

Fact Sheet for the Chairman, Committee
on Ways and Means, House of
Representatives

July 1992

FINANCIAL
MANAGEMENT

Federal Entities With
Treasury and Federal
Financing Bank
Borrowing Authority



147387

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RELEASE

**Accounting and Financial
Management Division**

B-248881

July 22, 1992

The Honorable Dan Rostenkowski
Chairman, Committee on Ways and Means
House of Representatives

Dear Mr. Chairman:

This report responds to your October 1, 1991, request for information on all government corporations and other federal entities which have borrowing authority with the Department of the Treasury and the Federal Financing Bank (FFB). You expressed concern that the growth in borrowing from Treasury and FFB by these entities exposes the federal government to a significant potential for loss.

We identified 66 government corporations, government-sponsored enterprises, and federal programs and funds which currently have authority to borrow, or have borrowed within the last 5 fiscal years, from Treasury and/or FFB. As of September 30, 1991, these entities' outstanding borrowings from Treasury totaled \$252 billion and from FFB, \$194 billion.

We could not determine the total amount that could be borrowed from Treasury and FFB by examining the borrowing authority of each entity. In some cases, an entity had either (1) unlimited borrowing authority, (2) a borrowing authority limitation contingent on certain criteria, such as a percentage of net worth or capital stock issued, or (3) borrowing limits which change with annual appropriation acts. Government corporations and other federal entities must have specific authority to borrow from Treasury. Authority to borrow from FFB, however, is generally available to any entity when it has authority to issue, sell, or guarantee obligations.

With passage of the Federal Credit Reform Act of 1990 (Public Law 101-508), certain agencies which previously financed their credit programs through FFB no longer use FFB as a financing source. The Federal Credit Reform Act requires the Treasury to lend to agencies such amounts as are appropriate to administer direct and guaranteed loan programs. As a result, beginning in fiscal year 1992, agencies with credit programs are financing direct and guaranteed loan activities by borrowing from Treasury as needed. Consequently, borrowing from Treasury may increase for agencies with credit programs while borrowing from the FFB will decrease.

For each entity identified, we are providing data on (1) the statute providing the borrowing authority, (2) borrowing limitations or other

conditions imposed by law, (3) outstanding borrowing at September 30 of each fiscal year from 1987 to 1991, and (4) other financing sources available to the entity. Appendix I summarizes these entities' outstanding balances owed to Treasury and FFB at September 30, 1991. Appendixes II, III, and IV present details for government corporations, government-sponsored enterprises, and other federal entities, respectively.

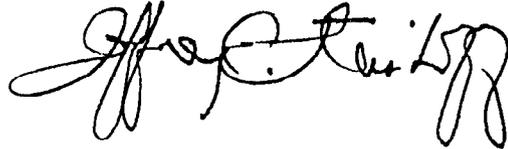
We identified the entities with authority to borrow from Treasury and FFB by examining information in our prior reports, Treasury reports of receipts and outlays for fiscal years 1987 through 1991, and the President's budget submissions for fiscal years 1992 and 1993. We also used our prior reports to determine the purpose of the entities' programs and the President's budget submissions to identify sources available to finance them in addition to Treasury or FFB borrowing. By examining applicable statutes, we obtained information on the limitations or other conditions related to entities' authorities to borrow. We also obtained selected information related to the legislative authority and borrowing conditions from agencies.

We obtained fiscal year-end outstanding borrowing balances for each entity from Treasury and FFB. To verify this information, we requested selected agencies to independently provide us the amounts of outstanding borrowings they owed to Treasury or FFB at September 30, 1991. The outstanding balances for these agencies represented 92 percent of the total borrowing we identified as of that date. We provided to Treasury and FFB representatives the data from the appendixes for examination and we made appropriate changes in finalizing the report.

As agreed with your office, unless you publicly announce the contents of this report 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 be made available to others on request.

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

Sincerely yours,

A handwritten signature in black ink, appearing to read "Jeffrey C. Steinhoff". The signature is fluid and cursive, with the first name "Jeffrey" being the most prominent.

Jeffrey C. Steinhoff
Director, Civil Audits

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Abbreviation

FFB Federal Financing Bank

Outstanding Amounts Borrowed From Treasury and the Federal Financing Bank by Government Corporations and Other Entities as of September 30, 1991

Dollars in millions

Entity	Outstanding loans		See page
	Treasury	Federal Financing Bank	
Government corporations			
Commodity Credit Corporation	\$21,794	\$-	9
Export-Import Bank of the United States	0	11,261	10
Federal Crop Insurance Corporation	113	-	12
Federal Deposit Insurance Corporation			13
Bank Insurance Fund	0	8,296	13
FSLIC Resolution Fund	0	0	14
Federal Financing Bank ^a	179,234		15
Federal Housing Administration Fund ^a	7,323	-	16
Federal Prison Industries, Inc.	20	-	18
Government National Mortgage Association	0	-	19
National Credit Union Administration Central Liquidity Facility	0	114	20
National Railroad Passenger Corporation (Amtrak)	0	-	22
Overseas Private Investment Corporation	0	0	23
Pennsylvania Avenue Development Corporation	66	-	25
Pension Benefit Guaranty Corporation	0	-	26
Resolution Trust Corporation	0	62,882	27
Rural Telephone Bank	759	-	29
Saint Lawrence Seaway Development Corporation	0	-	30
Securities Investor Protection Corporation	0	-	31
Tennessee Valley Authority	150	14,322	32
United States Postal Service ^a	0	8,201	34
Subtotal	\$209,459	105,076	
Government-sponsored enterprises			
Federal Agricultural Mortgage Corporation	0	-	36
Federal Home Loan Banks	0	-	37
Federal Home Loan Mortgage Corporation	0	-	38
Federal National Mortgage Association	0	-	39
Student Loan Marketing Association	0	4,850	40
Subtotal	0	\$4,850	
Other funds and entities			
Department of Agriculture			
Farmers Home Administration			
Agricultural Credit Insurance Fund	\$11,990	\$18,368	42
Rural Development Insurance Fund	2,036	3,675	44
Rural Housing Insurance Fund	3,811	28,651	45

(continued)

**Appendix I
Outstanding Amounts Borrowed From
Treasury and the Federal Financing Bank by
Government Corporations and Other Entities
as of September 30, 1991**

Dollars in millions

Entity	Outstanding loans		See page
	Treasury	Federal Financing Bank	
Rural Electrification Administration			
Rural Communication Development Fund	25	—	47
Rural Electrification and Telephone Revolving Fund	7,865	23,261	48
Department of Commerce			
National Oceanic and Atmospheric Administration			
Federal Ship Financing Fund—Fishing Vessels	6	—	50
Department of Education			
College Housing Loan Program	594	—	51
College Housing and Academic Facilities Fund	137	—	52
Department of Energy			
Alternative Fuels Production Program	0	—	53
Bonneville Power Administration	1,672	—	54
Geothermal Energy Production Program	X	0	55
Department of Health and Human Services			
Health Maintenance Organization Loan and Loan Guarantee Fund	0	66	56
Medical Facilities Guarantee and Loan Fund	0	76	58
Department of Housing and Urban Development			
Community Development Grants	0	205	60
Housing for the Elderly or Handicapped Fund	7,458	—	62
Low-Rent Public Housing Loan Fund	0	1,903	63
Department of the Interior			
Bureau of Mines			
Helium Fund	252	—	65
Territorial and International Affairs	0	53	66
Department of the Navy			
Navy Ship Leasing Program	X	1,624	68
Department of Transportation			
Federal Aviation Administration			
Aircraft Purchase Loan Guarantee Program	1	—	69
Federal Railroad Administration			
Office of the Administrator	0	—	70
Railroad Rehabilitation and Improvement Financing Fund	0	21	71
Regional Rail Reorganization	0	—	73
Settlements of Railroad Litigation	0	—	74
Maritime Administration			
Federal Ship Financing Fund	0	—	75
Ocean Freight Differential Account	0	—	76

(continued)

**Appendix I
Outstanding Amounts Borrowed From
Treasury and the Federal Financing Bank by
Government Corporations and Other Entities
as of September 30, 1991**

Dollars in millions

Entity	Outstanding loans		See page
	Treasury	Federal Financing Bank	
Department of Veterans Affairs			
Direct Loan Revolving Fund	1,730	—	77
Federal Emergency Management Agency			
National Flood Insurance Fund	0	—	78
National Insurance Development Fund	152	—	79
General Services Administration			
Federal Buildings Fund	0	661	80
National Aeronautics and Space Administration			
Space Flight, Control, and Data Communications	X	33	82
National Credit Union Administration			
Share Insurance Fund	0	—	83
Panama Canal Commission	0	—	84
Railroad Retirement Board			
Railroad Retirement Account	2,128	—	85
Railroad Retiree Social Security Equivalent Benefit Account	2,532	—	86
Small Business Administration			
Business Loan and Investment Fund	0	940	87
Disaster Loan Fund	0	—	89
Smithsonian Institution			
John F. Kennedy Center Parking Facilities	20	—	90
Funds Appropriated to the President			
Guaranty Reserve Fund/Foreign Military Sales	0	4,600	91
Agency for International Development's Housing and Other Credit Guarantee Program	130	—	93
Washington Metropolitan Transit Authority	0	177	95
Subtotal	\$42,539	\$84,314	
Total	\$251,998	\$194,240	

Legend

- O = Specific borrowing authority exists, but no loans are currently outstanding
- X = No specific borrowing authority exists
- = No specific borrowing authority exists, but the entity may borrow from FFB under authority of 12 U.S.C. 2285

^aAlthough this corporation was chartered by federal regulation, it is not a "government corporation" as defined by the Government Corporation Control Act (31 U.S.C. 9101).

