

SMALL BUSINESS ADMINISTRATION

For 2006, the Budget requests \$593 million in new budget authority for the Small Business Administration (SBA). SBA's continuing operations will provide approximately \$25.8 billion in new loans to small businesses, funding for non-credit programs, and funding for the disaster loan program.

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the Small Business Administration as authorized by Public Law [106-554] 108-447, including hire of passenger motor vehicles as authorized by 31 U.S.C. 1343 and 1344, and not to exceed \$3,500 for official reception and representation expenses, [\$322,335,000] \$307,159,000: *Provided*, That the Administrator is authorized to charge fees to cover the cost of publications developed by the Small Business Administration, and certain loan servicing activities: *Provided further*, That, notwithstanding 31 U.S.C. 3302, revenues received from all such activities shall be credited to this account, to be available for carrying out these purposes without further appropriations: *Provided further*, That [\$89,000,000] \$88,000,000 shall be available to fund grants for performance in fiscal year [2005] 2006 or fiscal year [2006] 2007 as authorized[: *Provided further*, That the Small Business Administration is authorized to award grants under the Women's Business Center Sustainability Pilot Program established by section 4(a) of Public Law 106-165 (15 U.S.C. 656(l)): *Provided further*, That, of the amounts provided for Women's Business Centers, not less than 48 percent shall be available to continue Women's Business Centers in sustainability status]. (*Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2005.*)

Program and Financing (in millions of dollars)

| Identification code 73-0100-0-1-376 | 2004 actual | 2005 est. | 2006 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Executive Direction | 40 | 39 | 41 |
| 00.02 Capital Access | 33 | 37 | 39 |
| 00.03 Gov. Contracting/ Bus. Development | 19 | 19 | 24 |
| 00.04 Entrepreneurial Development | 5 | 5 | 6 |
| 00.05 Management & Administration | 17 | 15 | 20 |
| 00.06 Office of Chief Information Officer | 26 | 26 | 32 |
| 00.07 Regional & District Offices | 132 | 131 | 127 |
| 00.08 Agency Wide Costs | 49 | 48 | 50 |
| 00.09 Non Credit Programs | 141 | 133 | 108 |
| 00.10 Congressional Initiatives | 45 | 40 | ..... |
| 00.12 Disaster | 104 | 502 | 114 |
| 09.00 Reimbursable program | 3 | 12 | 13 |
| 10.00 Total new obligations | 614 | 1,007 | 574 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 8 | 40 | 70 |
| 22.00 New budget authority (gross) | 645 | 1,037 | 508 |
| 22.10 Resources available from recoveries of prior year obligations | 2 | ..... | ..... |
| 23.90 Total budgetary resources available for obligation | 655 | 1,077 | 578 |
| 23.95 Total new obligations | -614 | -1,007 | -574 |
| 23.98 Unobligated balance expiring or withdrawn | -1 | ..... | ..... |
| 24.40 Unobligated balance carried forward, end of year | 40 | 70 | 4 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 372 | 362 | 307 |
| 40.35 Appropriation permanently reduced | -4 | -5 | ..... |
| 42.00 Transferred from other accounts | 30 | ..... | ..... |
| 43.00 Appropriation (total discretionary) | 398 | 357 | 307 |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 247 | 680 | 201 |

