

GAO

Fact Sheet for the Honorable
Rick Santorum, House of
Representatives

July 1991

FEDERAL CREDIT AND INSURANCE

Information on the Dollar Amount of Direct Loan, Loan Guarantee, and Insurance Programs



144701

RELEASED

RESTRICTED—Not to be released outside the
General Accounting Office unless specifically
approved by the Office of Congressional
Relations.



United States
 General Accounting Office
 Washington, D.C. 20548

Accounting and Financial
 Management Division

B-223690

July 29, 1991

The Honorable Rick Santorum
 House of Representatives

Dear Mr. Santorum:

This letter responds to your May 14, 1991, request for financial information on the federal government's loans and loan guarantees. Our November 1989 report entitled Federal Credit and Insurance: Programs May Require Increased Federal Assistance in the Future (GAO/AFMD-90-11, November 16, 1989) contains the type of information you requested as well as data on the dollar amount involved in federal insurance programs. Therefore, we agreed to update the information in that report.

Appendixes I, II, and III of this fact sheet present amounts for direct loan, loan guarantee, and federal insurance programs, respectively, as of the end of fiscal years 1988, 1989, and 1990. Outstanding loans made by government-sponsored enterprises as of the end of fiscal year 1990 are shown in appendix IV. This information was obtained from the Budget of the U.S. Government, Fiscal Year 1991, the Budget of the U.S. Government, Fiscal Year 1992, and audited agency financial statements, where available. We did not independently verify the information obtained from budget documents.

The federal government's total exposure for these programs exceeded \$6.2 trillion at the end of fiscal year 1990, up \$1.1 trillion from fiscal year 1988. This amount is detailed in appendixes I through IV and summarized in table 1.

Table 1: Federal Credit and Insurance Commitments as of September 30, 1990

Dollars in billions	
Program	Amount outstanding
Direct loans	\$210
Guaranteed loans	641 ^a
Insurance commitments	4,496
Government-sponsored enterprise loans	856
Total	\$6,203

^aSee appendix II, note d.

As we pointed out in our November 1989 report, while the government will undoubtedly not be required to provide financial assistance for its

total exposure associated with these programs, its continuing and growing exposure to losses cannot be ignored.

As agreed with your office, unless you publicly announce the contents of this fact sheet earlier, we will not distribute it until 30 days after the date of this letter. At that time, we will send copies to the Director of the Office of Management and Budget, the Secretary of the Treasury, and other interested parties. Copies will also be made available to others on request.

If you or your staff have any questions regarding this information, please call me on (202) 275-9454. Major contributors to this fact sheet are listed in appendix V.

Sincerely yours,



Jeffrey C. Steinhoff
Director, Civil Audits

Contents

Letter	1
Appendix I Direct Loans Outstanding, Fiscal Years 1988 Through 1990	6
Appendix II Funds With Guaranteed Loans Outstanding, Fiscal Years 1988 Through 1990	7
Appendix III Outstanding Amounts for Federal Insurance Programs, Fiscal Years 1988 Through 1990	8
Appendix IV Total Outstanding Loans by Government- Sponsored Enterprises as of September 30, 1990	9

Appendix V Major Contributors to This Report	10
--	----

Table	Table 1: Federal Credit and Insurance Commitments as of September 30, 1990	1
-------	---	---

Direct Loans Outstanding, Fiscal Years 1988 Through 1990

Dollars in millions

Agency/program	Fiscal year		
	1988	1989	1990
Agency for International Development	\$12,869	\$12,325	\$18,186
Department of Agriculture	118,332	111,968	109,171
Department of Defense — Foreign Military Sales	23,997	16,021	16,584
Department of Housing and Urban Development	15,073	15,742	17,997
Export-Import Bank	9,905	9,349	9,367
All other	42,968	41,780	38,641
Total	\$223,144	\$207,185	\$209,946

Sources: Information in this appendix was taken from audited agency financial statements, where available, and the U.S. budget for fiscal years 1991 and 1992.

