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BY THE COMPTROLLER GENERAL

# Report To The Congress

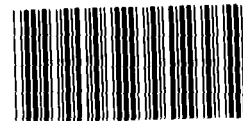
OF THE UNITED STATES

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## Examination Of The Federal Financing Bank's Financial Statements For The Years Ended September 30, 1984 And 1983

GAO examined the financial statements of the Federal Financing Bank for the years ended September 30, 1984 and 1983. The examinations were made in accordance with generally accepted government auditing standards.

In GAO's opinion, the financial statements present fairly the financial position of the Bank as of September 30, 1984 and 1983, and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles.



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COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON D.C. 20548

B-206830

To the President of the Senate and the  
Speaker of the House of Representatives

This report transmits our opinion on the Federal Financing Bank's financial statements for the years ended September 30, 1984 and 1983. Appendix I is our report on the Bank's internal accounting controls and Appendix II is our report on the Bank's compliance with laws and regulations. We made our examinations pursuant to the provisions of 31 U.S.C. 9105 which require us to audit the Bank's financial statements at least once every 3 years, and in accordance with generally accepted government auditing standards.

The Federal Financing Bank was created in 1973 as an instrumentality of the U.S. government. The Bank is subject to the budget and audit provisions of the Government Corporation Control Act that are applicable to wholly owned government corporations named in 31 U.S.C. 9101(3). The Bank's purposes are to (1) ensure that federal and federally assisted borrowings are coordinated with overall government economic and fiscal policies, (2) reduce the costs of federal and federally assisted borrowings from the public, and (3) ensure that such borrowings are financed in a manner least disruptive to private financial markets and institutions.

We are sending copies of this report to the Director of the Office of Management and Budget, the Secretary of the Treasury, and the Board of Directors of the Federal Financing Bank.

A handwritten signature in cursive script that reads "Charles A. Bowsher".

Comptroller General  
of the United States

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COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON D.C. 20548

B-206830

To the Board of Directors  
Federal Financing Bank

We have examined the statements of financial condition of the Federal Financing Bank as of September 30, 1984 and 1983, and the related statements of income and changes in retained earnings, and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted government auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of the Federal Financing Bank as of September 30, 1984 and 1983, and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

*Charles A. Bowsher*  
Comptroller General  
of the United States

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REPORT ON INTERNAL ACCOUNTING CONTROLS

As part of our examinations of the Federal Financing Bank's financial statements for the years ended September 30, 1984 and 1983, we made a study and evaluation of the system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted government auditing standards. This report pertains only to our study and evaluation of the system of internal accounting control for the year ended September 30, 1984. For the purpose of this report, we have classified the significant internal accounting controls in the following categories:

- borrowing from the U.S. Treasury,
- expenditure,
- financial reporting, and
- lending.

Our study included all of the control categories listed above, except that we did not evaluate the accounting controls over the expenditure, financial reporting, and borrowing from the U.S. Treasury cycles because it was more efficient to expand substantive audit tests. The purpose of our study and evaluation was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the Bank's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole or on any of the categories of controls identified above.

The management of the Federal Financing Bank is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, management is required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation was made for the limited purpose described in the first paragraph and would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of the Federal Financing Bank taken as a whole or on any of the categories of controls identified in the first paragraph. However, our study and evaluation disclosed no condition that we believe to be a material weakness.

REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS

We have examined the financial statements of the Federal Financing Bank for the years ended September 30, 1984 and 1983. Our examinations were made in accordance with generally accepted government auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures, including tests of compliance with laws and regulations, as we considered necessary in the circumstances. This report pertains only to our review of compliance with laws and regulations for the year ended September 30, 1984.

In our opinion, the Federal Financing Bank complied with the terms and provisions of laws and regulations for the transactions tested that could have materially affected the Bank's financial statements.

Nothing came to our attention in connection with our examination that caused us to believe that the Bank was not in compliance with the terms and provisions of laws and regulations for those transactions not tested.