| | | | | |
|---|--|------|--------|-------|
| 70.00 | Total new budget authority (gross) | 645 | 1,037 | 508 |
| Change in obligated balances: | | | | |
| 72.40 | Obligated balance, start of year | 311 | 288 | 254 |
| 73.10 | Total new obligations | 614 | 1,007 | 574 |
| 73.20 | Total outlays (gross) | -623 | -1,041 | -532 |
| 73.40 | Adjustments in expired accounts (net) | -12 | ..... | ..... |
| 73.45 | Recoveries of prior year obligations | -2 | ..... | ..... |
| 74.40 | Obligated balance, end of year | 288 | 254 | 296 |
| Outlays (gross), detail: | | | | |
| 86.90 | Outlays from new discretionary authority | 466 | 876 | 370 |
| 86.93 | Outlays from discretionary balances | 157 | 165 | 162 |
| 87.00 | Total outlays (gross) | 623 | 1,041 | 532 |
| Offsets: | | | | |
| Against gross budget authority and outlays: | | | | |
| Offsetting collections (cash) from: | | | | |
| 88.00 | Payments from business loan program account | -127 | -125 | -129 |
| 88.00 | Payments from disaster loan program account | -113 | -540 | -56 |
| 88.00 | Federal sources | -3 | -12 | -13 |
| 88.45 | Offsetting governmental collections (from non-Federal sources) | -4 | -3 | -3 |
| 88.90 | Total, offsetting collections (cash) | -247 | -680 | -201 |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 398 | 357 | 307 |
| 90.00 | Outlays | 376 | 361 | 331 |

The appropriation for this account is necessary to cover the administrative expenses for headquarters and non-credit programs.

Object Classification (in millions of dollars)

| Identification code 73-0100-0-1-376 | 2004 actual | 2005 est. | 2006 est. | |
|-------------------------------------|---|-----------|-----------|-----|
| Direct obligations: | | | | |
| Personnel compensation: | | | | |
| 11.1 | Full-time permanent | 177 | 177 | 174 |
| 11.3 | Other than full-time permanent | 11 | 11 | 10 |
| 11.5 | Other personnel compensation | 3 | 3 | 3 |
| 11.9 | Total personnel compensation | 191 | 191 | 187 |
| 12.1 | Civilian personnel benefits | 49 | 49 | 47 |
| 21.0 | Travel and transportation of persons | 6 | 5 | 6 |
| 23.1 | Rental payments to GSA | 35 | 34 | 35 |
| 23.3 | Communications, utilities, and miscellaneous charges | 6 | 6 | 6 |
| 24.0 | Printing and reproduction | 1 | 1 | 1 |
| 25.2 | Other services | 48 | 33 | 51 |
| 25.3 | Other purchases of goods and services from Government accounts (Disaster Administrative Expenses) | 104 | 502 | 114 |
| 26.0 | Supplies and materials | 2 | 2 | 2 |
| 31.0 | Equipment | 2 | 2 | 5 |
| 41.0 | Grants, subsidies, and contributions | 170 | 173 | 110 |
| 99.0 | Direct obligations | 614 | 998 | 564 |
| 99.0 | Reimbursable obligations ..... | ..... | 9 | 10 |
| 99.9 | Total new obligations | 614 | 1,007 | 574 |

Personnel Summary

| Identification code 73-0100-0-1-376 | 2004 actual | 2005 est. | 2006 est. | |
|-------------------------------------|---|-----------|-----------|-------|
| Direct: | | | | |
| 1001 | Total compensable workyears: Civilian full-time equivalent employment | 3,304 | 4,075 | 3,164 |
| Reimbursable: | | | | |
| 2001 | Total compensable workyears: Civilian full-time equivalent employment | 11 | 11 | 11 |

General and special funds—Continued

SALARIES AND EXPENSES—Continued

Note.—The personnel summary includes regular (non-disaster) full-time equivalents (FTEs) of 2461, 2380, 2248 in 2004, 2005, and 2006, respectively.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, **[\$13,014,000]** \$14,500,000. (*Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2005.*)

Program and Financing (in millions of dollars)

| Identification code 73-0200-0-1-376 | 2004 actual | 2005 est. | 2006 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Audit | 5 | 5 | 6 |
| 00.02 Investigations | 7 | 7 | 8 |
| 00.03 Management Policy | 1 | 1 | 1 |
| 00.04 General Office/Legal Counsel | 1 | 1 | 1 |
| 10.00 Total new obligations | 14 | 14 | 16 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 14 | 14 | 16 |
| 23.95 Total new obligations | -14 | -14 | -16 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 13 | 13 | 15 |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 1 | 1 | 1 |
| 70.00 Total new budget authority (gross) | 14 | 14 | 16 |
| Change in obligated balances: | | | |
| 73.10 Total new obligations | 14 | 14 | 16 |
| 73.20 Total outlays (gross) | -12 | -14 | -16 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 12 | 13 | 15 |
| 86.93 Outlays from discretionary balances | 1 | 1 | 1 |
| 87.00 Total outlays (gross) | 12 | 14 | 16 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Payments from disaster loan program account | -1 | -1 | -1 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 13 | 13 | 15 |
| 90.00 Outlays | 13 | 13 | 15 |

