992);
- o SSD-B, current/prior outlays (FY 1988 only);
- o SSD-C, character classification (FY 1988 only);

- o SSD-G/H, credit data (FY 1988-1992); and
- o SSD-P, program and financing (FY 1988 only).

A sample AAD file listing is shown as Attachment F.

c. Subsidy accounts. For each subsidy account, the following materials and data are required:

(1) Direct and guaranteed loan subsidy data sheets, prepared in accordance with section 33.7 of Circular No. A-11 and in the format of Attachments G and H.

(2) New appropriation language must be submitted in the format of Attachment B. The language shown in format B should be used as a model in most cases; however, some variations (approved by OMB) may be needed to fit the specifics of particular programs. The language will include an appropriation amount equal to the sum (in dollars) of the subsidy amounts calculated for direct loans and guaranteed loans. The language will include direct loan and guaranteed loan limitation language as prescribed in section 31.5 of Circular No. A-11.

(3) Program and financing (P&F) schedule. A schedule in the format of Attachment I must be submitted.

Some or all of the following changes related to direct loans or loan guarantees that would have been made in FY 1988 may need to be reflected in the schedule:

- o obligations for direct loan subsidy payments to the Fund (subsidy payments for direct loans and for guaranteed loans should be shown as separate entries, and separate entries should be used to show subsidies for different programs financed within the account, usually on the same basis as is shown in the existing account);
- o budget authority equal to the obligations for subsidy payments;
- o obligations incurred, net, and outlays equal to the appropriation for subsidy payments;
- o obligated balances in the amount of subsidy payments obligated but not yet paid to the Fund; and
- o outlays for subsidy payments to the Fund at the same rate as disbursements of the associated direct or guaranteed loans.

(4) Status of direct loan schedule. A schedule in the format of Attachment J must be submitted.

The following transactions, although included in the account of the Fund, should be reflected in the schedule:

- o direct loan obligations (subject to limitation or not);
- o direct loan disbursements;
- o repayments and prepayments;
- o other adjustments, which should include the difference (as a negative amount) between the face value and the proceeds from sale (market value) of those loans that are sold; and
- o resulting changes in outstanding balances.

(5) Status of guaranteed loan schedule. A schedule in the format of Attachment K must be submitted.

The following transactions should be reflected in the schedule:

- o guaranteed loan commitments (subject to limitation or not);
- o disbursements of new guaranteed loans;
- o repayments and prepayments;
- o terminations for default for guaranteed loans that are not reinsured;
- o other adjustments, which should include the amount of guaranteed loans that are reinsured; and
- o changes in outstanding balances.

(6) Supplementary source data. Revised data, corresponding to the changes reflected in the schedules, must be provided for:

- o SSD-A/D, budget authority and outlays (FY 1988-1992);
- o SSD-B, current/prior outlays (FY 1988 only);
- o SSD-C, character classification (FY 1988 only);
- o SSD-G/H, credit data (FY 1988-1992); and

o SSD-P, program and financing (FY 1988 only).

A sample AAD file listing is shown as Attachment L.

9. Timing.

All material and data must be received in OMB not later than Monday, February 23, 1987.

10. Contact.

Questions should be directed to the agency's OMB representative.


James C. Miller III
Director

Attachments

Attachment A

ACCOUNTS IN THE 1988 CREDIT BUDGET
AFFECTED BY THE CREDIT REFORM PROPOSAL
(in millions of dollars)

AGENCY/ACCOUNT	ACCOUNT ID	1988 ESTIMATES	
		DIRECT LOANS	GUARANTEED LOANS
FUNDS APPROPRIATED TO THE PRESIDENT			
Foreign military sales credit....	11-1082-0-1-152	4,421.2	---
Economic support fund.....	11-1037-0-1-152	175.6	---
Func. dev'p asst. programs.....	11-1021-0-1-151	150.0	---
Housing credit guar. programs....	72-4340-0-3-151	---	100.0
Private sector revolving fund....	72-4341-0-3-151	16.0	---
Overseas Private Invest. Corp....	71-4030-0-3-151	15.0	150.0
DEPARTMENT OF AGRICULTURE			
Expenses, P. L. 480.....	12-2274-0-1-151	749.3	---
Commodity Credit Corporation....	12-4336-0-3-351	---	5,500.0
Export guarantees.....	12-4336-2-3-351	---	(2,000.0)
Rural elec/telephone rev. fund...	12-4230-0-3-271	290.0	---
	12-4230-2-3-271	---	840.0
Rural telephone bank.....	12-4231-0-3-452	93.0	---
Agricultural credit ins. fund....	12-4140-0-3-351		
Real estate loans.....		130.0	390.0
	12-4140-2-3-351	(130.0)	(390.0)
Operating.....		870.0	2,610.0
	12-4140-2-3-351	130.0	(110.0)
Emergency disaster loans.....		600.0	---
	12-4140-2-3-351	(305.0)	---
DEPARTMENT OF EDUCATION			
Guaranteed student loans.....	91-0230-0-1-502	---	9,398.0
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Health resources and services....	75-0350-0-1-551	1.0	---
Health prof. grad. student loans.	75-4305-0-3-553	---	100.0
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Nonprofit sponsor assistance.....	86-4042-0-3-604	0.3	---
Federal Housing Adm. fund.....	86-4070-0-3-371	82.6	79,260.5
	86-4070-2-3-371	---	(9,260.5)
Housing for elderly/handicapped..	86-4115-0-3-371	131.5	---
GNMA, Guarantees of MBS.....	86-4238-0-3-371	---	100,000.0
DEPARTMENT OF THE INTERIOR			
BuRec, Loan program.....	14-0667-0-1-301	27.5	---
BIA, Revolving fund for loans....	14-4409-0-3-452	13.0	---
BIA, Loan guaranty rev. fund.....	14-4410-0-3-452	0.1	33.5
DEPARTMENT OF LABOR			
Pension Benefit Guaranty Corp....	16-4204-0-3-601	3.1	---