Funds With Guaranteed Loans Outstanding, Fiscal Years 1988 Through 1990

Dollars in millions			
Agency/fund	Fiscal year		
	1988	1989	1990
Agency for International Development			
Housing Guarantee Program	\$1,409	\$1,555	\$1,591
Department of Agriculture			
Commodity Credit Corporation	6,022	8,366	7,508
Farmers Home Administration			
Agricultural Credit Insurance Fund	3,618	3,692	4,666
Rural Development Insurance Fund	965	822	1,280
Rural Electrification Administration	2,868	2,557	2,529
Department of Defense			
Foreign Military Sales	2,600	8,650	8,602
Department of Education			
Guaranteed Student Loans	47,610	48,522	52,866
Department of Health and Human Services			
Health Profession Graduate Student Insurance Fund	1,850	1,873	2,080
Department of Housing and Urban Development			
Federal Housing Administration	303,412	328,688	356,316
Low-Rent Public Housing	5,998	5,734	5,463
Department of Transportation			
Maritime Administration Ship Financing Fund	3,864	3,602	3,014
Department of Veterans Affairs ^a			
Loan Guaranty Revolving Fund	149,705	152,099	152,115
Guaranty and Indemnity Fund	^b	^b	9,350
Export-Import Bank			
Export-Import Bank Fund	14,263	13,572	16,698
Federal Savings and Loan Insurance Corporation			
Federal Savings and Loan Insurance Corporation Resolution Fund	1,600	1,186	304
Small Business Administration			
Business Loan Investment Fund	9,711	10,801	12,200
All other	4,733	4,467	4,606
Subtotal	560,228	596,186	641,188
Less guaranteed loans held as direct loans ^c	34	0	0
Total^d	\$560,194	\$596,186	\$641,188

^aFormerly the Veterans Administration. The figures are the full principal of the outstanding loans. The guarantee portion is about 40 percent of the amounts shown.

^bFund did not exist in fiscal years 1988 and 1989.

^cWhen agencies acquire guaranteed loans due to defaults, the loans are counted as direct loans.

^dThese totals differ from those reported in the budgets because, where available, we used the amounts from audited financial statements. For example, the 1990 amount in the budget for Export-Import Bank was \$5.045 billion, whereas the audited financial statements showed \$16.7 billion.

Sources: Information in this appendix was taken from audited agency financial statements, where available, and the U.S. budget for fiscal years 1991 and 1992.

Outstanding Amounts for Federal Insurance Programs, Fiscal Years 1988 Through 1990

Dollars in billions			
Program/organization	Fiscal year		
	1988	1989	1990
Deposit insurance			
Federal Deposit Insurance Corporation			
Bank Insurance Fund	\$1,726.0	\$1,848.2	\$1,910.5
Savings Association Insurance Fund	889.2	874.5	726.1
National Credit Union Administration	157.6	165.0	178.3
Subtotal deposit insurance	2,772.8	2,887.7	2,814.9
Other insurance			
Pension Benefit Guaranty Corporation	791.0	814.4	943.0
Aviation War Risk Insurance	199.0	227.7	474.1
Federal Insurance Administration (Flood)	169.4	179.3	203.4
Veterans Life Insurance	27.0	26.4	26.7
Federal Crop Insurance Corporation	7.0	13.3	12.8
Maritime War Risk Insurance	10.8	10.9	11.0
Overseas Private Investment Corporation	8.4	8.9	9.9
Nuclear Risk Insurance	72.5	^a	^a
Subtotal other insurance	1,285.1	1,280.9	1,680.9
Total deposit and other insurance	\$4,057.9	\$4,168.6	\$4,495.8

^aAmount not reported by OMB.

Source: Information in this appendix was taken from audited agency financial statements, where available, and the U.S. budget for fiscal years 1991 and 1992.

Total Outstanding Loans by Government-Sponsored Enterprises as of September 30, 1990

Dollars in millions

Government-sponsored enterprise	Year established	Total outstanding loans
Student Loan Marketing Association	1972	\$27,896
College Construction Loan Insurance Association	1986	^a
Farm Credit Banks	1988	39,204
Banks For Cooperatives	1933	10,693
Farm Credit System Financial Assistance Corporation	1988	1,261
Federal Agricultural Mortgage Corporation	1988	^a
Federal Home Loan Banks	1932	119,373
Federal Home Loan Mortgage Corporation	1970	322,305
Federal National Mortgage Association	1938	398,335
Financing Corporation	1987	^a
Subtotal		919,067
Less: Lending between government-sponsored enterprises and amounts included as direct and guaranteed loans in appendixes I and II		63,563
Total		\$855,504

^aAmount not reported by OMB.

Source: U.S. budget for fiscal year 1992.

Major Contributors to This Report

Accounting and
Financial Management
Division, Washington,
D.C.

Robert A. Pewanick, Senior Assistant Director
Cleggett S. Funkhouser, Assistant Director
Michael J. Maloney, Project Manager

Ordering Information

The first five copies of each GAO report are free. Additional copies are \$2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

U.S. General Accounting Office
P. O. Box 6015
Gaithersburg, MD 20877

Orders may also be placed by calling (202) 275-6241.

**United States
General Accounting Office
Washington, D.C. 20548**

**Official Business
Penalty for Private Use \$300**

**First-Class Mail
Postage & Fees Paid
GAO
Permit No. G100**