Government Corporations

Commodity Credit Corporation

Purpose

The Commodity Credit Corporation stabilizes, supports, and protects farm income and prices. It assists in the maintenance of balanced and adequate supplies of agricultural commodities and products, and facilitates the distribution of agricultural commodities.

Legal Authority to Borrow From Treasury

15 U.S.C. 713a-4

Treasury Loan Limit

\$30 billion. A 1987 amendment increased the loan limit from \$25 billion.

Outstanding Borrowing

Dollars in millions

At September 30,	Amount Owed Treasury
1991	\$21,794
1990	16,619
1989	13,707
1988	11,759
1987	20,969

Other Financing Sources

- Receipts from operations, primarily commodity sales
- Capital stock
- Appropriations

Export-Import Bank of the United States

Purpose	The Export-Import Bank makes direct loans, guarantees loans, and provides export credit insurance to aid and promote U.S. exports.
Legal Authority to Borrow From Treasury	12 U.S.C. 635d, 635k, 635l
Treasury Loan Limit	\$6 billion at any one time. \$100 million for losses on loans, guarantees, and insurance after the Bank pays the first \$100 million of such losses. This amount does not have to be repaid by the Bank.
Legal Authority to Borrow From FFB	12 U.S.C. 635 and 12 U.S.C. 2285
FFB Loan Limit	No limit specified.
Outstanding Borrowing	

Dollars in millions

At September 30,	Amount Owed	
	Treasury	FFB
1991	\$0	\$11,261
1990	0	11,340
1989	0	10,984
1988	0	10,958
1987	0	12,463

Other Financing Sources

- **Loan and guarantee fees**
- **Insurance premiums**
- **Appropriations**

Federal Crop Insurance Corporation

Purpose	The Federal Crop Insurance Corporation promotes national welfare by improving the economic stability of agriculture through a sound system of crop insurance and providing the means for the research and experience helpful in devising and establishing such insurance.
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Legal Authority to Borrow From Treasury	7 U.S.C. 1516(d)
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Treasury Loan Limit	Borrowing authority may be exercised only to the extent or in the amounts provided for in appropriation acts. However, the Corporation may only borrow from Treasury when its funds are insufficient to indemnify producers against insured loss.
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Outstanding Borrowing

Dollars in millions	
At September 30,	Amount Owed Treasury
1991	\$113
1990	113
1989	113
1988	113
1987	113

Other Financing Sources

- Capital stock
- Insurance premiums
- Appropriations

**Federal Deposit
Insurance Corporation**

Purpose The Federal Deposit Insurance Corporation insures bank and thrift deposits up to the statutory limit of \$100,000. It also manages three funds: the Bank Insurance Fund, the Savings Association Insurance Fund, and the FSLIC Resolution Fund. The Corporation supervises insured institutions. The Savings Association Insurance Fund had no outstanding borrowing from Treasury or FFB.

Legal Authority to Borrow From Treasury 12 U.S.C. 1824(a)

Treasury Loan Limit \$30 billion to be used for the Bank Insurance Fund or the Savings Association Insurance Fund. The borrowing authority was increased from \$3 billion to \$5 billion in August 1989 and to \$30 billion in December 1991. Loans are subject to the approval of the Secretary of the Treasury.

Legal Authority to Borrow From FFB 12 U.S.C. 1824(b)

FFB Loan Limit The maximum amount of obligations is determined by a formula found in 12 U.S.C. 1825(c).

Outstanding Borrowing

Dollars in millions

Bank Insurance Fund at September 30,	Amount Owed	
	Treasury	FFB
1991	\$0	\$8,296
1990	0	0
1989	0	0
1988	0	0
1987	0	0

**Appendix II
Government Corporations**

Dollars in millions		
FSLIC Resolution Fund at September 30,	Amount Owed	
	Treasury	FFB
1991	\$0	\$0
1990	0	0
1989	36	0
1988	0	0
1987	0	0

Other Financing Sources

Bank Insurance Fund

- Insurance assessments paid by insured banks
- Interest on investments in U.S. government securities
- Income earned and proceeds from the disposition of assets

Savings Association Insurance Fund

- Insurance fees paid by members to enter and exit the Fund
- Investment revenue earned on assessment collections
- Member assessments
- U.S. Treasury payments to cover deposit premium shortfalls
- U.S. Treasury payments to ensure the Fund's minimum net worth
- Federal Home Loan Bank borrowings
- Discretionary payments by the Resolution Trust Corporation

FSLIC Resolution Fund

- Income earned and proceeds from the disposition of assets
- Liquidating dividends and payments made on claims received from receiverships
- Appropriations
- Assessments against Savings Association Insurance Fund members through December 1992 that are not claimed by the Financing Corporation and the Resolution Funding Corporation

Federal Financing Bank

Purpose The Federal Financing Bank was established to reduce federal borrowing costs by assisting and coordinating agency borrowing and guaranteed borrowing. The Bank has authority to purchase debt and guaranteed obligations from federal agencies and to finance these transactions by borrowing from Treasury or the public.

Legal Authority to Borrow From Treasury 12 U.S.C. 2288

Treasury Loan Limit FFB may borrow without limit, but may only require the Secretary of the Treasury to purchase obligations up to a total of \$5 billion.

Outstanding Borrowing

Dollars in millions	
At September 30,	Amount Owed Treasury
1991	\$179,234
1990	158,318
1989	121,087
1988	131,300
1987	140,786

Other Financing Sources

- Interest on loans and borrowings
- Borrowings from the public
- Borrowings from the Civil Service Retirement Trust Fund

Federal Housing Administration Fund

Purpose

The Federal Housing Administration Fund, which guarantees housing loans, is subdivided into four separate funds. While each fund has authority to borrow from Treasury any amounts needed to pay insurance claims, only two funds (the General Insurance Fund and the Special Risk Insurance Fund) have borrowed from Treasury. The General Insurance Fund provides for a large number of specialized mortgage insurance programs, including insurance of loans for property improvements as well as for cooperatives, condominiums, housing for the elderly, land development, group practice medical facilities, and nonprofit hospitals. The Special Risk Insurance Fund provides mortgage insurance on behalf of mortgagors eligible for interest reduction payments who otherwise would not be eligible for mortgage insurance.

Legal Authority to Borrow From Treasury

12 U.S.C. 1735d(b)

Treasury Loan Limit

Borrowing limited to the total amount of claims paid by the Federal Housing Administration.

Outstanding Borrowing

Dollars in millions

At September 30,	Amount Owed Treasury
1991	\$7,323
1990	5,537
1989	4,451
1988	3,993
1987	3,436

Other Financing Sources

- Insurance premiums
- Interest income
- Appropriations

**Federal Prison
Industries, Inc.**

Purpose Federal Prison Industries employs and trains federal inmates through various programs and provides products and services to other federal agencies. A wide range of items are manufactured, including executive and systems furniture, electronics, and textiles. Services include data entry, printing, and furniture refinishing.

**Legal Authority to Borrow
From Treasury** 18 U.S.C. 4129

Treasury Loan Limit Only in such amounts as are provided in appropriation acts, but in any event not to exceed 25 percent of net worth of the corporation. The net worth is the amount by which the assets of the corporation exceed its liabilities. The Corporation received authorization to borrow from Treasury in November 1988. Before that time, there was no borrowing authority.