**ACCOUNTS IN THE 1988 CREDIT BUDGET
AFFECTED BY THE CREDIT REFORM PROPOSAL
(in millions of dollars)**

Attachment A
(cont)

AGENCY/ACCOUNT	ACCOUNT ID	1988 ESTIMATES	
		DIRECT LOANS	GUARANTEED LOANS
DEPARTMENT OF STATE			
Emergencies in diplomatic serv...	19-0522-0-1-153	0.7	---
DEPARTMENT OF TRANSPORTATION			
MarAd, Fed'l ship financing fund.	69-4301-0-3-403	5.0	---
SMALL BUSINESS ADMINISTRATION			
Disaster loans.....	73-4153-0-3-453	350.0	---
Business loan and investment.....	73-4154-0-3-376	20.0	3,510.0
VETERANS ADMINISTRATION			
Direct loan revolving fund.....	36-4024-0-3-704	2.3	---
Loan guaranty revolving fund.....	36-4025-0-3-704	880.2	29,400.0
	36-4025-2-3-704	(68.0)	(1,470.0)
Voc. rehab revolving fund.....	36-4114-0-3-702	0.9	---
Education loan fund.....	36-4118-0-3-702	*	---
	36-4118-2-3-702	-*	---
OTHER INDEPENDENT AGENCIES			
Export-Import Bank.....	83-4027-0-3-155	1,000.0	10,000.0
Fed'l Savings and Loan (FSLIC)...	82-4037-0-3-371	25.0	300.0
NCUA, credit union share ins fund	25-4468-0-3-371	5.0	1.0
NCUA, Central liquidity facility.	25-4470-0-3-371	72.0	---
Tennessee Valley Authority.....	64-4110-0-3-999		
Power loans.....		71.0	---
		=====	=====
TOTAL LOANS SUBJECT TO CREDIT REFORM.....		9,828.1	228,362.5

EXPORT-IMPORT BANK OF THE UNITED STATES

1988 Budget Appendix Page	Heading	1988 Budget Request Pending	1988 Proposed Amendment	1988 Revised Request
I-Z14	<p>Limitation on program activity</p> <p>(Delete the appropriation language under the above heading and insert in lieu thereof the following:)</p> <p><u>During fiscal year 1988, no new direct loan obligations shall be made. During fiscal year 1988, no new commitments to guarantee loans shall be made.</u></p> <p>NOTE: If a change in budget authority is required, the following language should be used:</p> <p>(In the appropriation language under the above heading delete "\$" and insert in lieu thereof <u>\$</u> .)</p>	---	language	---

EXPORT-IMPORT BANK OF THE UNITED STATES

1988 Budget Appendix Page	Heading	1988 Budget Request Pending	1988 Proposed Amendment	1988 Revised Request
I-Z17	<u>Export-Import Bank of the United States, Subsidy Account</u>	---	\$333,600,000	\$333,600,000

(Insert the above heading and the appropriation language that follows immediately after the material under the heading "Limitation on administrative expenses":)

For subsidy to be paid to the Federal Credit Revolving Fund for the direct loan and loan guarantee activity of the Export-Import Bank, \$333,600,000 is appropriated to be paid to the Federal Credit Revolving Fund. During fiscal year 1988, and within the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed \$1,000,000,000. During fiscal year 1988, commitments to guarantee loans may be made only to the extent that total loan principal, any part of which is to be guaranteed, shall not exceed \$10,000,000,000.

EXPORT-IMPORT BANK OF THE UNITED STATES
 Export-Import Bank of the United States

Program and Financing (in thousands of dollars)

Identification code	83-4027-0-3-155	1988	1988	1988
		Request pending	Proposed amendment	Revised request
Program by activities:				
Direct program:				
00.02	Interest expense - FFB.....	1,331,100	(1,800)	1,329,300
00.05	Insurance claims.....	26,900	(1,000)	25,900
* 00.00	Other operating expenses.....	25,868	0	25,868
01.92	Total operating expenses.....	1,383,868	(2,800)	1,381,068
Capital investment:				
02.01	Loan obligations.....	1,000,000	(1,000,000)	0
02.02	Purchase of equipment.....	700	0	700
02.91	Total capital investment.....	1,000,700	(1,000,000)	700
10.00	Total obligations	2,384,568	(1,002,800)	1,381,768
Financing:				
Offsetting collections from:				
Non-Federal sources:				
14.00	Loans repaid.....	(3,154,093)	3,500	(3,150,593)
14.00	Interest and fee revenue from loans.....	(753,103)	12,300	(740,803)
14.00	Guarantee and insurance program fees and premiums.	(35,900)	6,400	(29,500)
17.00	Recovery of prior year obligations.....	(480,100)	0	(480,100)
21.47	Unobligated balance available, start of year.....	(2,022,590)	0	(2,022,590)
24.47	Unobligated balance available, end of year.....	2,649,918	0	2,649,918
** 31.00	Redemption of debt.....	1,411,300	980,600	2,391,900
39.00	Budget authority	0	0	0
Relation of obligations to outlays:				
71.00	Obligations incurred, net....	(1,558,528)	(980,600)	(2,539,128)
Obligated balance, start of year:				
72.47	Authority to borrow.....	2,296,879	0	2,296,879
72.98	Fund balance.....	330,900	0	330,900
Obligated balance, end of year:				
74.47	Authority to borrow.....	(1,911,986)	910,500	(1,001,486)
74.98	Fund balance.....	(240,700)	0	(240,700)
78.00	Adjust. in unexpired accounts.	(480,100)	0	(480,100)
90.00	Outlays.....	(1,563,535)	(70,100)	(1,633,635)

* Activity lines above "Total operating expenses" or "Total capital investment" may be combined into a single "Other ..." entry where there are no changes.
 ** Decreases in obligations should result in a transfer to the general fund or increased redemption of debt. It should not result in an increase of unobligated balances.