**FEDERAL FINANCING BANK**  
**STATEMENT OF FINANCIAL CONDITION**  
**AS OF SEPTEMBER 30, 1984 AND 1983 (Note 1)**

	1984	1983
	(In thousands)	
<b><u>ASSETS</u></b>		
Funds with the U.S. Treasury	\$ 1,000	\$ 978
Loans receivable (Note 2)	144,836,162	136,081,750
Accrued interest receivable (Note 3)	5,242,913	4,559,253
Total assets	\$150,080,075	\$140,641,981
 <b><u>LIABILITIES AND CAPITAL</u></b>		
<b><u>LIABILITIES</u></b>		
Borrowings from the U.S. Treasury (Note 4)	\$144,836,162	\$136,081,750
Accrued interest payable to the U.S. Treasury	5,175,909	4,499,303
Other liabilities	195	171
Total liabilities	150,012,266	140,581,224
 <b><u>CAPITAL</u></b>		
Retained earnings (Note 5)	67,809	60,757
Total liabilities and capital	\$150,080,075	\$140,641,981

The accompanying notes are an integral part of these financial statements.

**FEDERAL FINANCING BANK**  
**STATEMENT OF INCOME AND CHANGES IN RETAINED EARNINGS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 1984 AND 1983**

	<u>1984</u>	<u>1983</u>
	(In thousands)	
<b>Revenue:</b>		
Interest on loans	<u>\$15,990,282</u>	<u>\$14,726,643</u>
<b>Expenses:</b>		
Interest on borrowings	15,811,553	14,552,643
Administrative expenses	<u>1,265</u>	<u>1,011</u>
Total expenses	<u>15,812,818</u>	<u>14,553,654</u>
Net income	<u>\$ 177,464</u>	<u>\$ 172,989</u>
Retained earnings, beginning of period	\$ 60,757	\$ 50,850
Net income	177,464	172,989
Less transfers to the U.S. Treasury (Note 5)	<u>170,412</u>	<u>163,082</u>
Retained earnings, end of period	<u>\$ 67,809</u>	<u>\$ 60,757</u>

The accompanying notes are an integral part of these financial statements.

FEDERAL FINANCING BANK  
STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE YEARS ENDED SEPTEMBER 30, 1984 AND 1983

	<u>1984</u>	<u>1983</u>
	(In thousands)	
<u>Cash provided</u>		
Net income from operations	\$ 177,464	\$ 172,989
Add (deduct) items not affecting cash:		
(Increase) in accrued interest receivable	(683,660)	(455,599)
(Increase) decrease in accrued interest purchased	43	(21)
Net amortization of premium and (discount) on loans receivable	(1,435)	(3,780)
Increase in accrued interest payable	676,607	449,199
Increase (decrease) in accrued administrative expense	23	(175)
Decrease in accounts payable	<u>                    </u>	<u>(15,466)</u>
Cash provided from operations	169,042	147,147
Increase in borrowings from U.S. Treasury	<u>8,754,412</u>	<u>11,727,851</u>
Total cash provided	<u>8,923,454</u>	<u>11,874,998</u>
<u>Cash applied</u>		
Increase in loans receivable	8,753,020	11,724,050
Transfers to U.S. Treasury	<u>170,412</u>	<u>163,082</u>
Total cash applied	<u>8,923,432</u>	<u>11,887,132</u>
Increase (decrease) in cash	<u>\$ 22</u>	<u>\$ (12,134)</u>

The accompanying notes are an integral part of these financial statements.

FEDERAL FINANCING BANK  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF SEPTEMBER 30, 1984 and 1983

Note 1. Summary of Significant Accounting Policies

The Federal Financing Bank, which was created by the Federal Financing Bank Act of 1973 (12 U.S.C. 2281) as an instrumentality of the U.S. government within the Department of the Treasury, helps federal agencies to finance the marketable federal securities they issue or guarantee. To finance the Bank's purchases of agency debt, loan assets and guaranteed securities, it borrows the required funds from Treasury, paying the same interest rates Treasury would pay if it borrowed the funds in the market. Thus, lower interest rates result because Treasury borrows the funds to finance the debt securities, saving administrative and underwriting costs for the participating agencies.

Basis of accounting

The accounting records are maintained on the accrual basis.

Loans and accrued interest receivable

Loans receivable include loans made by the Bank directly to federal agencies and to nonfederal entities, and loans made by federal agencies and subsequently purchased by the Bank. (See note 2.) Accrued interest receivable, rather than loans receivable, includes capitalized interest so that loans receivable will equal the Bank's outstanding borrowings from the Treasury. Capitalized interest is interest that has been earned, but not received, when the loan matures and is replaced by a new loan.