The Budget proposes \$14.5 million in new budget authority and \$0.9 million transferred from the Disaster Loans Program account for a total of \$15.4 million for the Office of Inspector General (OIG) for 2006. This appropriation provides funds for agency-wide audit, investigative, and related functions to promote economy and efficiency in agency operations and to prevent and detect fraud, waste, and abuse.

Object Classification (in millions of dollars)

| Identification code 73-0200-0-1-376 | 2004 actual | 2005 est. | 2006 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 8 | 9 | 10 |
| 11.5 Other personnel compensation | 1 | 1 | 1 |
| 11.9 Total personnel compensation | 9 | 10 | 11 |
| 12.1 Civilian personnel benefits | 2 | 2 | 2 |
| 25.2 Other services | 2 | 1 | 2 |
| 99.0 Direct obligations | 13 | 13 | 15 |
| 99.0 Reimbursable obligations | 1 | 1 | 1 |
| 99.9 Total new obligations | 14 | 14 | 16 |

Personnel Summary

| Identification code 73-0200-0-1-376 | 2004 actual | 2005 est. | 2006 est. |
|--|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Civilian full-time equivalent employment | 98 | 103 | 107 |

Public enterprise funds:

SURETY BOND GUARANTEES REVOLVING FUND

For additional capital for the Surety Bond Guarantees Revolving Fund, authorized by the Small Business Investment Act, as amended, **[\$2,900,000]** \$3,000,000, to remain available until expended. (*Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2005.*)

Program and Financing (in millions of dollars)

| Identification code 73-4156-0-3-376 | 2004 actual | 2005 est. | 2006 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 09.01 Reimbursable obligations | 8 | 10 | 10 |
| 10.00 Total new obligations (object class 42.0) | 8 | 10 | 10 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 23 | 23 | 22 |
| 22.00 New budget authority (gross) | 8 | 9 | 9 |
| 23.90 Total budgetary resources available for obligation | 31 | 32 | 31 |
| 23.95 Total new obligations | -8 | -10 | -10 |
| 24.40 Unobligated balance carried forward, end of year | 23 | 22 | 21 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 3 | 3 | 3 |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 8 | 6 | 6 |
| 70.00 Total new budget authority (gross) | 8 | 9 | 9 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 1 | 1 | 1 |
| 73.10 Total new obligations | 8 | 10 | 10 |
| 73.20 Total outlays (gross) | -7 | -10 | -10 |
| 74.40 Obligated balance, end of year | 1 | 1 | 1 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 7 | 9 | 9 |
| 86.93 Outlays from discretionary balances | 1 | 1 | 1 |
| 87.00 Total outlays (gross) | 7 | 10 | 10 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.40 Offsetting collections (cash) from: Non-Federal sources | -8 | -6 | -6 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 3 | 3 | 3 |
| 90.00 Outlays | 4 | 4 | 4 |

SBA is authorized to issue bond guarantees to surety companies for construction, service, and supply contracts that do not exceed \$2,000,000 and to reimburse these sureties up to 90 percent of the losses sustained if the contractor defaults. SBA's guarantees provide the incentive necessary for sureties to issue bonds to small contractors who could not otherwise compete in the contracting industry. In 2006, the Budget proposes a \$1.7 billion program level that is anticipated to be sufficient to accommodate demand from prior-approval and preferred sureties.