[SAMPLE: EXISTING CREDIT ACCOUNT]

Attachment D

EXPORT-IMPORT BANK OF THE UNITED STATES
Export-Import Bank of the United States

Status of Direct Loans (in thousands of dollars)

Identification code	83-4027-0-3-155	1988	1988	1988
		Request pending	Proposed amendment	Revised request
Position with respect to appropriation act limitations on obligations:				
1111	Limitation on direct loans to the public.....	1,000,000	(1,000,000)	0
* 1132	Obligations exempt from limitation: Defaulted guaranteed loan claims.....	0	0	0
1150	Total direct loan obligations.	1,000,000	(1,000,000)	0
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year....	10,670,087	0	10,670,087
Disbursements:				
1231	Direct loan disbursements....	693,200	(73,600)	619,600
* 1232	Disbursements for guarantee claims.....	0	0	---
Repayments:				
1251	Repayments and prepayments...	(2,207,500)	3,500	(2,204,000)
1253	Loan asset sales to public...	(750,000)	0	(750,000)
Adjustments:				
1262	Write-offs for default.....	0	0	0
1264	Other adjustments, net 1/....	(450,000)	0	(450,000)
1290	Outstanding, end of year.....	7,955,787	(70,100)	7,885,687

1/ Represents discount from face value on sale of loan assets.

* ExIm Bank does not have direct loan obligations and disbursements for defaulted guarantee claims. Where appropriate, this data will be included in these lines.

[SAMPLE: EXISTING CREDIT ACCOUNT]

Attachment E

EXPORT-IMPORT BANK OF THE UNITED STATES
Export-Import Bank of the United States

Status of Guaranteed Loans (in thousands of dollars)

Identification code	83-4027-0-3-155	1988	1988	1988
		Request pending	Proposed amendment	Revised request
Position with respect to appropriation act limitations on commitments:				
2111	Limitation on guaranteed loans made by private lenders.....	10,000,000	(10,000,000)	0
2150	Total guaranteed loan commitments.....	10,000,000	(10,000,000)	0
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year....	5,487,888	0	5,487,888
2231	Disbursements of new guaranteed loans.....	5,288,600	(2,598,100)	2,690,500
2251	Repayments and prepayments...	(4,610,600)	1,291,600	(3,319,000)
Adjustments:				
* 2261	Terminations for default that result in direct loans	0	0	0
2290	Outstanding, end of year.....	6,165,888	(1,306,500)	4,859,388
MEMORANDUM				
2299	U.S. contingent liability for guaranteed loans outstanding, end of year.....	6,165,888	(1,306,500)	4,859,388

* Use A-11 credit lines as appropriate.

BPS0300D*****
 02/02/87 A A D - F I L E L I S T I N G (BPS.MSTR.AAD)
 (10:50)***** 1

OMB ACCOUNT-ID: 30-48-4027-0-3-155
 AGENCY: Other Independent Agencies
 BUREAU: Export-Import Bank of the United States
 ACCOUNT: Export-Import Bank of the United States

OMB DIVISION: IAD
 TEAM-ID: 13
 LAST ACTIVITY: 2/03/87

ACCOUNT-ID (1-11)	DOC ID	COMP FCT	AUTH OUT	CHAR-CL LINE NO (19-24)	D/I 25	N/S 26	G/N 27	LINE SN (28-29)	AMOUNTS IN THOUSANDS				ACTIVITY --DATE--	A C	R T		
									(01) (30-39)	(02) (40-49)	(03) (50-59)	(04) (60-69)					
83-4027-0-3-155	* SSD-D (PLANNING)																
	D 155			9000		N	N	01	-1,187,400	-1,214,800	-996,000	-586,100		()	1		
	D 155			9441				01	21,145	21,541	21,870	22,114		()	1		
	D 155			9541				01	21,145	21,541	21,870	22,114		()	1		
	* SSD-A (BUDGET)																
	A 155			9000		N	N	01			-1,633,635			()	1		
	A 155			9441				01			20,668			()	1		
	A 155			9541				01			20,668			()	1		
	* SSD-B																
	B 155			3130				01			-1,633,635			()	1		
	* SSD-C																
	C 155 0			1100-04				01			-1,183,635			()	1		
	C 155 0			3300-04				01			-450,000			()	1		
	* SSD-H (PLANNING)																
	H 155			1210				01	7,885,687	6,687,087	5,338,187	3,917,087		()	1		
	H 155			1231				01	453,900	317,600	250,600	207,300		()	1		
	H 155			1251				01	-652,500	-666,500	-671,700	-678,000		()	1		
	H 155			1253				01	-525,000	-475,000	-425,000	-375,000		()	1		
	H 155			1264				01	-475,000	-525,000	-575,000	-625,000		()	1		
	H 155			1290				01	6,687,087	5,338,187	3,917,087	2,446,387		()	1		
	H 155			2210				01	4,859,388	4,859,388	4,859,388	4,859,388		()	1		
	H 155			2231				01	1,300,000	1,300,000	1,300,000	1,300,000		()	1		
	H 155			2251				01	-1,300,000	-1,300,000	-1,300,000	-1,300,000		()	1		
H 155			2290				01	4,859,388	4,859,388	4,859,388	4,859,388		()	1			
H 155			2299				01	4,859,388	4,859,388	4,859,388	4,859,388		()	1			
* SSD-G (BUDGET)																	
G 155			1210				01			10,670,087			()	1			
G 155			1231				01			619,600			()	1			
G 155			1251				01			-2,204,000			()	1			
G 155			1253				01			-750,000			()	1			
G 155			1264				01			-450,000			()	1			
G 155			1290				01			7,885,687			()	1			
G 155			2210				01			5,487,888			()	1			
G 155			2231				01			2,690,500			()	1			
G 155			2251				01			-3,319,000			()	1			
G 155			2290				01			4,859,388			()	1			
G 155			2299				01			4,859,388			()	1			

Attachment F

BPS0300D*****
 02/02/87
 (10:50)*****

A A D - F I L E L I S T I N G (BPS.MSTR.AAD)