Allowance for loan losses

The Bank has not established an allowance for loan losses because loan principal and interest are guaranteed by federal agencies and are backed by the full faith and credit of the U.S. government except for direct loans to the Tennessee Valley Authority (TVA) that are not guaranteed by the United States and are payable from TVA's net power proceeds.

Related parties

The Bank is subject to the general supervision and direction of the Secretary of the Treasury. As provided by law, the Secretary of the Treasury, or his designee,

acts as Chairman of the Board of Directors. The Bank's operations are conducted by Treasury's Financial Management Service (FMS), formerly the Bureau of Government Financial Operations. The Bank reimburses Treasury for facilities and services of FMS, the Office of the Secretary, and the General Counsel. The Bank borrows funds from the Treasury to finance the loans it makes.

#### Pension plan

All permanent Bank employees who were hired before January 1, 1984, or those who were reemployed under a covered position after January 1, 1984, with less than a 1-year break in service, are covered by the Civil Service Retirement and Disability Fund. As required by law, employees contribute 7 percent of their salaries to the plan with an equal amount contributed by the Bank. Permanent employees not previously employed by the government under the previous mentioned condition, who were employed after January 1, 1984, are covered under the social security and the contributory retirement programs. Temporary employees are not eligible for the retirement program; however, they are covered under social security.

#### Note 2. Loans Receivable

Loans receivable include agency loans purchased, loans to nonfederal entities, and direct loans to agencies. Agency loans purchased are either notes or pools of loans sold by federal agencies in the form of certificates representing shares of ownership in the loan pool. The selling agencies guarantee the principal and interest repayments on the notes or certificates. Loans to nonfederal entities are loans made to nonfederal borrowers whose obligation to repay the principal and interest is guaranteed by a federal agency. Direct loans to agencies are debt securities issued to the Bank by agencies that are authorized by the Congress to borrow to finance their activities.

Loans receivable as of September 30, 1984 and 1983, include the following:

	<u>1984</u>	<u>1983</u>
	(In thousands)	
Agency loans purchased, net of discount or premium	\$ 63,346,864	\$ 60,485,782
Loans to nonfederal entities	50,957,234	46,482,149
Direct loans to agencies	<u>30,532,064</u>	<u>29,113,819</u>
Total loans receivable <sup>1</sup>	<u>\$144,836,162</u>	<u>\$136,081,750</u>

As of September 30, 1984 and 1983, there were unadvanced loan commitments of \$31 billion and \$36 billion, respectively. For details by borrower, refer to appendix VI.

**Note 3. Accrued Interest Receivable**

The Bank charges its borrowers an interest rate that is equivalent to one-eighth of a percentage point more than the rate it pays the Treasury for borrowed funds to cover administrative costs. See note 5 for transfers to Treasury. Accrued interest receivable includes capitalized interest of \$406 million and \$639 million for fiscal years 1984 and 1983, respectively.

**Note 4. Borrowings from the U.S. Treasury**

To finance its loans, the Bank borrows from the Treasury. Under the Federal Financing Bank Act of 1973, the Bank may, with the approval of the Secretary of the Treasury, borrow without limits from the U.S. Treasury. Information about the Bank's fiscal year 1984 and 1983 borrowings from the Treasury is included in appendixes IV and V.

**Note 5. Retained Earnings Transferred to the U.S. Treasury**

In August 1981, the Board of Directors authorized the Bank's Treasurer to pay to the General Fund of the Treasury, as soon as practical after each calendar quarter, any cash in excess of the amount required to cover administrative expenses. The amount of the excess is determined by the Bank's President or two other officers. Generally, any cash in excess of \$1 million is transferred. Transfers totaled \$170 million during fiscal year 1984, and \$163 million during fiscal year 1983.

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<sup>1</sup>Detailed schedules showing loans receivable by agency or program as of September 30, 1984 and 1983, are in appendixes IV and V.