Balance Sheet (in millions of dollars)

| Identification code 73-4156-0-3-376 | 2003 actual | 2004 actual |
|--|-------------|-------------|
| ASSETS: | | |
| Federal assets: | | |
| 1101 Fund balances with Treasury | 23 | 23 |
| 1106 Investments in US securities: | | |
| Receivables, net | 6 | 5 |
| 1999 Total assets | 29 | 28 |
| LIABILITIES: | | |
| 2201 Non-Federal liabilities: Accounts payable | 20 | 21 |
| 2999 Total liabilities | 20 | 21 |
| NET POSITION: | | |
| 3100 Appropriated capital | 281 | 1 |
| 3300 Cumulative results of operations | -272 | 6 |
| 3999 Total net position | 9 | 7 |
| 4999 Total liabilities and net position | 29 | 28 |

Credit accounts:

BUSINESS LOANS PROGRAM ACCOUNT

For the cost of direct loans, \$1,455,000, to remain available until expended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That subject] Subject to section 502 of the Congressional Budget Act of 1974, during fiscal year [2005] 2006 commitments to guarantee loans under section 503 of the Small Business Investment Act of 1958, shall not exceed [\$5,000,000,000] \$5,500,000,000: *Provided further*, That subsection 503(f) of the Small Business Investment Act of 1958 (15 U.S.C. 697(f)), as amended by section 2 of Public Law 108-217, is further amended by striking "October 1, 2004" and inserting "October 1, 2005":] *Provided [further]*, That during fiscal year [2005] 2006 commitments for general business loans authorized under section 7(a) of the Small Business Act, shall not exceed [\$16,000,000,000] \$16,500,000,000: *Provided further*, That during fiscal year [2005] 2006 commitments to guarantee loans for debentures [and participating securities] under section 303(b) of the Small Business Investment Act of 1958, shall not exceed [the levels established by section 20(i)(1)(C) of the Small Business Act] \$3,000,000,000: *Provided further*, That during fiscal year [2005] 2006 guarantees of trust certificates authorized by section 5(g) of the Small Business Act shall not exceed a principal amount of [\$10,000,000,000] \$12,000,000,000.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, [\$126,653,000] \$129,000,000, which may be transferred to and merged with the appropriations for Salaries and Expenses. (*Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2005.*)

General Fund Credit Receipt Accounts (in millions of dollars)

| Identification code 73-1154-0-1-376 | 2004 actual | 2005 est. | 2006 est. |
|---|-------------|-----------|-----------|
| 0102 Negative subsidies/subsidy reestimates | 228 | 470 | |

Program and Financing (in millions of dollars)

| Identification code 73-1154-0-1-376 | 2004 actual | 2005 est. | 2006 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct loan subsidy | 2 | 1 | |
| 00.02 Guaranteed loan subsidy | 91 | | |
| 00.05 Reestimate of direct loan | 26 | | |
| 00.06 Interest on direct loan reestimation | 4 | | |
| 00.07 Reestimate of loan guarantee subsidy | 1,939 | 1,357 | |
| 00.08 Interest on reestimates of loan guarantee subsidy | 465 | 549 | |
| 00.09 Administrative expenses | 127 | 125 | 129 |
| 10.00 Total new obligations | 2,654 | 2,032 | 129 |

Budgetary resources available for obligation:

| | | | |
|--|--------|--------|------|
| 21.40 Unobligated balance carried forward, start of year | 26 | 15 | 15 |
| 22.00 New budget authority (gross) | 2,643 | 2,032 | 129 |
| 23.90 Total budgetary resources available for obligation | 2,669 | 2,047 | 144 |
| 23.95 Total new obligations | -2,654 | -2,032 | -129 |

| | | | |
|--|----|----|----|
| 24.40 Unobligated balance carried forward, end of year | 15 | 15 | 15 |
|--|----|----|----|