ACCOUNT-ID (1-11)	DOC ID	COMP FCT	AUTH OUT	CHAR-CL LINE NO	D/I	N/S	G/N	LINE SN	AMOUNTS IN THOUSANDS				ACTIVITY --DATE--	A C	R T	
									(01) (30-39)	(02) (40-49)	(03) (50-59)	(04) (60-69)				
	14	(15-17)	18	(19-24)	25	26	27	(28-29)								
	* P&F															
	P			0001				01			13					() 1
	P			0002				01			1,329,300					() 1
	P			0003				01								() 1
	P			0004				01			5,084					() 1
	P			0005				01			25,900					() 1
	P			0006				01			20,668					() 1
	P			0091				01			1,380,068					() 1
	P			0101				01			103					() 1
	P			0192				01			1,381,068					() 1
	P			0291				01			700					() 1
	P			1000				01			1,381,768					() 1
	P			1400				01			-3,150,593					() 1
	P			1400				02			-740,803					() 1
	P			1400				03			-29,500					() 1
	P			1700				01			-480,100					() 1
	P			2147				01			-2,022,590					() 1
	P			2447				01			2,649,918					() 1
	P			3100				01			2,391,900					() 1
	P			3900				01								() 1
	P			7100				01			-2,539,128					() 1
	P			7247				01			2,296,879					() 1
	P			7298				01			330,900					() 1
	P			7447				01			-1,001,486					() 1
	P			7498				01			-240,700					() 1
	P			7800				01			-480,100					() 1
	P			9000				01			-1,633,635					() 1

FY 1988
TERMS OF FEDERAL AND COMPARABLE PRIVATE MARKET: DIRECT LOANS

Agency: Export-Import Bank
Program: Direct Loans

	<u>1988 1/</u>	<u>1989 1/</u>	<u>1990 1/</u>	<u>1991 1/</u>	<u>1992 1/</u>
Direct loan obligations (millions of dollars).....	1,000	900	900	900	900
Federal program terms:					
Interest rate.....	7.05	6.75	6.05	5.55	5.05
Loan term (in years).....	8.5	8.5	8.5	8.5	8.5
Grace period (in years).....	2.5	2.5	2.5	2.5	2.5
Upfront fee (in percent).....	2.0	2.0	2.0	2.0	2.0
Annual fee (in percent per annum)...	0.5*	0.5*	0.5*	0.5*	0.5*
Comparable private terms:					
Interest rate.....	9.10	8.80	8.10	7.60	7.10
Loan term (in years).....	8.5	8.5	8.5	8.5	8.5
Grace period (in years).....	2.5	2.5	2.5	2.5	2.5
Upfront fee (in percent).....	2.0	2.0	2.0	2.0	2.0
Annual fee (in percent per annum)...	0.5*	0.5*	0.5*	0.5*	0.5*
Present value of subsidy (in percent).....	9.8	9.9	10.2	10.3	10.5
Present value of subsidy (in millions of dollars).....	98.0	89.1	91.8	92.7	94.5

1/ Use latest economic assumption for interest rates.

Basis of Federal loan terms: (Examples: (1) Set in legislation at rate for Treasury securities of similar maturity; or (2) set in legislation at 5%; or (3) administrative discretion.)

Administrative discretion.

Basis of interest calculation: (Examples: (1) mortgage basis (equal payments of principal and interest); or (2) outstanding loan basis (equal payments of principal only).

Outstanding loan basis.

Frequency of payments: Semiannual.

Source or justification of comparable private market terms: Treasury long-term bonds plus premium for country risk.

* On undisbursed amount of obligation.

FY 1988
TERMS OF FEDERAL AND COMPARABLE PRIVATE MARKET: GUARANTEED LOANS

Agency: Export - Import Bank
Program: Financial Guarantees

	<u>1988 1/</u>	<u>1989 1/</u>	<u>1990 1/</u>	<u>1991 1/</u>	<u>1992 1/</u>
Guaranteed loan commitments (millions of dollars).....	2,700	2,700	2,700	2,700	2,700
Federal program terms:					
Interest rate.....	4.65	4.35	3.75	3.15	2.65
Loan term (in years).....	5.0	5.0	5.0	5.0	5.0
Grace period (in years).....	0.5	0.5	0.5	0.5	0.5
Upfront fee (in percent).....	—	—	—	—	—
Annual fee (in percent per annum).....	0.5	0.5	0.5	0.5	0.5
Commitment fee (in percent per annum).....	0.125	0.125	0.125	0.125	0.125
Flat fees (in dollars).....	—	—	—	—	—
Other fees (describe below).....	—	—	—	—	—
Comparable private terms:					
Interest rate.....	6.65	6.35	5.75	5.15	4.65
Loan term (in years).....	5.0	5.0	5.0	5.0	5.0
Grace period (in years).....	0.5	0.5	0.5	0.5	0.5
Upfront fee (in percent).....	—	—	—	—	—
Annual fee (in percent per annum).....	0.5	0.5	0.5	0.5	0.5
Commitment fee (in percent per annum).....	0.125	0.125	0.125	0.125	0.125
Flat fees (in dollars).....	—	—	—	—	—
Other fees (describe below).....	—	—	—	—	—
Present value of subsidy (in percent).....	4.4	4.4	4.5	4.5	4.6
Percent value of subsidy (in millions of dollars).....	118.8	118.8	121.5	121.5	124.2

1/ Use latest economic assumption for interest rates.

Basis of Federal loan terms: (Examples: (1) Set in legislation at rate for Treasury securities of similar maturity; or (2) set in legislation at 5%; or (3) administrative discretion.)

LIBOR plus premium.

Basis of interest calculation: (Examples: (1) mortgage basis (equal payments of principal and interest); or (2) outstanding loan basis (equal payments of principal only).)

Outstanding loan basis.

Frequency of payments: Semiannual.

Source or justification of comparable private market terms: Federal rate plus 200 basis points.

Description of other fees: N.A.