Federal Financing Bank  
Loans and Interest Receivable  
Borrowings from the U.S. Treasury  
and Interest Payable<sup>1</sup>  
September 30, 1984  
(In thousands)

<u>Agency and/or program</u>	<u>Principal amount outstanding</u> <sup>1</sup>	<u>Maturity range</u>	<u>Interest rate range</u> <sup>2</sup>	<u>Accrued interest receivable</u>	<u>Accrued interest payable</u>
<u>Agency loans purchased</u>					
Overseas Private Investment Corporation	\$ 10,979	9-13 years	5.750- 8.375	\$ 303	\$ 289
Farmers Home Administration, U.S. Dept. of Agriculture (USDA)/CBO <sup>3</sup>	59,511,000	5-20 years	7.440-16.516	2,862,179	2,831,376
Rural Electrification Admin., USDA/CBO <sup>3</sup>	3,536,707	29-30 years	8.100-15.325	-	-
Medical Facilities Program, Department of Health and Human Services (HHS)	131,959	23-25 years	7.778-10.583	2,713	2,662
Health Maintenance Organizations, HHS	116,127	19-22 years	7.681-13.995	3,013	3,062
Small Business Administration <sup>4</sup>	<u>40,092</u>	18 years	7.746	<u>(361)</u> <sup>4</sup>	<u>-</u>
Subtotal	<u>63,346,864</u>			<u>2,867,847</u>	<u>2,837,389</u>
<u>Loans to nonfederal entities</u>					
Foreign Military Credit Sales, Defense Security Assistance Agency	17,110,941	6 months-30 years	7.146-16.608	403,984	399,486
Gila River Community, Dept. of Navy	3,089	8-10 years	9.959-13.301	82	82
Rural Electrification Administration, USDA	20,587,094	2-35 years	7.381-16.245	520,358	514,401
Student Loan Marketing Association, Department of Education	5,000,000	11-15 years	8.861-11.200	65,926	65,161
Great Plains Gassification Associates, Department of Energy (DOE)	1,290,000	3 months-21 years	10.785-14.345	37,716	34,987
Geothermal Energy Projects (DOE)	6,234	6 months- 1 years	10.940-11.213	118	115
Low Rent Public Housing, Department of Housing and Urban Development (HUD)	2,178,477	29-38 years	10.673-16.183	263,756	261,071
Block Grants 108, HUD	208,284	2 months-21 years	9.878-16.894	7,599	7,512
New Community Development Corporation, HUD	33,500	18-20 years	8.000- 8.750	444	444
Guam Power Authority, Dept. of Interior (DOI)	36,000	9 years	14.255	1,265	1,254
Virgin Islands, DOI	28,677	28-30 years	7.850-12.701	657	649

<u>Agency and/or program</u>	<u>Principal amount outstanding<sup>1</sup></u>	<u>Maturity range</u>	<u>Interest rate range<sup>2</sup></u>	<u>Accrued Interest receivable</u>	<u>Accrued Interest payable</u>
Chicago, Milwaukee, St. Paul & Pacific Railroad Co., Dept. of Transportation (DOT)	\$ 89,758	11-26 years	9.381-14.905	\$ 3,512	\$ 3,470
Chicago & Northwestern Transportation, DOT	48,041	4-12 years	9.185-16.135	2,325	2,296
Missouri, Kansas, Texas Railroad Co., DOT	21,810	14-20 years	8.074-10.662	241	238
Washington Metro Area Transit Authority, DOT	177,000	29 years	8.350	3,685	3,714
Nat'l. Railroad Passenger Corp. (AMTRAK), DOT	-	-	-	-	-
Federal Building Fund, General Services Admin.	413,317	21-27 years	8.200- 9.162	122,691	116,247
Satellite leases, Nat'l. Aero. & Space Admin.	954,604	8- 9 years	10.843-14.289	398,250	391,277
Small Business Investment Companies, Small Business Administration (SBA)	860,284	3-10 years	7.000-15.745	24,848	24,570
State/Local Development Companies-503, SBA	354,586	15-25 years	10.351-15.736	11,848	11,728
Seven States Energy Corp., TVA	<u>1,555,538</u>	3 months	11.245	<u>14,554</u>	<u>14,388</u>
Subtotal	<u>30,957,234</u>			<u>1,883,859</u>	<u>1,853,090</u>
<u>Direct loans to agencies</u>					
Export-Import Bank of the U.S.	15,689,848	9-12 years	7.157-15.701	130,089	128,760
TVA	13,435,000	3 months-30 years	7.625-14.905	303,633	300,147
National Credit Union Administration-Central Liquidity Facility	268,895	1- 3 months	10.365-11.325	3,718	3,674
United States Railway Association	51,321	3 months	10.435	24,289	23,959
United States Postal Service	<u>1,087,000</u>	10-25 years	7.800- 8.200	<u>29,478</u>	<u>28,890</u>
Subtotal	<u>30,532,064</u>			<u>491,207</u>	<u>485,430</u>
Totals	<u>\$144,836,162</u> *****			<u>\$5,242,913</u> *****	<u>\$5,175,909</u> *****

<sup>1</sup>Loans Receivable from each agency or program equal the borrowings from the U.S. Treasury which financed the loans to the agency or program. See note 1 to the financial statements.