Outstanding Borrowing

Dollars in millions	
At September 30,	Amount Owed Treasury
1991	\$20
1990	20
1989	20
1988	0
1987	0

Other Financing Sources

- Revenues from the sale of products and services to federal agencies

Government National Mortgage Association

Purpose	The Government National Mortgage Association establishes secondary market facilities for residential mortgages, and guarantees mortgage-backed securities composed of FHA insured or VA guaranteed mortgage loans. It also guarantees the timely payment of principal and interest on trust certificates or other securities issued by approved financial institutions.
Legal Authority to Borrow From Treasury	12 U.S.C. 1721(d)
Treasury Loan Limit	No limit specified.
Outstanding Borrowing	None
Other Financing Sources	<ul style="list-style-type: none">• Commitment and guarantee fees• Interest income

**National Credit Union
Administration Central
Liquidity Facility**

Purpose	The Central Liquidity Facility was established to meet the cash flow needs of member credit unions. It provides loans to member credit unions for seasonal and emergency needs.
Legal Authority to Borrow From Treasury	12 U.S.C. 1795e(b)
Treasury Loan Limit	Up to \$500 million as provided in advance by appropriation acts. The National Credit Union Administration Board must first certify to the Secretary of the Treasury that the Facility does not have sufficient funds to meet the liquidity needs of credit unions.
Legal Authority to Borrow From FFB	12 U.S.C. 1795f(a)(4) and 12 U.S.C. 2285
FFB Loan Limit	The total face value of these obligations cannot exceed twelve times the subscribed capital stock and surplus of the Central Liquidity Facility.
Outstanding Borrowing	

At September 30,	Amount Owed	
	Treasury	FFB
1991	\$0	\$114
1990	0	57
1989	0	111
1988	0	118
1987	0	111

Other Financing Sources

- Capital stock subscriptions
- Interest on investments and loans
- Member deposits

**National Railroad
Passenger Corporation
(Amtrak)**

Purpose The National Railroad Passenger Corporation (Amtrak) was established to provide a balanced national transportation system by developing, operating, and improving U.S. intercity rail passenger service.

**Legal Authority to Borrow
From Treasury** 45 U.S.C. 602(f)

Treasury Loan Limit No limit specified. However, the Secretary of Transportation may only borrow from Treasury when funds available are insufficient to discharge responsibilities for loan and lease guarantees issued.

Outstanding Borrowing None

Other Financing Sources

- Operating and capital grants from the Secretary of Transportation
- Appropriations

**Overseas Private
Investment
Corporation**

Purpose	The Overseas Private Investment Corporation was established to promote economic growth in developing countries by encouraging private U.S. investment in those nations. The Corporation assists private investors by (1) financing investment projects through direct loans and/or guarantees, (2) insuring investment projects against a broad range of political risks, and (3) providing a variety of investor services including investor counseling, country and regional information kits, computer-assisted project and investor matching, and investment missions.
Legal Authority to Borrow From Treasury	22 U.S.C. 2195(f)
Treasury Loan Limit	\$100 million to be repaid to Treasury within 1 year after the debt instrument is issued. The Corporation may only borrow from Treasury for the purpose of discharging liabilities under investment insurance or reinsurance.
Legal Authority to Borrow From FFB	22 U.S.C. 2194(b) and 2195(a), and 12 U.S.C. 2285
FFB Loan Limit	A maximum of \$1.5 billion as provided in appropriation acts.

Outstanding Borrowing

Dollars in millions

At September 30,	Amount Owed	
	Treasury	FFB
1991	\$0	\$0
1990	0	0
1989	0	0
1988	0	0
1987	0	1

Other Financing Sources

- Investment and guarantee fees
- Interest on investments

Pennsylvania Avenue Development Corporation

Purpose The Pennsylvania Avenue Development Corporation is responsible for revitalizing Pennsylvania Avenue between the White House and the Capitol. It provides financing for land acquisition and public development projects.

Legal Authority to Borrow From Treasury 40 U.S.C. 875(10)

Treasury Loan Limit Only in such amounts as are authorized in appropriation acts, but not to exceed \$120 million.

Outstanding Borrowing

Dollars in millions

At September 30,	Amount Owed Treasury
1991	\$66
1990	66
1989	50
1988	50
1987	50

Other Financing Sources

- Rental and interest income
- Sale of land
- Appropriations

Pension Benefit Guaranty Corporation

Purpose	The Pension Benefit Guaranty Corporation administers guaranty programs which provide basic protection for pension benefits provided by covered private, defined benefit pension plans should the plans terminate and not be able to pay benefits. The Corporation takes over the terminated plans, assumes control of their assets, administers them in a trust fund, and takes responsibility for paying basic benefits.
Legal Authority to Borrow From Treasury	29 U.S.C. 1305(c)
Treasury Loan Limit	\$100 million.
Outstanding Borrowing	None
Other Financing Sources	<ul style="list-style-type: none">• Investment income• Premiums collected from covered pension plans• Plan assets acquired when an underfunded plan terminates• Collection of employer liability payments due from sponsors of terminated plans under the Employee Retirement Income Security Act

Resolution Trust Corporation

Purpose	The Resolution Trust Corporation manages and resolves all troubled savings institutions that were previously insured by the Federal Savings and Loan Insurance Corporation (FSLIC).
Legal Authority to Borrow From Treasury	12 U.S.C. 1441a(i), 1441a(h)(4)
Treasury Loan Limit	\$5 billion upon approval of the Resolution Trust Corporation Oversight Board. The Treasury must also pay certain FSLIC loan guarantees assumed by the Corporation if its resources are insufficient to pay these obligations.
Legal Authority to Borrow From FFB	12 U.S.C. 1441a(b)(4), 1823(c) and 2285
FFB Loan Limit	A formula for computing the limitation on all Corporation borrowings is found in 12 U.S.C. 1441a(j).
Outstanding Borrowing	

Dollars in millions

At September 30,	Amount Owed	
	Treasury	FFB
1991	\$0	\$62,882
1990	0	41,482
1989	0	0
1988	0	0
1987	0	0

Other Financing Sources

- Sales of capital certificates to the Resolution Funding Corporation
- Income and sale proceeds from assets acquired during the resolution of thrift cases
- Appropriations

Rural Telephone Bank

Purpose The Rural Telephone Bank makes direct loans to rural telephone companies. It was established to provide a supplemental source of financing for the telephone program of the Rural Electrification Administration, a credit agency of the Department of Agriculture which helps organizations finance electric or telephone service in rural areas.

Legal Authority to Borrow From Treasury 7 U.S.C. 947(b)

Treasury Loan Limit Twenty times the Bank's paid-in capital and retained earnings.

Outstanding Borrowing

Dollars in millions	
At September 30,	Amount Owed Treasury
1991	\$759
1990	759
1989	759
1988	759
1987	759

Other Financing Sources

- Sale of stock to its rural telephone company borrowers
- Interest and principal repayments on loans
- Appropriations for the federal government's purchase of capital stock

**Saint Lawrence Seaway
Development
Corporation**

Purpose	The Saint Lawrence Seaway Development Corporation is responsible for the operation, maintenance, and development of the United States portion of the St. Lawrence Seaway between Montreal and Lake Erie. Its major priorities are to control Seaway Corporation costs and to encourage increased use of the seaway system.
Legal Authority to Borrow From Treasury	33 U.S.C. 985
Treasury Loan Limit	\$3.2 million. The Corporation's enabling legislation states it may issue revenue bonds payable to a maximum face value of \$140 million to the Secretary of the Treasury. In 1970, the Congress forgave the interest on the Corporation's debt and, in 1982, canceled the Corporation's obligation to repay borrowings. The revenue bonds issued through December 31, 1982, totaled \$136.8 million. Therefore, the Corporation's remaining unused borrowing authority is \$3.2 million.
Outstanding Borrowing	None
Other Financing Sources	<ul style="list-style-type: none">• Toll revenues charged to seaway users• Appropriations

Securities Investor Protection Corporation

Purpose	The Securities Investor Protection Corporation promotes investor confidence by providing protection against financial loss to customers of failed securities brokers or dealers.
Legal Authority to Borrow From Treasury	15 U.S.C. 78ddd(g),(h)
Treasury Loan Limit	\$1 billion from the Securities and Exchange Commission, which the Commission borrows from Treasury. The Securities and Exchange Commission may borrow from Treasury for this purpose only when (1) the Corporation's funds appear to be insufficient and (2) the Commission determines that the loan will be necessary to protect customers of brokers or dealers and maintain confidence in the U.S. securities markets.
Outstanding Borrowing	None
Other Financing Sources	<ul style="list-style-type: none">• None identified in the President's budget submission

Tennessee Valley Authority

Purpose The Tennessee Valley Authority conducts a program of resource development to advance economic growth in the Tennessee Valley region. The Authority finances natural and community resource programs, fertilizer development, and power operations for seven Tennessee Valley states.