FY 1988

TERMS OF FEDERAL AND COMPARABLE PRIVATE MARKET: GUARANTEED LOANS

Agency: Export - Import Bank
Program: Other Guarantees and Insurance

	<u>1988 1/</u>	<u>1989 1/</u>	<u>1990 1/</u>	<u>1991 1/</u>	<u>1992 1/</u>
Guaranteed loan commitments (millions of dollars).....	7,300	7,300	7,300	7,300	7,300
Federal program terms:					
(Interest rate.....)	4.65	4.35	3.75	3.15	2.65
Loan term (in years).....	1.5	1.5	1.5	1.5	1.5
Grace period (in years).....	0.5	0.5	0.5	0.5	0.5
Upfront fee (in percent).....	—	—	—	—	—
Annual fee (in percent per annum).....	—	—	—	—	—
Commitment fee (in percent per annum).....	—	—	—	—	—
Flat fees (in dollars).....	—	—	—	—	—
Other fees (describe below).....	—	—	—	—	—
Comparable private terms:					
Interest rate.....	6.65	6.35	5.75	5.15	4.65
Loan term (in years).....	1.5	1.5	1.5	1.5	1.5
Grace period (in years).....	0.5	0.5	0.5	0.5	0.5
Upfront fee (in percent).....	—	—	—	—	—
Annual fee (in percent per annum).....	—	—	—	—	—
Commitment fee (in percent per annum).....	—	—	—	—	—
Flat fees (in dollars).....	—	—	—	—	—
Other fees (describe below).....	—	—	—	—	—
Present value of subsidy (in percent).....	1.6	1.6	1.6	1.6	1.6
Percent value of subsidy (in millions of dollars).....	116.8	116.8	116.8	116.8	116.8

1/ Use latest economic assumption for interest rates.Basis of Federal loan terms: (Examples: (1) Set in legislation at rate for Treasury securities of similar maturity; or (2) set in legislation at 5%; or (3) administrative discretion.)

LIBOR plus premium.

Basis of interest calculation: (Examples: (1) mortgage basis (equal payments of principal and interest); or (2) outstanding loan basis (equal payments of principal only).)

Outstanding loan basis.

Frequency of payments: Semiannual.Source or justification of comparable private market terms: Federal rate plus 200 basis points.Description of other fees: N.A.

7:84

February 5, 1987

[SAMPLE: NEW SUBSIDY ACCOUNT]

Attachment I

EXPORT-IMPORT BANK OF THE UNITED STATES
Export-Import Loan Subsidies

Program and Financing (in thousands of dollars)

Identification code	83-xxxx-0-1-155	1988	1988	1988
		Request pending	Proposed amendment	Revised request
Program by activities:				
Direct program:				
* 00.01	Direct loans.....	0	98,000	98,000
* 00.02	Financial guarantees.....	0	118,800	118,800
* 00.03	Other guarantees & insurance.	0	116,800	116,800
		=====	=====	=====
10.00	Total obligations.....	0	333,600	333,600
Financing:				
40.00	Budget authority (appropriation).....	0	333,600	333,600
Relation of obligations to outlays:				
71.00	Obligations incurred, net...	0	333,600	333,600
74.40	Obligated balance, end of year.....	0	(265,132)	(265,132)
** 90.00	Outlays.....	0	68,468	68,468

* The obligations represent the subsidy estimate calculated according to A-70 submissions. (See attachments G and H.)

** Outlays are charged to the subsidy account proportionately as the loan is disbursed.

[SAMPLE: NEW SUBSIDY ACCOUNT]

Attachment J

EXPORT-IMPORT BANK OF THE UNITED STATES
Export-Import Loan Subsidies

Status of Direct Loans (in thousands of dollars)

Identification code	83-xxxx-0-1-155	1988	1988	1988
		Request pending	Proposed amendment	Revised request
Position with respect to appropriation act limitations on obligations:				
1111	Limitation on direct loans to the public.....	0	1,000,000	1,000,000
1150	Total direct loan obligations.	0	1,000,000	1,000,000
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year....	0	0	0
1231	Disbursements: Direct loan disbursements.....	0	73,600	73,600
Repayments:				
1251	Repayments and prepayments...	0	(3,500)	(3,500)
1253	Loan asset sales to the public 1/.....	0	0	0
1264	Adjustments: Other adjustments, net 2/.....	0	0	0
1290	Outstanding, end of year.....	0	70,100	70,100

1/ Use this line to reflect loan asset sales under the Credit Reform Plan.
In general, loans will not be sold until fully disbursed.

2/ Represents discount from face value on loans sold to the public.

[SAMPLE: NEW SUBSIDY ACCOUNT]

Attachment K

EXPORT-IMPORT BANK OF THE UNITED STATES
Export-Import Loan Subsidies

Status of Guaranteed Loans (in thousands of dollars)

Identification code	83-xxxx-0-1-155	1988	1988	1988
		Request pending	Proposed amendment	Revised request
Position with respect to appropriation act limitations on commitments:				
2111	Limitation on guaranteed loans made by private lenders.....	0	10,000,000	10,000,000
2150	Total guaranteed loan commitments.....	0	10,000,000	10,000,000
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year....	0	0	0
2231	Disbursements of new guaranteed loans.....	0	2,598,100	2,598,100
2251	Repayments and prepayments....	0	(1,291,600)	(1,291,600)
Adjustments:				
2261	Terminations for default that result in direct loans.	0	0	0
2264	Other adjustments, net 1/....	0	0	0
2290	Outstanding, end of year.....	0	1,306,500	1,306,500
MEMORANDUM				
2299	U.S. contingent liability for guaranteed loans outstanding, end of year.....	0	1,306,500	1,306,500

1/ This line should be used to show reinsurance of loan guarantees. However, in most cases (including Eximbank), the reinsurance will not occur until the loan is fully disbursed by the lender.