<sup>2</sup>Rates are determined by various factors including the maturity of the obligation, the interest and principal repayment schedule, purchase price, prepayment privileges, and the service charge. (See note 3 to the financial statements.)

<sup>3</sup>Certificates of Beneficial Ownership (CBOs) are registered securities which provide the owner an undivided interest in a pool of agency loans receivable.

<sup>4</sup>Some repayments made by the Small Business Administration, as guarantor, cannot be classified between principal and interest. Because of the immaterial amount, the Bank reduces accrued interest receivable by the entire amount.

Federal Financing Bank  
Loans and Interest Receivable  
Borrowings from the U.S. Treasury  
and Interest Payable<sup>1</sup>  
September 30, 1983  
(In thousands)

<u>Agency and/or program</u>	<u>Principal amount outstanding<sup>1</sup></u>	<u>Maturity range</u>	<u>Interest rate range<sup>2</sup></u>	<u>Accrued interest receivable</u>	<u>Accrued interest payable</u>
<u>Agency loans purchased</u>					
Overseas Private Investment Corporation	\$ 16,312	9-13 years	7.143- 8.375	\$ 455	\$ 424
Farmers Home Administration, U.S. Dept. of Agriculture (USDA)/CBO <sup>3</sup>	56,691,000	1-20 years	7.440-16.516	2,716,644	2,685,622
Rural Electrification Admin., USDA/CBO <sup>3</sup>	3,467,507	24-30 years	8.100-15.325	-	-
Medical Facilities Program, Department of Health and Human Services (HHS)	143,696	20-25 years	7.778-10.583	2,955	2,903
Health Maintenance Organizations, HHS	118,789	14-22 years	7.530-15.334	3,128	3,080
Small Business Administration <sup>4</sup>	<u>48,478</u>	18 years	7.746	<u>(444)<sup>4</sup></u>	<u>-</u>
Subtotal	<u>60,485,782</u>			<u>2,722,738</u>	<u>2,692,029</u>
<u>Loans to nonfederal entities</u>					
Foreign Military Credit Sales, Defense Security Assistance Agency	14,293,351	2-30 years	6.819-16.608	314,878	311,246
Gila River Community, Dept. of Navy	1,057	8- 9 years	9.959-11.873	18	18
Rural Electrification Administration, USDA	18,938,905	2-35 years	6.295-16.370	767	759
Student Loan Marketing Association, Department of Education	5,000,000	15 years	8.139-17.858	50,397	49,712
Great Plains Gassification Associates, Department of Energy (DOE)	885,500	2 months-21 years	9.215-14.345	23,734	21,926
Geothermal Energy Projects, DOE	45,000	2 years	8.700-16.476	1,524	1,510
Low Rent Public Housing, Department of Housing and Urban Development (HUD)	2,066,819	22-38 years	10.673-14.370	222,502	220,407
Block Grants 108, HUD	177,284	3 months-21 years	8.633-16.894	6,653	6,578
New Community Development Corporation, HUD	33,500	20 years	8.000- 8.750	453	454
Guam Power Authority, Dept. of Interior (DOI)	36,000	9 years	14.255	1,293	1,283
Virgin Islands, DOI	29,112	28-30 years	7.850-12.701	674	665