Legal Authority to Borrow From Treasury 16 U.S.C. 831n-4(c)

Treasury Loan Limit \$150 million.

Legal Authority to Borrow From FFB 16 U.S.C. 831n-4(a) and 12 U.S.C. 2285

FFB Loan Limit \$30 billion.

Outstanding Borrowing

Dollars in millions

At September 30,	Amount Owed	
	Treasury	FFB
1991	\$150	\$14,322
1990	150	16,712
1989	150	19,762
1988	150	19,293
1987	150	18,210

Other Financing Sources

- Power and nonpower revenues and receipts
- Appropriations

United States Postal Service

Purpose The Postal Service provides mail processing and delivery services to individuals and businesses within the United States. To provide services responsive to public needs, the Postal Service operates planning, research, engineering, real estate, and procurement programs specially adapted to postal requirements and maintains close ties with international postal organizations.

Legal Authority to Borrow From Treasury and FFB 39 U.S.C. 2005, 2006 and 12 U.S.C. 2285

Treasury and FFB Loan Limit \$15 billion. The Postal Service can only require the Secretary of the Treasury to purchase obligations in an aggregate amount up to \$2 billion. Purchases in excess of \$2 billion can be made at the Secretary of the Treasury's discretion.

Total borrowing authority was raised from \$10 billion to \$12.5 billion for fiscal year 1991 and \$15 billion for fiscal year 1992 and each following year.

Outstanding Borrowing

Dollars in millions		
At September 30,	Amount Owed	
	Treasury	FFB
1991	\$0	\$8,201
1990	0	6,698
1989	0	6,195
1988	0	5,592
1987	0	4,353

Other Financing Sources

- **Mail and services revenues**
- **Reimbursements from federal and nonfederal sources**
- **Interest from U.S. securities and other investments**
- **Appropriations**

Government-Sponsored Enterprises

Federal Agricultural Mortgage Corporation

Purpose

The Federal Agricultural Mortgage Corporation was established to facilitate the development of a secondary market for agricultural real estate and certain rural housing loans. Private organizations purchase agricultural real estate and rural housing mortgage loans from originating financial institutions, then sell the pools of loans to private investors. The Corporation guarantees the timely payment of principal and interest on the securities that are backed by these pools of loans.

Legal Authority to Borrow From Treasury

12 U.S.C. 2279aa-13

Treasury Loan Limit

\$1.5 billion line of credit is available to fulfill obligations under the Corporation's guarantees and can only be used after the required cash reserves or subordinated interests in the pool and the Corporation's reserves are exhausted.

Outstanding Borrowing

None

Other Financing Sources

- Initial and annual guarantee fees
- Stock issuance

Federal Home Loan Banks

Purpose

The 12 Federal Home Loan Banks were established to ensure the liquidity of member savings and loan institutions and mutual savings banks. These member institutions primarily serve the housing market. The Banks provide advances to help individual thrifts meet short-term liquidity needs and provide longer term loans to enable thrifts to expand long-term lending. Each of the 12 Federal Home Loan Banks operates in a geographic district, and, together, the Banks cover all of the United States as well as Puerto Rico, the Virgin Islands, and Guam.

Legal Authority to Borrow From Treasury

12 U.S.C. 1431(i)

Treasury Loan Limit

\$4 billion. The Banks' borrowing authority can only be used when the Secretary of the Treasury and the Chair of the Federal Housing Finance Board certify that (1) alternative means cannot be effectively employed to permit Bank system members to continue to supply reasonable amounts of funds to the mortgage market and (2) the ability to supply such funds is substantially impaired because of monetary stringency and high interest rates (see 12 U.S.C. 1431(i)).

Outstanding Borrowing

None

Other Financing Sources

- Member institutions' deposits
- Issuance of debt obligations
- Sale of capital stock
- Interest earned on funds lent to member institutions
- Fees for services

Federal Home Loan Mortgage Corporation

Purpose

The Federal Home Loan Mortgage Corporation was created to provide mortgage lenders with an organized, national secondary market in which to sell conventional mortgages. The Corporation serves as a conduit for the flow of investment dollars from capital market investors to mortgage lenders and ultimately to homebuyers. The Corporation does this by purchasing mortgages from mortgage lenders, pooling and packaging them into securities, and selling the securities to investors. This provides lenders with new funds to meet demands for new mortgages.

Legal Authority to Borrow From Treasury

12 U.S.C. 1455

Treasury Loan Limit

\$2.25 billion, which was established in August 1989 when the Secretary of the Treasury was authorized to purchase the obligations of the Corporation.

Outstanding Borrowing

None

Other Financing Sources

- Sale of capital stock and mortgage-backed securities
- Issuance of debt obligations
- Interest and fee income

Federal National Mortgage Association

Purpose

The Federal National Mortgage Association was established to create a secondary market for home mortgages. Specifically, the Association is to (1) provide stability in the secondary market for home mortgages, (2) respond appropriately to the private capital market by developing new finance and mortgage products, and (3) provide ongoing assistance to the secondary market for home mortgages by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for home mortgage financing. The Association purchases mortgage loans on residential properties and holds them in portfolio. It also pools mortgages to form mortgage-backed securities, which are guaranteed by the Association and sold to investors.

Legal Authority to Borrow From Treasury

12 U.S.C. 1719

Treasury Loan Limit

\$2.25 billion.

Outstanding Borrowing

None

Other Financing Sources

- Sale of capital stock and mortgage-backed securities
- Issuance of debt obligations
- Interest and fee income

**Student Loan
Marketing Association**

Purpose	The Student Loan Marketing Association was created to invest in education loans and to extend credit to financial institutions and others engaged in education lending in order to provide liquidity and enhance the availability of education credit. The Association provides liquidity through the direct purchase of insured student loans from eligible lenders and through warehousing advances. Warehousing advances are loans to lenders that are secured by insured student loans and government or agency securities.
Legal Authority to Borrow From Treasury	20 U.S.C. 1087-2(h)(5)
Treasury Loan Limit	\$1 billion.
Legal Authority to Borrow From FFB	20 U.S.C. 1087-2(h)(1) and 12 U.S.C. 2285
FFB Loan Limit	The Secretary of Education's authority to guarantee new Association borrowing expired October 1, 1984 (20 U.S.C. 1087-2(h)(2)). Consequently, loans are being liquidated and no new loans will be made.

Outstanding Borrowing

Dollars in millions

At September 30,	Amount Owed	
	Treasury	FFB
1991	\$0	\$4,850
1990	0	4,880
1989	0	4,910
1988	0	4,910
1987	0	4,940

Other Financing Sources

- Sale of common and preferred stock
- Issuance of debt securities to public and overseas capital markets
- Interest income

Other Funds and Entities

Agricultural Credit Insurance Fund	Under the Farmers Home Administration, Department of Agriculture.
Purpose	The Agricultural Credit Insurance Fund provides credit for those in rural America who are unable to get credit from other sources at reasonable rates and terms. The Fund provides direct and guaranteed loans for farm operations, farm ownership, Indian land acquisition, soil and water conservation, and emergencies.
Legal Authority to Borrow From Treasury	7 U.S.C. 1929(c)
Treasury Loan Limit	No limit specified.
Legal Authority to Borrow From FFB	7 U.S.C. 1929(h) and 12 U.S.C. 2285
FFB Loan Limit	No limit specified.
Outstanding Borrowing	

Dollars in millions

At September 30,	Amount Owed	
	Treasury	FFB
1991	\$11,990	\$18,368
1990	14,035	20,343
1989	12,595	23,665
1988	10,837	27,625
1987	10,755	28,010

Other Financing Sources

- Loan repayments and interest income
- Appropriations

**Rural Development
Insurance Fund**

Under the Farmers Home Administration, Department of Agriculture.

Purpose The Rural Development Insurance Fund provides advances, grants, and direct and guaranteed loans for water systems, waste disposal facilities, community facilities, and industrial development in rural areas.

Legal Authority to Borrow From Treasury 7 U.S.C. 1929a(d)

Treasury Loan Limit No limit specified.

Legal Authority to Borrow From FFB 7 U.S.C. 1929(h) and 12 U.S.C. 2285

FFB Loan Limit No limit specified.