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 02/02/87
 (10:50)*****

A A D - F I L E L I S T I N G

(BPS.MSTR.AAD)

1

OMB ACCOUNT-ID: 30-48-xxxx-0-1-155
 AGENCY: Other Independent Agencies
 BUREAU: Export-Import Bank of the United States
 ACCOUNT: Export-Import Loan Subsidies

OMB DIVISION: IAD
 TEAM-ID: 13
 LAST ACTIVITY: 2/03/87

ACCOUNT-ID (1-11)	DOC ID	COMP FCT	AUTH OUT	CHAR-CL LINE NO (19-24)	D/I	N/S	G/N	LINE SN (28-29)	AMOUNTS IN THOUSANDS				ACTIVITY DATE	A C	R T	
									(01) (30-39)	(02) (40-49)	(03) (50-59)	(04) (60-69)				
83-xxxx-0-1-155	*	SSD-D	(PLANNING)													
	D	155		4000		N	N	01	324,700	330,100	331,000	335,500		()	1	
	D	155		9000		N	N	01	137,000	242,000	269,000	294,000		()	1	
	D	155		9447				01	900,000	900,000	900,000	900,000		()	1	
	D	155		9448				01	10,000,000	10,000,000	10,000,000	10,000,000		()	1	
	*	SSD-A	(BUDGET)													
	A	155		4000		N	N	01			333,600			()	1	
	A	155		9000		N	N	01			68,468			()	1	
	A	155		9447				01			1,000,000			()	1	
	A	155		9448				01			10,000,000			()	1	
	*	SSD-B														
	B	155		3110				01			68,468			()	1	
	*	SSD-C														
	C	155	0	1100-04				01			68,468			()	1	
	*	SSD-H	(PLANNING)													
	H	155		1111				01	900,000	900,000	900,000	3,917,087		()	1	
	H	155		1150				01	900,000	900,000	5,338,187	3,917,087		()	1	
	H	155		1210				01	70,100	293,700	617,600	963,700		()	1	
	H	155		1231				01	246,100	382,400	449,400	492,700		()	1	
	H	155		1251				01	-22,500	-58,500	-103,300	-147,000		()	1	
	H	155		1290				01	293,700	617,600	963,700	1,309,400		()	1	
	H	155		2210				01	1,306,500	2,989,500	4,381,700	5,528,900		()	1	
	H	155		2231				01	4,422,800	5,016,500	5,278,600	5,422,100		()	1	
	H	155		2251				01	-2,739,800	-3,623,900	-4,131,400	-4,440,600		()	1	
	H	155		2290				01	2,989,500	4,381,700	5,528,900	6,510,400		()	1	
	H	155		2299				01	2,989,500	4,381,700	5,528,900	6,510,400		()	1	
	*	SSD-G	(BUDGET)													
	G	155		1111				01			1,000,000			()	1	
	G	155		1150				01			1,000,000			()	1	
	G	155		1210				01						()	1	
	G	155		1231				01			73,600			()	1	
	G	155		1251				01			-3,500			()	1	
	G	155		1290				01			70,100			()	1	
	G	155		2111				01			10,000,000			()	1	
	G	155		2150				01			10,000,000			()	1	
	G	155		2210				01						()	1	
	G	155		2231				01			2,598,100			()	1	
	G	155		2251				01			-1,291,600			()	1	
	G	155		2290				01			1,306,500			()	1	
	G	155		2299				01			1,306,500			()	1	
	*	P&F														
	P			0001				01			98,000			()	1	
	P			0002				01			118,800			()	1	
	P			0003				01			116,800			()	1	
	P			1000				01			333,600			()	1	
	P			4000				01			333,600			()	1	
	P			7100				01			333,600			()	1	
	P			7440				01			-265,132			()	1	
	P			9000				01			68,468			()	1	

Attachment L

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

Executive Registry
87-0862x/1

February 18, 1987

BULLETIN NO. 87-8 , SUPPLEMENT NO. 1

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Federal Credit Reform Proposal

1. Purpose. This Bulletin serves as a supplement to Bulletin No. 87-8 dated February 18 , and provides instructions for submitting additional data to support the Administration's Federal credit reform proposal.

2. Authority. Same as Bulletin No. 87-8 .

3. Background. Bulletin No. 87-8 instructed agencies to submit budget materials and data necessary to quantify changes resulting from the credit reform proposal to the President's FY 1988 Budget submission on a current policy basis. In addition, OMB must collect the information necessary to quantify changes to the current services estimates.

4. Coverage. The programs listed in Attachment A of Bulletin No. 87-8 also are covered by this supplement. In addition, credit programs that were proposed in the President's FY 1988 Budget to be terminated in FY 1988 are covered for the purpose of this supplement only. (See Attachment A, Parts 1 and 2 of this supplement).

5. Definitions. Refer to Part 5 of Bulletin 87-8 for definitions of the relevant terms.

6. Additional data required. In addition to the materials and data requested in Bulletin 87-8 , subsidy data for current services estimates of direct loans and loan guarantees are needed. The subsidy data sheets should be prepared in accordance with section 33.7 of Circular No. A-11. An exhibit, in the format of Attachments B (direct loans) and C (guaranteed loans), should be prepared for each loan program.

The estimates for current services for direct loan obligations and guaranteed loan commitments were collected in the President's budget data base as SSD-Y/Z data. Calculations of subsidies should be based on the same concepts. Therefore, they should not be based on changes in interest rates,

fees, or program mix proposed in the 1988 Budget. Under credit reform, the FFB would no longer be in operation. However, the subsidy should be estimated as if the FFB would still exist (use the Treasury rate + 1/8 percent as the interest rate).

In many cases, the subsidy estimate (in percent) will be the same as for the policy; only the loan volume and subsidy estimate (in millions of dollars) will change. In other cases, the subsidy estimate (in percent) will also change.