New budget authority (gross), detail:

| | | | |
|---|-------|-------|-----|
| Discretionary: | | | |
| 40.00 Appropriation | 209 | 128 | 129 |
| 40.35 Appropriation permanently reduced | -2 | -2 | |
| 43.00 Appropriation (total discretionary) | 207 | 126 | 129 |
| Mandatory: | | | |
| 60.00 Appropriation | 2,434 | 1,906 | |
| Discretionary: | | | |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 2 | | |
| 70.00 Total new budget authority (gross) | 2,643 | 2,032 | 129 |

Change in obligated balances:

| | | | |
|---|--------|--------|------|
| 72.40 Obligated balance, start of year | 85 | 62 | 61 |
| 73.10 Total new obligations | 2,654 | 2,032 | 129 |
| 73.20 Total outlays (gross) | -2,675 | -2,033 | -128 |
| 73.40 Adjustments in expired accounts (net) | -2 | | |
| 74.40 Obligated balance, end of year | 62 | 61 | 62 |

Outlays (gross), detail:

| | | | |
|--|-------|-------|-----|
| 86.90 Outlays from new discretionary authority | 177 | 79 | 81 |
| 86.93 Outlays from discretionary balances | 64 | 48 | 47 |
| 86.97 Outlays from new mandatory authority | 2,434 | 1,906 | |
| 87.00 Total outlays (gross) | 2,675 | 2,033 | 128 |

Offsets:

| | | | |
|---|----|--|--|
| Against gross budget authority and outlays: | | | |
| 88.40 Offsetting collections (cash) from: Non-Federal sources | -2 | | |

Net budget authority and outlays:

| | | | |
|------------------------------|-------|-------|-----|
| 89.00 Budget authority | 2,641 | 2,032 | 129 |
| 90.00 Outlays | 2,673 | 2,033 | 128 |

Performance Metrics

| Identification code 73-1154-0-1-376 | 2004 actual | 2005 est. | 2006 est. |
|---|-------------|-----------|-----------|
| Section 504 Certified Development Company Guaranteed Loan Program: | | | |
| 36401 Estimated number of jobs created or retained | 152,287 | 84,797 | |
| 36403 Number of 504 loans guaranteed | 8,357 | 6,300 | |
| 36404 Cost to originate each loan | 3,912 | 3,491 | |
| Section 7 (a) Guaranteed Loan Program: | | | |
| 234618 Administrative cost per loan (\$) | 2,349 | 997 | 729 |

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

| Identification code 73-1154-0-1-376 | 2004 actual | 2005 est. | 2006 est. |
|--|-------------|-----------|-----------|
| Direct loan levels supportable by subsidy budget authority: | | | |
| 115001 Micro loans | 23 | 10 | |
| 115901 Total direct loan levels | 23 | 10 | |
| Direct loan subsidy (in percent): | | | |
| 132001 Micro loans | 9.55 | 10.25 | 0.00 |
| 132901 Weighted average subsidy rate | 9.55 | 10.25 | 0.00 |
| Direct loan subsidy budget authority: | | | |
| 133001 Micro loans | 2 | 1 | |
| 133901 Total subsidy budget authority | 2 | 1 | |
| Direct loan subsidy outlays: | | | |
| 134001 Micro loans | 2 | 1 | |
| 134901 Total subsidy outlays | 2 | 1 | |
| Direct loan upward reestimate subsidy budget authority: | | | |
| 135001 Msc. loans | 30 | | |
| 135901 Total upward reestimate budget authority | 30 | | |
| Direct loan downward reestimate subsidy budget authority: | | | |
| 137001 Misc. loans | -2 | | |
| 137901 Total downward reestimate budget authority | -2 | | |
| Guaranteed loan levels supportable by subsidy budget authority: | | | |
| 215001 Microloan guarantees | | | |