Outstanding Borrowing

Dollars in millions

At September 30,	Amount Owed	
	Treasury	FFB
1991	\$2,036	\$3,675
1990	2,981	3,675
1989	3,646	3,675
1988	3,576	4,900
1987	2,896	8,048

Other Financing Sources

- Loan repayments and interest income
- Appropriations

**Rural Housing
Insurance Fund**

Under the Farmers Home Administration, Department of Agriculture.

Purpose

The Rural Housing Insurance Fund is used to make and insure rural housing loans and to make rental assistance payments.

**Legal Authority to Borrow
From Treasury**

42 U.S.C. 1487(h)

Treasury Loan Limit

No limit specified. However, the Secretary of Agriculture can only borrow sums necessary for discharging obligations and making authorized expenditures of the Fund. The borrowed money may not be used for the original or any additional capital of the Fund unless it is authorized in appropriation acts.

**Legal Authority to Borrow
From FFB**

42 U.S.C. 1472(h), 1487(d), 1490a(a)(1)(A) and 12 U.S.C. 2285

FFB Loan Limit

No limit specified.

Outstanding Borrowing

Dollars in millions

At September 30,	Amount Owed	
	Treasury	FFB
1991	\$3,811	\$28,651
1990	4,111	28,031
1989	6,041	25,971
1988	6,276	25,971
1987	6,016	28,951

Other Financing Sources

- Loan repayments and interest income
- Appropriations

**Rural Communication
Development Fund**

Under the Rural Electrification Administration, Department of Agriculture.

Purpose

The Rural Communication Development Fund guarantees community facility, business, and industrial loans. This Fund is no longer active and no new loans are being made.

**Legal Authority to Borrow
From Treasury**

7 U.S.C. 1929a(d)

Treasury Loan Limit

Not available.

Outstanding Borrowing

Dollars in millions

At September 30,	Amount Owed Treasury
1991	\$25
1990	25
1989	25
1988	25
1987	25

Other Financing Sources

- Loan repayments and interest income
- Appropriations

**Rural Electrification
and Telephone
Revolving Fund**

Under the Rural Electrification Administration, Department of Agriculture.

Purpose

The Rural Electrification and Telephone Revolving Fund finances loan programs by making adequate finances available to rural electric and telephone systems through direct, insured, and guaranteed loans. The loans are to be used for rural electrification, for furnishing electrical energy to persons in rural areas who are not receiving central station service, and for furnishing and improving telephone service in rural areas.

**Legal Authority to Borrow
From Treasury**

7 U.S.C. 934(a)

Treasury Loan Limit

No limit specified.

**Legal Authority to Borrow
From FFB**

7 U.S.C. 936, 940d(d) and 12 U.S.C. 2285

FFB Loan Limit

The amounts which can be borrowed annually are provided by statute.

Outstanding Borrowing

Dollars in millions

At September 30,	Amount Owed	
	Treasury	FFB
1991	\$7,865	\$23,261
1990	7,865	23,450
1989	7,865	23,458
1988	7,865	23,345
1987	7,865	25,438

Other Financing Sources

- **Loan repayments and interest income**
- **Appropriations**

Federal Ship Financing Fund—Fishing Vessels

Under the National Oceanic and Atmospheric Administration, Department of Commerce.

Purpose

The Federal Ship Financing Fund finances the Fishing Vessel Obligation Guarantee program.

Legal Authority to Borrow From Treasury

46 U.S.C. app. 1275(d)

Treasury Loan Limit

No limit specified. However, the Secretary of Commerce can only borrow from Treasury when the Secretary has insufficient funds to discharge responsibilities under the loan and mortgage guarantees for fishing vessels.

Outstanding Borrowing

Dollars in millions

At September 30,	Amount Owed Treasury
1991	\$6
1990	6
1989	0
1988	0
1987	0

Other Financing Sources

- None identified in the President's budget submission

College Housing Loan Program

Under the Department of Education.

Purpose

The College Housing Loan Program provided direct loans to colleges and universities to build or acquire housing facilities. Construction loans in the College Housing Loan account were made prior to 1987. There is no new activity in this fund as the loan authority was repealed. New loans made after 1986 under Part F, title VII of the Higher Education Act are now financed in the College Housing and Academic Facilities Fund.

Legal Authority to Borrow From Treasury

12 U.S.C. 1749(d)(1) (Repealed October 17, 1986)

Treasury Loan Limit

\$3.775 billion.

Outstanding Borrowing

Dollars in millions	
At September 30,	Amount Owed Treasury
1991	\$594
1990	649
1989	921
1988	1,105
1987	2,049

Other Financing Sources

- Loan repayments and interest income
- Appropriations

College Housing and Academic Facilities Fund

Under the Department of Education.

Purpose

The College Housing and Academic Facilities Fund was established to help undergraduate educational institutions construct and renovate housing, academic facilities, and other educational facilities. The Secretary of Education may only loan funds when the educational institution involved is unable to secure funds from other sources upon terms and conditions as favorable as the terms offered by the Secretary. As a source of funding, the Secretary may use amounts obtained pursuant to the College Housing Loan Program (12 U.S.C. 1749(d)).

Legal Authority to Borrow From Treasury

20 U.S.C. 1132g(d)

Treasury Loan Limit

The Secretary of Education may issue notes and obligations in amounts not exceeding the amounts issued and outstanding under 12 U.S.C. 1749(d) as of September 30, 1985.

Outstanding Borrowing

Dollars in millions

At September 30,	Amount Owed Treasury
1991	\$137
1990	67
1989	31
1988	0
1987	0

Other Financing Sources

- Loan repayments and interest income
- Appropriations

**Alternative Fuels
Production Program**

Under the Department of Energy.

Purpose

The Alternative Fuels Production Program supports a demonstration program to expedite the development and production of alternative fuels.

**Legal Authority to Borrow
From Treasury**

42 U.S.C. 5919(n)(4)

Treasury Loan Limit

No limit specified. However, the Secretary of Energy only has authority to borrow when the fund balance is insufficient to discharge the responsibility to guarantee loans to program beneficiaries.

Outstanding Borrowing

None

Other Financing Sources

- Investment income

Bonneville Power Administration

Under the Department of Energy.

Purpose

The Bonneville Power Administration is a wholesale marketer of hydroelectric power in the Pacific Northwest and borrows from Treasury to (1) assist in financing the construction, acquisition, and replacement of transmission systems, and (2) provide financial assistance for conservation measures, renewable resources, and fish and wildlife.

Legal Authority to Borrow From Treasury

16 U.S.C. 838k(a)

Treasury Loan Limit

\$3.75 billion which includes \$1.25 billion reserved for conservation and renewable resource loans and grants as provided in appropriation acts since October 1, 1981. Public Law 98-50, enacted July 1983, increased the limit from \$2.5 billion.

Outstanding Borrowing

Dollars in millions	
At September 30,	Amount Owed Treasury
1991	\$1,672
1990	1,694
1989	1,794
1988	1,792
1987	1,844

Other Financing Sources

- Sales of bonds
- Sales of power

**Geothermal Energy
Production Program**

Under the Department of Energy.

Purpose

The Secretary of Energy was authorized to guarantee loans to encourage commercial production of energy from geothermal resources.

**Legal Authority to Borrow
From FFB**

30 U.S.C. 1141(b) and 12 U.S.C. 2285

FFB Loan Limit

The authority of the Secretary of Energy to guarantee new loans (30 U.S.C. 1143) expired on September 30, 1990. Loans now paid; no new loans will be made.

Outstanding Borrowing

Dollars in millions

At September 30,	Amount Owed FFB
1991	\$0
1990	0
1989	0
1988	50
1987	0

Other Financing Sources

- Appropriations

**Health Maintenance
Organization Loan and
Loan Guarantee Fund**

Under the Department of Health and Human Services.

Purpose

The Health Maintenance Organization Loan and Loan Guarantee Fund makes and guarantees loans to health maintenance organizations. It sells loan assets to FFB but has never used its authority to borrow from Treasury.

**Legal Authority to Borrow
From Treasury**

42 U.S.C. 300e-7(d)(2)

Treasury Loan Limit

No limit specified. However, the Secretary of Health and Human Services can only borrow when funds are insufficient for the Secretary to discharge responsibilities under loan guarantees issued before October 1, 1986. In addition, the Secretary can borrow to protect the interest of the United States in the event of a default on a loan made or loan guaranteed.

**Legal Authority to Borrow
From FFB**

42 U.S.C. 300e-4 and 12 U.S.C. 2285

FFB Loan Limit

Loans are being liquidated because the authority to guarantee loans expired September 30, 1986.