7. Timing. All data must be received in OMB not later than Wednesday, February 25, 1987.

8. Contact. Questions should be directed to the agency's OMB representative.


James C. Miller III
Director

Attachments

Attachment A

ACCOUNTS IN THE CREDIT BUDGET
AFFECTED BY THE CREDIT REFORM PROPOSAL
(in millions of dollars)

PART 1. ACCOUNTS WITH NEW ACTIVITY IN 1988

AGENCY/ACCOUNT	ACCOUNT ID	1988 ESTIMATES CURRENT SERVICES	
		DIRECT LOANS	GUARANTEED LOANS
FUNDS APPROPRIATED TO THE PRESIDENT			
Foreign military sales credit....	11-1082-0-1-152	4,181.9	---
Economic support fund.....	11-1037-0-1-152	181.7	---
Func. dev'p asst. programs.....	11-1021-0-1-151	150.0	---
Housing credit guar. programs....	72-4340-0-3-151	---	150.6
Private sector revolving fund....	72-4341-0-3-151	16.0	---
Overseas Private Invest. Corp....	71-4030-0-3-151	23.8	207.0
DEPARTMENT OF AGRICULTURE			
Expenses, P. L. 480.....	12-2274-0-1-151	847.9	---
Commodity Credit Corporation.....	12-4336-0-3-351	---	5,500.0
Rural elec/telephone rev. fund...	12-4230-0-3-271	2,230.9	---
Rural telephone bank.....	12-4231-0-3-452	183.2	---
Agricultural credit ins. fund....	12-4140-0-3-351	1,880.8	2,585.4
DEPARTMENT OF EDUCATION			
Guaranteed student loans.....	91-0230-0-1-502	---	9,355.0
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Health resources and services....	75-0350-0-1-551	1.0	---
Health prof. grad. student loans.	75-4305-0-3-553	---	305.0
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Nonprofit sponsor assistance.....	86-4042-0-3-604	1.0	---
Federal Housing Adm. fund.....	86-4070-0-3-371	82.6	79,260.5
Housing for elderly/handicapped..	86-4115-0-3-371	612.0	---
GNMA, Guarantees of MBS.....	86-4238-0-3-371	305.8	112,500.0
DEPARTMENT OF THE INTERIOR			
BuRec, Loan program.....	14-0667-0-1-301	27.5	---
BIA, Revolving fund for loans....	14-4409-0-3-452	16.9	---
BIA, Loan guaranty rev. fund.....	14-4410-0-3-452	2.0	41.4
DEPARTMENT OF STATE			
Emergencies in diplomatic serv...	19-0522-0-1-153	0.7	---
DEPARTMENT OF TRANSPORTATION			
MarAd, Fed'l ship financing fund.	69-4301-0-3-403	5.0	---
SMALL BUSINESS ADMINISTRATION			
Disaster loans.....	73-4153-0-3-453	336.0	---
Business loan and investment.....	73-4154-0-3-376	124.0	3,691.0

Attachment A, cont.,

		1988 ESTIMATES CURRENT SERVICES	
AGENCY/ACCOUNT	ACCOUNT ID	DIRECT LOANS	GUARANTEED LOANS
VETERANS ADMINISTRATION			
Direct loan revolving fund.....	36-4024-0-3-704	2.3	---
Loan guaranty revolving fund.....	36-4025-0-3-704	880.2	29,400.0
Voc. rehab revolving fund.....	36-4114-0-3-702	0.9	---
Education loan fund.....	36-4118-0-3-702	*	---
OTHER INDEPENDENT AGENCIES			
Export-Import Bank.....	83-4027-0-3-155	931.5	11,355.0
Fed'l Savings and Loan (FSLIC)...	82-4037-0-3-371	25.0	300.0
NCUA, credit union share ins fund	25-4468-0-3-371	5.0	0.5
NCUA, Central liquidity facility.	25-4470-0-3-371	600.0	---
Tennessee Valley Authority.....	64-4110-0-3-999		
Power loans.....		71.0	---
DEPARTMENT OF LABOR			
Pension Benefit Guarantee Corp...	16-4204-0-3-601	3.1	---
		=====	=====
TOTAL LOANS SUBJECT TO CREDIT REFORM.....		13,729.7	254,651.4
(EXCLUDES DIRECT LOAN OBLIGATIONS FOR DEFAULTED GUARANTEES)			

2. ACCOUNTS PROPOSED FOR TERMINATION IN 1988

DEPARTMENT OF AGRICULTURE			
REA, FFB direct loans.....	12-4230-0-3-271	2,230.9	---
Rural housing insurance fund.....	12-4141-0-3-371	2,104.2	---
Rural development insurance fund.	12-4155-0-3-452	440.1	118.6
Self-help housing land dev'p fund	12-4222-0-3-371	---	0.0
DEPARTMENT OF COMMERCE			
Economic dev'p asst. programs....	13-2050-0-1-452	---	22.6
NOAA, Fed'l ship financing fund..	13-4417-0-3-376	---	0.0
DEPARTMENT OF EDUCATION			
College housing loans.....	91-4250-0-3-502	60.0	---
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Community development grants.....	86-0162-0-1-451	---	155.6
Rehabilitation loan fund.....	86-4036-0-3-451	85.0	---
ENVIRONMENTAL PROTECTION AGENCY			
Abatement, control & compliance..	68-0108-0-1-304	37.1	---
SMALL BUSINESS ADMINISTRATION			
Pollution control guarantees.....	73-4147-0-3-376	---	52.0
BLIF, Sec. 503 FFB direct loans..	73-4154-0-3-376	45.0	---

ATTACHMENT B

FY 1988 - CURRENT SERVICES
 TERMS OF FEDERAL AND COMPARABLE PRIVATE MARKET: DIRECT LOANS

Agency: Export-Import Bank
 Program: Direct Loans

	<u>1988 1/</u>	<u>1989 1/</u>	<u>1990 1/</u>	<u>1991 1/</u>	<u>1992 1/</u>
Direct loan obligations, current services estimates (millions of dollars).....	931.5	964.1	995.9	1024.8	1049.4
Federal program terms:					
Interest rate.....	7.05	6.75	6.05	5.55	5.05
Loan term (in years).....	8.5	8.5	8.5	8.5	8.5
Grace period (in years).....	2.5	2.5	2.5	2.5	2.5
Upfront fee (in percent).....	2.0	2.0	2.0	2.0	2.0
Annual fee (in percent per annum)...	0.5*	0.5*	0.5*	0.5*	0.5*
Comparable private terms:					
Interest rate.....	9.10	8.80	8.10	7.60	7.10
Loan term (in years).....	8.5	8.5	8.5	8.5	8.5
Grace period (in years).....	2.5	2.5	2.5	2.5	2.5
Upfront fee (in percent).....	2.0	2.0	2.0	2.0	2.0
Annual fee (in percent per annum)...	0.5*	0.5*	0.5*	0.5*	0.5*
Present value of subsidy (in percent).....	9.8	9.9	10.2	10.3	10.5
Present value of subsidy (in millions of dollars).....	91.3	95.4	101.6	105.6	110.2

1/ Use latest economic assumption for interest rates.