Credit accounts—Continued

BUSINESS LOANS PROGRAM ACCOUNT—Continued

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)—Continued

| Identification code 73-1154-0-1-376 | 2004 actual | 2005 est. | 2006 est. |
|---|-------------|-----------|-----------|
| 215002 General business—7(a) | 4,623 | 16,000 | 16,500 |
| 215002 General business—7(a) | 7,204 | | |
| 215003 General business—Terrorist response | | | |
| 215004 Section 504 | 3,966 | 5,000 | 5,500 |
| 215005 Section 504 —DELTA | | | |
| 215006 SBIC debentures | 607 | 3,250 | 3,000 |
| 215007 SBIC participating securities | 4,000 | | |
| 215008 New Market Venture Capital | | 3 | |
| 215009 General business 7(a) DELTA | | | |
| 215010 Secondary market guarantee | 3,572 | 10,000 | 12,000 |
| 215901 Total loan guarantee levels | 23,972 | 34,253 | 37,000 |
| Guaranteed loan subsidy (in percent): | | | |
| 232001 Microloan guarantees | 8.66 | 8.66 | 0.00 |
| 232002 General business—7(a) | 1.06 | 0.00 | 0.00 |
| 232002 General business—7(a) | 0.58 | 0.00 | 0.00 |
| 232003 General business—Terrorist response | 1.06 | 1.06 | 0.00 |
| 232004 Section 504 | 0.00 | 0.00 | 0.00 |
| 232005 Section 504—DELTA | 0.00 | 0.88 | 0.00 |
| 232006 SBIC debentures | 0.00 | 0.00 | 0.00 |
| 232007 SBIC participating securities | 0.00 | 0.00 | 0.00 |
| 232008 New Market Venture Capital | 16.05 | 16.03 | 0.00 |
| 232009 General business 7(a) DELTA | 0.00 | 1.56 | 0.00 |
| 232010 Secondary market guarantee | 0.00 | 0.00 | 0.00 |
| 232901 Weighted average subsidy rate | 0.38 | 0.00 | 0.00 |
| Guaranteed loan subsidy budget authority: | | | |
| 233001 Microloan guarantees | | | |
| 233002 General business—7(a) | 49 | | |
| 233002 General business—7(a) | 42 | | |
| 233003 General business—Terrorist response | | | |
| 233004 Section 504 | | | |
| 233005 Section 504—DELTA | | | |
| 233006 SBIC debentures | | | |
| 233007 SBIC participating securities | | | |
| 233008 New Market Venture Capital | | | |
| 233009 General business 7(a) DELTA | | | |
| 233010 Secondary market guarantee | | | |
| 233901 Total subsidy budget authority | 91 | | |
| Guaranteed loan subsidy outlays: | | | |
| 234001 Microloan guarantees | | | |
| 234002 General business—7(a) | 110 | | |
| 234002 General business—7(a) | | | |
| 234003 General business—7(a) terrorist response | | | |
| 234004 Section 504 | | | |
| 234005 Section 504 — DELTA | | | |
| 234006 SBIC debentures | | | |
| 234007 SBIC participating securities | | | |
| 234008 New Market Venture Capital | | | |
| 234009 General business 7(a) — DELTA | | | |
| 234010 Secondary market guarantee | | | |
| 234901 Total subsidy outlays | 110 | | |
| Guaranteed loan upward reestimate subsidy budget authority: | | | |
| 235001 Microloan guarantees | | | |
| 235002 General business 7(a) | 304 | 556 | |
| 235003 General business—7(a) terrorist response | | | |
| 235004 Section 504 | 3 | 221 | |
| 235005 Section 504—DELTA | | | |
| 235006 SBIC debentures | 128 | 117 | |
| 235007 SBIC participating securities | 1,864 | 968 | |
| 235008 New Market Venture Capital | | | |
| 235009 General business 7(a) — DELTA | | | |
| 235010 Secondary market guarantee | 105 | 44 | |
| 235901 Total upward reestimate budget authority | 2,404 | 1,906 | |
| Guaranteed loan downward reestimate subsidy budget authority: | | | |
| 237001 Microloan guarantees | | | |
| 237002 general business 7(a) | -106 | -135 | |
| 237003 General business—7(a)—terrorist response | | -13 | |
| 237004 Section 504 | -82 | -98 | |
| 237005 Section 504 —DELTA | | | |
| 237006 SBIC debentures | -38 | -178 | |
| 237007 SBIC participating securities | | -46 | |
| 237008 New Market Venture Capital | | | |
| 237009 General business 7(a)—DELTA | | | |

| | | | |
|---|------|------|-----|
| 237010 Secondary market guarantee | | | |
| 237901 Total downward reestimate subsidy budget authority | -226 | -470 | |
| Administrative expense data: | | | |
| 351001 Budget authority | 126 | 127 | 129 |
| 359001 Outlays from new authority | 126 | 127 | 128 |