Outstanding Borrowing

Dollars in millions

At September 30,	Amount Owed	
	Treasury	FFB
1991	\$0	\$66
1990	0	75
1989	0	80
1988	0	85
1987	0	90

Other Financing Sources

- Loan repayments and interest income

**Medical Facilities
Guarantee and Loan
Fund**

Under the Department of Health and Human Services.

Purpose

The Medical Facilities Guarantee and Loan Fund provides direct and guaranteed loans to medical facilities. It sells loan assets to FFB but has never used its authority to borrow from Treasury.

**Legal Authority to Borrow
From Treasury**

42 U.S.C. 300q-2(d)(2)

Treasury Loan Limit

No limit specified. However, the Secretary of Health and Human Services may only borrow from Treasury if funds are insufficient for the Secretary to perform the functions outlined by statute (42 U.S.C. Sec. 300q-2(d)(2)(A)-(F)).

**Legal Authority to Borrow
From FFB**

42 U.S.C. 300q(a)(2) and 12 U.S.C. 2285

FFB Loan Limit

Loans are being liquidated because the authority to guarantee loans expired September 30, 1982.

Outstanding Borrowing

Dollars in millions

At September 30,	Amount Owed	
	Treasury	FFB
1991	\$0	\$76
1990	0	83
1989	0	88
1988	0	96
1987	0	102

Other Financing Sources

- Loan repayments and interest income
- Appropriations

**Community
Development Grants**

Under the Department of Housing and Urban Development.

Purpose

The Secretary of Housing and Urban Development guarantees or makes commitments to guarantee Community Development Act grantees' loans used to finance designated community development projects. Funds are allocated to Indian tribes and, on an entitlement basis, to metropolitan cities and urban counties. States and small cities are also allocated a portion of available funds. The Secretary only guarantees if the grantee's effort to obtain financing will prevent the timely execution of the grantee's development plans.

**Legal Authority to Borrow
From Treasury**

42 U.S.C. 5308(g)

Treasury Loan Limit

No limit specified. However, the Secretary of Housing and Urban Development may only borrow amounts necessary to carry out the guarantee authority.

**Legal Authority to Borrow
From FFB**

42 U.S.C. 5308(a) and 12 U.S.C. 2285

FFB Loan Limit

The total outstanding obligations guaranteed may not exceed \$3.5 billion unless otherwise provided in appropriation acts.

Outstanding Borrowing

Dollars in millions

At September 30,	Amount Owed	
	Treasury	FFB
1991	\$0	\$205
1990	0	244
1989	0	283
1988	0	318
1987	0	356

Other Financing Sources

- Appropriations

**Housing for the Elderly
or Handicapped Fund**

Under the Department of Housing and Urban Development.

Purpose

The Housing for the Elderly or Handicapped Fund provides direct loans to nonprofit organizations that build and manage housing projects for low income persons who are elderly or disabled.

**Legal Authority to Borrow
From Treasury**

12 U.S.C. 1701q(a)

Treasury Loan Limit

Borrowing authority available as provided in appropriation acts.

Outstanding Borrowing

Dollars in millions

At September 30,	Amount Owed Treasury
1991	\$7,458
1990	7,019
1989	6,681
1988	6,226
1987	5,901

Other Financing Sources

- Repayments and interest income from loans

**Low-Rent Public
Housing Loan Fund**

Under the Department of Housing and Urban Development.

Purpose

The Secretary of Housing and Urban Development borrows from Treasury to finance Public Housing Agency and Indian Housing Authority construction, acquisition, and modernization activities. Under legislation enacted during 1986 (Public Law 99-272), borrowing from Treasury is forgiven at the end of each fiscal year and the loans to Public Housing Agencies and Indian Housing Authorities are forgiven as construction, acquisition, and modernization activities are completed. Under the provisions of the legislation, \$150 million of borrowing from Treasury was forgiven in 1991.

**Legal Authority to Borrow
From Treasury**

42 U.S.C. 1437b(b)

Treasury Loan Limit

\$15.95 billion. The President may authorize an increased amount.

**Legal Authority to Borrow
From FFB**

42 U.S.C. 1437c(g) and 12 U.S.C. 2285

FFB Loan Limit

42 U.S.C. 1437c(g) does not specify a limit; however, loans are currently being liquidated.

Outstanding Borrowing

Dollars in millions

At September 30,	Amount Owed	
	Treasury	FFB
1991	\$0	\$1,903
1990	0	1,951
1989	1,650	1,995
1988	850	2,037
1987	1,300	2,074

Other Financing Sources

- Loan repayments
- Appropriations

Helium Fund

Under the Bureau of Mines, Department of the Interior.

Purpose

The Helium Fund is used to finance activities designed to provide sufficient helium to meet the government's current and foreseeable future needs. The activities include production, conservation, sale, and distribution of helium along with related research carried out by the Department of the Interior.

**Legal Authority to Borrow
From Treasury**

50 U.S.C. 167j

Treasury Loan Limit

The Secretary of the Interior can only borrow the amounts provided in the Department's appropriation acts.

Outstanding Borrowing

Dollars in millions

At September 30,	Amount Owed Treasury
1991	\$252
1990	252
1989	252
1988	252
1987	252

Other Financing Sources

- None identified in the President's budget

**Territorial and
International Affairs**

Under the Department of the Interior.

Guam Power Authority

Purpose

The Secretary of the Interior was authorized to guarantee a loan made by FFB to the Guam Power Authority to refinance certain short-term debt.

**Legal Authority to Borrow
From FFB**

48 U.S.C. 1423a and 12 U.S.C. 2285

FFB Loan Limit

The maximum amount of the guarantee authority was \$36 million. However, the authority of the Secretary of the Interior to guarantee new loans expired December 31, 1984 (48 U.S.C. 1423a). Consequently, no new loans will be made. The current loan is being liquidated.

**Virgin Islands Bond
Guarantees**

Purpose

The Secretary of the Interior was authorized to guarantee bonds issued by the Virgin Islands to finance public works or other capital projects.

**Legal Authority to Borrow
From Treasury**

48 U.S.C. 1574b(g)(3)

Treasury Loan Limit

No limit specified. However, the Secretary of the Interior could only borrow amounts necessary to discharge responsibilities under bond guarantees.

**Appendix IV
Other Funds and Entities**

Legal Authority to Borrow From FFB 48 U.S.C. 1574b(f) and 12 U.S.C. 2285

FFB Loan Limit The maximum amount of the guarantee authority was \$101 million. However, the authority of the Secretary of the Interior to guarantee new bonds expired October 1, 1990 (48 U.S.C. 1574(f)). Consequently, no new loans will be made. The current loan is being liquidated.

Outstanding Borrowing for Guam Power Authority and Virgin Islands Bond Guarantees

Dollars in millions

At September 30,	Amount Owed	
	Treasury	FFB
1991	\$0	\$53
1990	0	55
1989	0	57
1988	0	59
1987	0	60

Other Financing Sources

- Appropriations

Navy Ship Leasing Program

Under the Department of the Navy.

Purpose

The Navy's Military Sealift Command leased 13 TAKX maritime prepositioning ships and 5 tanker ships outside of the Military Sealift Command fleet. The ship manufacturers used the leases to obtain the financing to construct the ships. FFB provided the debt portion of the leveraged lease financing based on the Navy lease.

Legal Authority to Borrow From FFB

10 U.S.C. 2301-2331

FFB Loan Limit

Sealift Command no longer uses this method to finance ship construction. Consequently, the loans are being liquidated.

Outstanding Borrowing

Dollars in millions	
At September 30,	Amount Owed FFB
1991	\$1,624
1990	1,672
1989	1,721
1988	1,759
1987	1,788

Other Financing Sources

- None identified in the President's budget

**Aircraft Purchase Loan
Guarantee Program**

Under the Federal Aviation Administration, Department of Transportation.

Purpose The Aircraft Purchase Loan Guarantee Program makes payments to private lenders upon default of existing loans by air carriers.

**Legal Authority to Borrow
From Treasury** 49 U.S.C. app. 1324 note

Treasury Loan Limit Only in amounts as provided in appropriation acts.

Outstanding Borrowing

Dollars in millions	
At September 30,	Amount Owed Treasury
1991	\$1
1990	1
1989	1
1988	11
1987	6

Other Financing Sources

- Appropriations

**Federal Railroad
Administration's Office
of the Administrator**

Under the Department of Transportation.