<u>Agency and/or program</u>	<u>Principal amount outstanding<sup>1</sup></u>	<u>Maturity range</u>	<u>Interest rate range<sup>2</sup></u>	<u>Accrued Interest receivable</u>	<u>Accrued Interest payable</u>
Chicago, Milwaukee, St. Paul & Pacific Railroad Co., Dept. of Transportation (DOT)	\$ 91,668	13-26 years	9.381-15.295	\$ 3,666	\$ 3,622
Chicago & Northwestern Transportation, DOT	54,208	5-12 years	9.185-16.135	2,608	2,576
Missouri, Kansas, Texas Railroad Co., DOT	37,705	14-20 years	8.074-10.662	945	927
Washington Metro Area Transit Authority, DOT	177,000	39 years	8.350	3,685	3,714
Nat'l. Railroad Passenger Corp. (AMTRAK), DOT	880,000	1 month-15 years	7.800-13.461	235,230	232,415
Federal Building Fund, General Services Admin.	417,266	21-27 years	13.690-14.734	128,472	121,935
Satellite leases, Nat'l. Aero. & Space Admin.	947,224	8- 9 years	7.421-15.816	318,087	312,752
Small Business Investment Companies, Small Business Administration (SBA)	804,317	3-10 years	6.545-16.165	19,647	19,419
State/Local Development Companies-503, SBA	147,757	15-25 years	10.351-15.736	4,423	4,377
Seven States Energy Corp., TVA	<u>1,418,476</u>	3 months	9.245- 9.745	<u>10,104</u>	<u>9,973</u>
Subtotal	<u>46,482,149</u>			<u>1,349,760</u>	<u>1,326,268</u>
<u>Direct loans to agencies</u>					
Export-Import Bank of the U.S.	14,675,871	2-12 years	7.157-15.701	134,259	132,849
TVA	13,115,000	1 month -31 years	7.625-14.905	301,752	298,279
National Credit Union Administration-Central Liquidity Facility	44,200	1 month - 5 years	9.455-14.135	581	574
United States Railway Association	124,748	1 month -14 years	7.438-14.955	18,868	18,632
United States Postal Service	<u>1,154,000</u>	5-25 years	7.800- 8.200	<u>31,295</u>	<u>30,672</u>
Subtotal	<u>29,113,819</u>			<u>486,755</u>	<u>481,006</u>
Totals	<u>\$136,081,750</u> *****			<u>\$4,559,253</u> *****	<u>\$4,499,303</u> *****

<sup>1</sup>Loans Receivable from each agency or program equal the borrowings from the U.S. Treasury which financed the loans to the agency or program. See note 1 to the financial statements.

<sup>2</sup>Rates are determined by various factors including the maturity of the obligation, the interest and principal repayment schedule, purchase price, prepayment privileges, and the service charge. (See note 3 to the financial statements.)

<sup>3</sup>Certificates of Beneficial Ownership (CBOs) are registered securities which provide the owner an undivided interest in a pool of agency loans receivable.

<sup>4</sup>Some repayments made by the Small Business Administration, as guarantor, cannot be classified between principal and interest. Because of the immaterial amount, the Bank reduces accrued interest receivable by the entire amount.