As required by the Federal Credit Reform Act of 1990, as amended, this account records, for this program, the subsidy costs associated with the direct loans obligated and loan guarantees committed in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

For 2006, the budget proposes \$129 million in new budget authority for the Business Loans Program account. This amount will be used to administer the loan programs. For all business loan programs, borrowers' fees are sufficient to cover credit subsidy obligations.

The Section 7(a) program provides general business credit assistance. The requested program level for 2006 is \$16.5 billion. The Section 504 CDC Program is for long-term fixed rate financing and will require a program level of \$5.5 billion in 2006. The Small Business Investment Company (SBIC) program provides credit to support venture capital investments. The Budget proposes a program level of \$3 billion for SBIC Debentures.

As part of the Secondary Market Guarantee (SMG), the Master Reserve Fund (MRF) is maintained by the SBA's fiscal agent as part of its administration of the secondary market program. SBA's loan pooling program provides for the pooling of loans having terms that vary with a range prescribed by SBA, while the secondary investors have a fixed term for their investment that is the term of the longest loan in the pool. The MRF balances include principal paid by borrowers on pooled loans and interest on borrowers' payments received prior to their disbursement to the secondary holders. The earnings on the balances fund the SBA's guarantee of the timely payment of principal and interest owed to the holders of SBA guaranteed pool securities.

SBA budgets for the secondary market program in accordance with the Federal Credit Reform Act. SBA has refined its subsidy estimates and is accounting for loans in both financing and liquidating accounts. SBA's secondary market program has approximately \$14 billion of currently outstanding investments held by secondary market pool holders.

Object Classification (in millions of dollars)

| Identification code 73-1154-0-1-376 | 2004 actual | 2005 est. | 2006 est. |
|---|-------------|-----------|-----------|
| 25.2 Other services | 126 | 125 | 129 |
| 41.0 Grants, subsidies, and contributions | 2,528 | 1,907 | |
| 99.9 Total new obligations | 2,654 | 2,032 | 129 |

BUSINESS DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 73-4148-0-3-376 | 2004 actual | 2005 est. | 2006 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct loans | 23 | 10 | |
| 00.02 Interest on Treasury borrowing | 21 | 25 | |
| 00.03 Other expense | 1 | 1 | 1 |
| 00.91 Direct Program by Activities—Subtotal | 45 | 36 | 1 |
| 08.02 Payment of downward reestimate to a receipt account | 1 | | |
| 08.04 Payment of interest on downward reestimate to a receipt account | 1 | | |

| | | | | |
|--|---|------|-----|-----|
| 08.91 | Direct Program by Activities—Subtotal | 2 | | |
| 10.00 | Total new obligations | 47 | 36 | 1 |
| Budgetary resources available for obligation: | | | | |
| 21.40 | Unobligated balance carried forward, start of year | 315 | 74 | |
| 22.00 | New financing authority (gross) | 88 | 39 | 18 |
| 22.10 | Resources available from recoveries of prior year obligations | 2 | | |
| 22.60 | Portion applied to repay debt | -284 | -77 | -17 |
| 23.90 | Total budgetary resources available for obligation | 121 | 36 | 1 |
| 23.95 | Total new obligations | -47 | -36 | -1 |
| 24.40 | Unobligated balance carried forward, end of year | 74 | | |