Purpose

The Federal Railroad Administration makes payments on the deed of trust for Washington Union Station and provides discretionary and formula grants to all states for rail planning and for track rehabilitation of light density lines.

**Legal Authority to Borrow
From Treasury**

45 U.S.C. 664(a)

Treasury Loan Limit

No limit specified. However, the Secretary of Transportation can only borrow funds necessary to carry out responsibilities to guarantee certificates issued by railroad trustees pursuant to bankruptcy proceedings.

Outstanding Borrowing

None

Other Financing Sources

- Appropriations

**Railroad Rehabilitation
and Improvement
Financing Fund**

Under the Federal Railroad Administration, Department of Transportation.

Purpose

The Railroad Rehabilitation and Improvement Financing Fund provides the capital necessary to furnish financial assistance to railroads for facilities maintenance, rehabilitation, improvements, and acquisitions. The Secretary of Transportation can guarantee and make commitments to guarantee loans used to (1) acquire or rehabilitate and improve facilities or equipment or (2) develop or establish new railroad facilities.

**Legal Authority to Borrow
From Treasury**

45 U.S.C. 832

Treasury Loan Limit

Loans may not exceed amounts provided in appropriation acts. The Secretary of Transportation can only borrow from Treasury when funds are not sufficient to discharge responsibilities under loan guarantees.

**Legal Authority to Borrow
From FFB**

45 U.S.C. 602(a) and 12 U.S.C. 2285

FFB Loan Limit

The Department of Transportation's 1992 appropriation act provided that no new loan guarantee commitments shall be made in 1992. The loans are currently being liquidated.

Outstanding Borrowing

Dollars in millions	Amount Owed	
	Treasury	FFB
At September 30,		
1991	\$0	\$21
1990	0	23
1989	0	37
1988	0	46
1987	0	55

Other Financing Sources

- Appropriations

Regional Rail Reorganization Under the Federal Railroad Administration, Department of Transportation.

Purpose The United States Railway Association was authorized under the Regional Rail Reorganization Act to borrow funds and make loans to certain railroads. The Secretary of Transportation guaranteed the borrowings of the Association. The Association was abolished in 1987 and this account was transferred to the Federal Railroad Administration. The account was closed in 1991.

Legal Authority to Borrow From Treasury 45 U.S.C. 720(e)

Treasury Loan Limit No new loans will be made because the account is closed.

Outstanding Borrowing

Dollars in millions	
At September 30,	Amount Owed Treasury
1991	\$0 ^a
1990	
1989	98
1988	92
1987	128

^aAmount owed less than \$500,000.

Other Financing Sources

- Appropriations through fiscal year 1991

**Settlements of Railroad
Litigation**

Under the Federal Railroad Administration, Department of Transportation.

Purpose

The United States Railway Association was created as a temporary agency in 1973 to oversee the formation of the Consolidated Rail Corporation (ConRail), monitor its performance, and facilitate federal assistance. These activities have been completed and the Association was abolished in 1987. Two of the accounts that were part of the Association (Payments of ConRail Securities and Regional Rail Reorganization Program) have been transferred to the Federal Railroad Administration. This account is closed.

**Legal Authority to Borrow
From Treasury**

45 U.S.C. 720(e)

Treasury Loan Limit

No new loans will be made because the account is closed.

Outstanding Borrowing

Dollars in millions

At September 30,	Amount Owed Treasury
1991	\$0
1990	3
1989	0
1988	0
1987	0

Other Financing Sources

- Appropriations through fiscal year 1991

Federal Ship Financing Fund

Under the Maritime Administration, Department of Transportation.

Purpose

The Federal Ship Financing Fund provides assistance to the U.S. merchant marine by guaranteeing loans and mortgages for the construction or reconstruction of U.S. flag vessels.

Legal Authority to Borrow From Treasury

46 U.S.C. app. 1275(d)

Treasury Loan Limit

No limit specified. However, the Secretary of Transportation can only borrow from Treasury when funds are insufficient to enable the Secretary to discharge responsibilities under the loan and mortgage guarantees.

Outstanding Borrowing

Dollars in millions

At September 30,

Amount Owed Treasury

1991	\$0
1990	0
1989	0
1988	515
1987	420

Other Financing Sources

- Loan guarantee fees
- Interest income
- Sale of assets
- Appropriations

**Ocean Freight
Differential Account**

Under the Maritime Administration, Department of Transportation.

Purpose

The Ocean Freight Differential Account pays the cost of shipping the requisite percentage of agricultural commodities on U.S. flag vessels rather than on foreign vessels. The account borrows all the money it needs to cover the shipping costs. In fiscal year 1988, it received a permanent appropriation to repay all existing and future borrowing.

**Legal Authority to Borrow
From Treasury**

46 U.S.C. app. 1241h(c)

Treasury Loan Limit

No limit specified. However, the Secretary of Transportation can only borrow the sums necessary to meet the costs of ocean freight and ocean freight differential as required by the statute.

Outstanding Borrowing

Dollars in millions	
At September 30,	Amount Owed Treasury
1991	\$0
1990	0
1989	0
1988	0
1987	16

Other Financing Sources

- Appropriations

**Direct Loan Revolving
Fund for Veterans
Housing**

Under the Department of Veterans Affairs.

Purpose

The Direct Loan Revolving Fund makes direct loans to certain disabled veterans to supplement grants authorized to assist veterans in acquiring suitable housing units, with special features made necessary by the nature of their disabilities.

**Legal Authority to Borrow
From Treasury**

38 U.S.C. 3723

Treasury Loan Limit

An aggregate of \$1.75 billion has been made available since 1959.

Outstanding Borrowing

Dollars in millions

At September 30,

Amount Owed Treasury

1991	\$1,730
1990	1,730
1989	1,730
1988	1,730
1987	1,730

Other Financing Sources

- Loan repayments and interest income

**National Flood
Insurance Fund**

Under the Federal Emergency Management Agency.

Purpose

The National Flood Insurance Fund provides flood insurance that is not available from private insurance companies to property owners. The Fund receives insurance premiums from policy holders and uses them to pay claims. Since some of the insurance rates charged by the account are subsidized, collections often have been insufficient to pay claims and the Fund's other expenses. To make up the difference, the Fund has had to borrow from Treasury.

**Legal Authority to Borrow
From Treasury**

42 U.S.C. 4016

Treasury Loan Limit

\$1 billion with the approval of the President; \$500 million without the approval of the President.

Outstanding Borrowing

None

Other Financing Sources

- Insurance premiums
- Appropriations

**National Insurance
Development Fund**

Under the Federal Emergency Management Agency.

Purpose

The National Insurance Development Fund financed the Fair Access to Insurance Requirements Plan/Riot Reinsurance Program and the Federal Crime Insurance Program. The Supplemental Appropriations Act, 1984 (Public Law 98-181), did not extend authority for the Riot Reinsurance Program beyond November 30, 1983. The Federal Crime Insurance Program has been extended until September 30, 1995.

**Legal Authority to Borrow
From Treasury**

12 U.S.C. 1749bbb-13(a)(3) and 12 U.S.C. 1735d(b)

Treasury Loan Limit

No limit specified. However, the Secretary of Housing and Urban Development can only borrow amounts necessary to make payments for reinsured and directly insured losses under the National Insurance Development Fund. The Secretary can only borrow up to \$250 million to make payments for reinsured and directly insured losses unless otherwise provided by the Congress.

Outstanding Borrowing

Dollars in millions	
At September 30,	Amount Owed Treasury
1991	\$152
1990	138
1989	123
1988	113
1987	97

Other Financing Sources

- Insurance premiums

Federal Buildings Fund

Under the General Services Administration.

Purpose

The Federal Buildings Fund finances the activities of the Public Buildings Service, which provides space and service for federal agencies in a relationship similar to that of landlord and tenant. The Fund has borrowed from the FFB in order to discharge its responsibilities under congressional acts to provide funding for the acquisition of buildings under lease-purchase agreements.

**Legal Authority to Borrow
From Treasury**

40 U.S.C. 490(f)

Treasury Loan Limit

Amounts may be borrowed as provided in appropriation acts. 40 U.S.C. 490(f)(4) provides that there shall be appropriated such advances as may be necessary for the Fund to carry out its purposes.

**Legal Authority to Borrow
From FFB**

40 U.S.C. 490a-1 and 12 U.S.C. 2285

FFB Loan Limit

Only in such amounts as are provided in appropriation acts.