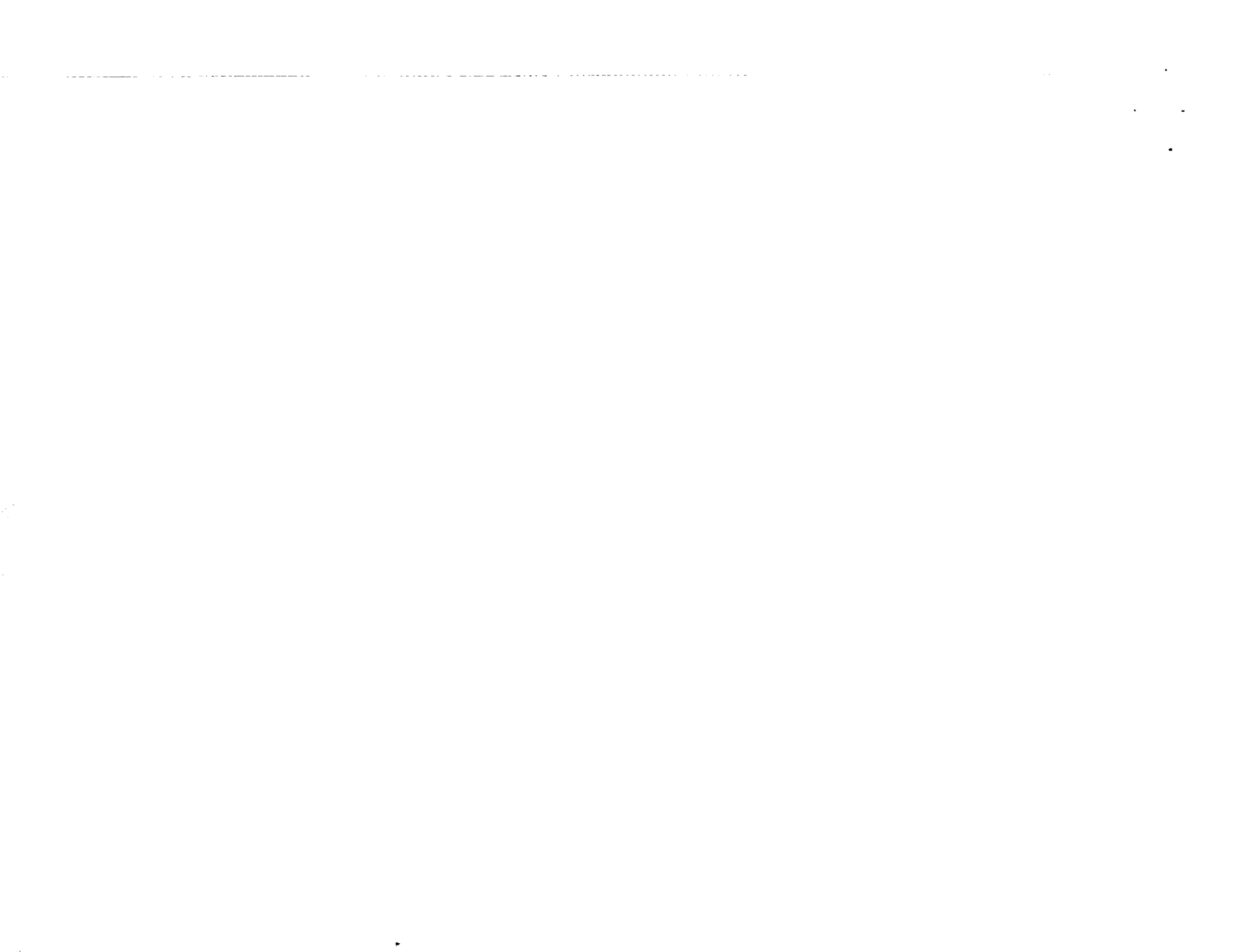
Federal Financing Bank  
Loan Commitments  
(In thousands)

<u>Agency and/or program</u>	<u>September 30, 1984</u>		<u>September 30, 1983</u>	
	<u>Unadvanced commitments</u>	<u>Termination date</u>	<u>Unadvanced commitments</u>	<u>Termination date</u>
Farmers Home Administration, USDA	\$10,489,000	10/01/84	\$13,309,000	10/01/83
Rural Electrification Admin., USDA	11,787,214	09/30/84 <sup>1</sup>	14,844,485	09/30/83 <sup>1</sup>
" " " " , USDA/CBO	1,463,293	10/01/84	532,493	10/01/84
Medical Facilities Program, HHS	4,944	None specified	4,944	None specified
Foreign Military Credit Sales, Defense Security Assistance Agency	5,298,044	Various	4,346,761	Various
Gila River Community, Dept. of Navy	16,911	09/30/88	18,943	09/30/88
Great Plains Gassification Associates, DOE	730,000	None specified	1,125,000	None specified
Geothermal Energy Projects, DOE	93,366	09/30/11	105,000	09/30/90
Block Grants 108, HUD	142,579	Various	452,362	Various
Chic., Milwaukee, St. Paul & Pacific RR. Co., DOT	18,652	12/31/86	19,770	12/31/86
Chicago & Northwestern Transportation Co., DOT	-	-	514	03/01/89
" " " " " "	-	-	450	11/01/90
Satellite leases, Nat'l. Aero. & Space Admin.	34,488	03/31/85	211,480	03/31/85
Small Business Investment Companies, SBA	56,770	Until terminated by the Bank or SBA	40,094	Until terminated by the Bank or SBA
Seven States Energy Corporation, TVA	444,462	10/31/09	581,524	10/31/09
United States Railway Association	983	12/31/84	983	12/31/84
" " " " "	-	-	250	12/26/90
Total	\$30,580,706		\$35,994,053	
	*****		*****	

<sup>1</sup>Although these unadvanced commitments terminated as of September 30, 1984 and 1983, they are included here because they were renewed as of the first day of the following fiscal year.

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