Basis of Federal loan terms: (Examples: (1) Set in legislation at rate for Treasury securities of similar maturity; or (2) set in legislation at 5%; or (3) administrative discretion.)

Administrative discretion.

Basis of interest calculation: (Examples: (1) mortgage basis (equal payments of principal and interest); or (2) outstanding loan basis (equal payments of principal only).

Outstanding loan basis.

Frequency of payments: Semiannual.

Source or justification of comparable private market terms: Treasury long-term bonds plus premium for country risk.

* On undisbursed amount of obligation.

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ATTACHMENT C

FY 1988 - CURRENT SERVICES
 TERMS OF FEDERAL AND COMPARABLE PRIVATE MARKET: GUARANTEED LOANS

Agency: Export - Import Bank
 Program: Financial Guarantees

	<u>1988 1/</u>	<u>1989 1/</u>	<u>1990 1/</u>	<u>1991 1/</u>	<u>1992 1/</u>
Guaranteed loan commitments, current services estimates (millions of dollars).....	3065.9	3065.9	3065.9	3065.9	3065.9
Federal program terms:					
Interest rate.....	4.65	4.35	3.75	3.15	2.65
Loan term (in years).....	5.0	5.0	5.0	5.0	5.0
Grace period (in years).....	0.5	0.5	0.5	0.5	0.5
Upfront fee (in percent).....	—	—	—	—	—
Annual fee (in percent per annum).....	0.5	0.5	0.5	0.5	0.5
Commitment fee (in percent per annum).....	0.125	0.125	0.125	0.125	0.125
Flat fees (in dollars).....	—	—	—	—	—
Other fees (describe below).....	—	—	—	—	—
Comparable private terms:					
Interest rate.....	6.65	6.35	5.75	5.15	4.65
Loan term (in years).....	5.0	5.0	5.0	5.0	5.0
Grace period (in years).....	0.5	0.5	0.5	0.5	0.5
Upfront fee (in percent).....	—	—	—	—	—
Annual fee (in percent per annum).....	0.5	0.5	0.5	0.5	0.5
Commitment fee (in percent per annum).....	0.125	0.125	0.125	0.125	0.125
Flat fees (in dollars).....	—	—	—	—	—
Other fees (describe below).....	—	—	—	—	—
Present value of subsidy (in percent).....	4.4	4.4	4.5	4.5	4.6
Percent value of subsidy (in millions of dollars).....	134.9	134.9	134.9	134.9	134.9

1/ Use latest economic assumption for interest rates.

Basis of Federal loan terms: (Examples: (1) Set in legislation at rate for Treasury securities of similar maturity; or (2) set in legislation at 5%; or (3) administrative discretion.)

LIBOR plus premium.

Basis of interest calculation: (Examples: (1) mortgage basis (equal payments of principal and interest); or (2) outstanding loan basis (equal payments of principal only).)

Outstanding loan basis.

Frequency of payments: Semiannual.

Source or justification of comparable private market terms: Federal rate plus 200 basis points.

Description of other fees: N.A.

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ATTACHMENT C

FY 1988 - CURRENT SERVICES
 TERMS OF FEDERAL AND COMPARABLE PRIVATE MARKET: GUARANTEED LOANS

Agency: Export - Import Bank
 Program: Other Guarantees and Insurance

	<u>1988 1/</u>	<u>1989 1/</u>	<u>1990 1/</u>	<u>1991 1/</u>	<u>1992 1/</u>
Guaranteed loan commitments, current services estimates (millions of dollars).....	8289.1	8289.1	8289.1	8289.1	8289.1
Federal program terms:					
(Interest rate.....	4.65	4.35	3.75	3.15	2.65
Loan term (in years).....	1.5	1.5	1.5	1.5	1.5
Grace period (in years).....	0.5	0.5	0.5	0.5	0.5
Upfront fee (in percent).....	---	---	---	---	---
Annual fee (in percent per annum).....	---	---	---	---	---
Commitment fee (in percent per annum).....	---	---	---	---	---
Flat fees (in dollars).....	---	---	---	---	---
Other fees (describe below).....	---	---	---	---	---
Comparable private terms:					
Interest rate.....	6.65	6.35	5.75	5.15	4.65
Loan term (in years).....	1.5	1.5	1.5	1.5	1.5
Grace period (in years).....	0.5	0.5	0.5	0.5	0.5
Upfront fee (in percent).....	---	---	---	---	---
Annual fee (in percent per annum).....	---	---	---	---	---
Commitment fee (in percent per annum).....	---	---	---	---	---
Flat fees (in dollars).....	---	---	---	---	---
Other fees (describe below).....	---	---	---	---	---
Present value of subsidy (in percent).....	1.6	1.6	1.6	1.6	1.6
Percent value of subsidy (in millions of dollars).....	132.6	132.6	132.6	132.6	132.6

1/ Use latest economic assumption for interest rates.

Basis of Federal loan terms: (Examples: (1) Set in legislation at rate for Treasury securities of similar maturity; or (2) set in legislation at 5%; or (3) administrative discretion.)

LIBOR plus premium.

Basis of interest calculation: (Examples: (1) mortgage basis (equal payments of principal and interest); or (2) outstanding loan basis (equal payments of principal only).)

Outstanding loan basis.

Frequency of payments: Semiannual.

Source or justification of comparable private market terms: Federal rate plus 200 basis points.

Description of other fees: N.A.

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