**Appendix IV
Other Funds and Entities**

Outstanding Borrowing

Dollars in millions

At September 30,	Amount Owed	
	Treasury	FFB
1991	\$0	\$661
1990	0	367
1989	0	378
1988	0	387
1987	0	395

Other Financing Sources

- Rental charges
- Payments for special services and improvements
- Appropriations

**Space Flight, Control,
and Data
Communications**

Under the National Aeronautics and Space Administration.

Purpose

The National Aeronautics and Space Administration was authorized to contract to obtain tracking and data relay satellite services. The Administration borrowed from FFB to finance this contract. This account was closed in calendar year 1991.

**Legal Authority to Borrow
From FFB**

42 U.S.C. 2463 and 12 U.S.C. 2285

FFB Loan Limit

No new loans will be made because the account was closed.

Outstanding Borrowing

Dollars in millions

At September 30,	Amount Owed FFB
1991	\$33
1990	1,096
1989	995
1988	899
1987	809

Other Financing Sources

- Appropriations

Share Insurance Fund

Under the National Credit Union Administration.

Purpose

The Share Insurance Fund finances an insurance program for federally chartered and state chartered credit unions to provide account insurance and to liquidate insolvent credit unions.

**Legal Authority to Borrow
From Treasury**

12 U.S.C. 1783(d)

Treasury Loan Limit

\$100 million.

Outstanding Borrowing

None

Other Financing Sources

- Insurance premiums
- Interest on investments
- Insured credit union deposits
- Borrowing from the Central Liquidity Fund (12 U.S.C. 1783(f))

**Panama Canal
Commission**

Purpose	The Panama Canal Act of 1979 established the Commission to operate and maintain the interoceanic waterway. The Commission is self-sufficient and operates as a revolving fund agency.
Legal Authority to Borrow From Treasury	22 U.S.C. 3714
Treasury Loan Limit	\$100 million.
Outstanding Borrowing	None
Other Financing Sources	<ul style="list-style-type: none">• Canal toll revenues

Railroad Retirement Account

Under the Railroad Retirement Board.

Purpose

Railroad Retirement Account funds were used to pay vested pension benefits from January 1, 1975, through September 30, 1981. Loans were made to the Railroad Retirement Board to restore the funds of the Railroad Retirement Account. The loans must be repaid only to the extent that sums are appropriated for repayment.

Legal Authority to Borrow From Treasury

45 U.S.C. 231n(d)

Treasury Loan Limit

One time authority (the last of three loans to the Board was made effective January 1, 1986).

Outstanding Borrowing

Dollars in millions

At September 30,	Amount Owed Treasury
1991	\$2,128
1990	2,128
1989	2,128
1988	2,128
1987	2,128

Other Financing Sources

- None identified in the President's budget

Railroad Retiree Social Security Equivalent Benefit Account

Under the Railroad Retirement Board.

Purpose

The Railroad Retirement Board requests advances from general Treasury funds to pay benefits equivalent to Social Security. These advances are intended to eliminate the cash flow problem resulting from the delay in determining the annual financial interchange transfer involving the Social Security Trust Funds. The advances and related interest are repaid annually at the time the financial interchange transfer is made.

Legal Authority to Borrow From Treasury

45 U.S.C. 231f(c)

Treasury Loan Limit

No limit specified.

Outstanding Borrowing

Dollars in millions	
At September 30,	Amount Owed Treasury
1991	\$2,532
1990	2,369
1989	2,335
1988	2,255
1987	2,144

Other Financing Sources

- Interest on investments

**Business Loan and
Investment Fund**

Under the Small Business Administration.

Purpose

The Small Business Administration guarantees loans to small businesses that are unable to obtain private financing. It also (1) makes loans through state and local development companies to small businesses and (2) purchases or guarantees the timely payment of all principal and interest on debentures issued by small business investment companies.

**Legal Authority to Borrow
From Treasury**

15 U.S.C. 633(c)

Treasury Loan Limit

No limit specified. However, the Small Business Administration may only borrow amounts necessary for the fund to discharge its obligations. Borrowing is limited to amounts as provided in advance in appropriation acts.

**Legal Authority to Borrow
From FFB**

15 U.S.C. 636(a) and 12 U.S.C. 2285

FFB Loan Limit

No limit specified.

Outstanding Borrowing

Dollars in millions

At September 30,	Amount Owed	
	Treasury	FFB
1991	\$0	\$940
1990	0	1,133
1989	0	1,368
1988	0	1,521
1987	0	1,662

Other Financing Sources

- Loan repayments and interest income
- Appropriations

**Appendix IV
Other Funds and Entities**

Disaster Loan Fund

Under the Small Business Administration.

Purpose

The Disaster Loan Fund makes loans to individuals and businesses at favorable terms and conditions for uninsured losses of real and personal property damaged by natural disasters, such as tornadoes, floods, and hurricanes.

**Legal Authority to Borrow
From Treasury**

15 U.S.C. 633(c)

Treasury Loan Limit

No limit specified. However, the Small Business Administration may only borrow amounts necessary for the Fund to discharge its obligations. Borrowing is limited to amounts provided in appropriation acts.

Outstanding Borrowing

None

Other Financing Sources

- Loan repayments and interest income

**John F. Kennedy
Center Parking
Facilities**

Under the Smithsonian Institution.

Purpose

The Trustees of the John F. Kennedy Center for the Performing Arts issue revenue bonds to finance necessary parking facilities for the Center.

**Legal Authority to Borrow
From Treasury**

20 U.S.C. 76o

Treasury Loan Limit

\$20.4 million.

Outstanding Borrowing

Dollars in millions

At September 30,

Amount Owed Treasury

1991	\$20
1990	20
1989	20
1988	20
1987	20

Other Financing Sources

- None identified in the President's budget

**Guaranty Reserve
Fund/Foreign Military
Sales**

Under funds appropriated to the President.

Purpose

The President guarantees individuals, corporations, partnerships, or other juridical entities doing business in the United States (excluding federal agencies other than the FFB) against political and credit risks of nonpayment arising from financing of credit sales of defense articles and services to friendly countries and international organizations. The Fund is used to pay claims under the guarantees issued.

**Legal Authority to Borrow
From Treasury**

22 U.S.C. 2764; Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991, Public Law 101-513, 104 Stat. 1979, 1999 (1990)

Treasury Loan Limit

No limit specified. However, the Secretary of Defense can only borrow from Treasury when balances are insufficient to discharge responsibilities to guarantee loans. The authority to borrow from Treasury is provided in appropriation acts.

**Legal Authority to Borrow
From FFB**

22 U.S.C. 2764 and 12 U.S.C. 2285

FFB Loan Limit

No limit specified.

**Appendix IV
Other Funds and Entities**

Outstanding Borrowing

Dollars in millions

At September 30,	Amount Owed	
	Treasury	FFB
1991	\$0	\$4,600
1990	505	9,756
1989	447	10,189
1988	0	16,088
1987	0	19,164

Other Financing Sources

- None identified in the President's budget

**Agency for
International
Development's
Housing and Other
Credit Guarantee
Programs**

Under funds appropriated to the President through the Agency for International Development.

Purpose

The Program guarantees loans made by U.S. investors for projects providing low-cost shelter and related services in developing countries. The Director of the U.S. International Development Cooperation Agency can borrow from Treasury in order to meet obligations incurred for the payment of claims resulting from the guarantees.

**Legal Authority to Borrow
From Treasury**

22 U.S.C. 2183(e)

Treasury Loan Limit

Borrowing authority may be exercised as provided in appropriation acts and in amounts necessary to retain an adequate level of contingency reserves for fiscal year 1991.

Outstanding Borrowing

Dollars in millions	
At September 30,	Amount Owed Treasury
1991	\$130
1990	82
1989	58
1988	45
1987	20

Other Financing Sources

- None identified in the President's budget

**Washington
Metropolitan Transit
Authority**

Purpose The Washington Metropolitan Transit Authority, created by the Congress, plans, finances, and oversees operations of improved transit facilities in the District of Columbia, Maryland and Virginia metropolitan area. The Authority is responsible for coordinating the operation of public and privately owned transit facilities into a unified regional transit system without unnecessarily duplicating service.

Legal Authority to Borrow From FFB Washington Metropolitan Area Transit Authority Compact, Public Law 89-774, 80 Stat. 1324, 1335 (1966) (codified at D.C. Code Ann. Sec. 1-2431) and 12 U.S.C. 2285

FFB Loan Limit No limit specified.

Outstanding Borrowing

Dollars in millions	
At September 30,	Amount Owed FFB
1991	\$177
1990	177
1989	177
1988	177
1987	177

Other Financing Sources

- Appropriations

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