| | | | | |
|---|--|----|----|----|
| New financing authority (gross), detail: | | | | |
| Mandatory: | | | | |
| 67.10 | Authority to borrow | 22 | | |
| Spending authority from offsetting collections: | | | | |
| Discretionary: | | | | |
| 68.00 | Offsetting collections (cash) | 67 | 39 | 18 |
| 68.10 | Change in uncollected customer payments from Federal sources (unexpired) | -1 | | |
| 68.90 | Spending authority from offsetting collections (total discretionary) | 66 | 39 | 18 |
| 70.00 | Total new financing authority (gross) | 88 | 39 | 18 |

| | | | | |
|--------------------------------------|--|-----|-----|----|
| Change in obligated balances: | | | | |
| 72.40 | Obligated balance, start of year | 28 | 29 | 35 |
| 73.10 | Total new obligations | 47 | 36 | 1 |
| 73.20 | Total financing disbursements (gross) | -45 | -30 | -5 |
| 73.45 | Recoveries of prior year obligations | -2 | | |
| 74.00 | Change in uncollected customer payments from Federal sources (unexpired) | 1 | | |
| 74.40 | Obligated balance, end of year | 29 | 35 | 31 |
| 87.00 | Total financing disbursements (gross) | 45 | 30 | 5 |

| | | | | |
|--|--|-----|-----|-----|
| Offsets: | | | | |
| Against gross financing authority and financing disbursements: | | | | |
| Offsetting collections (cash) from: | | | | |
| 88.00 | Federal sources: Payments from program account | -2 | -1 | |
| 88.00 | Upward reestimate | -26 | | |
| 88.00 | Interest on reestimate | -4 | | |
| 88.25 | Interest on uninvested funds | -15 | -16 | |
| 88.40 | Repayments of principal, net | -18 | -13 | -11 |
| 88.40 | Other income | -2 | -9 | -7 |
| 88.90 | Total, offsetting collections (cash) | -67 | -39 | -18 |
| Against gross financing authority only: | | | | |
| 88.95 | Change in receivables from program accounts | 1 | | |

| | | | | |
|---|-------------------------------|-----|----|-----|
| Net financing authority and financing disbursements: | | | | |
| 89.00 | Financing authority | 22 | | |
| 90.00 | Financing disbursements | -22 | -9 | -13 |

Status of Direct Loans (in millions of dollars)

| Identification code 73-4148-0-3-376 | 2004 actual | 2005 est. | 2006 est. | |
|--|--|-----------|-----------|-----|
| Position with respect to appropriations act limitation on obligations: | | | | |
| 1111 | Limitation on direct loans | 23 | 10 | |
| 1150 | Total direct loan obligations | 23 | 10 | |
| Cumulative balance of direct loans outstanding: | | | | |
| 1210 | Outstanding, start of year | 127 | 132 | 127 |
| 1231 | Disbursements: Direct loan disbursements | 21 | 15 | 5 |
| 1251 | Repayments: Repayments and prepayments | -15 | -14 | -12 |
| 1263 | Write-offs for default: Direct loans | -1 | -6 | -5 |
| 1290 | Outstanding, end of year | 132 | 127 | 115 |

As required by the Federal Credit Reform Act of 1990, as amended, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The

amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

| Identification code 73-4148-0-3-376 | 2003 actual | 2004 actual | |
|---|---|-------------|-----|
| ASSETS: | | | |
| 1101 | Federal assets: Fund balances with Treasury | 343 | 102 |
| 1206 | Non-Federal assets: Receivables, net | | 2 |
| Net value of assets related to post-1991 direct loans receivable: | | | |
| 1401 | Direct loans receivable, gross | 127 | 132 |
| 1405 | Allowance for subsidy cost (-) | -10 | -42 |
| 1499 | Net present value of assets related to direct loans | 117 | 90 |
| 1999 | Total assets | 460 | 194 |
| LIABILITIES: | | | |
| Federal liabilities: | | | |
| 2101 | Accounts payable | 2 | |
| 2103 | Debt | 454 | 191 |
| 2207 | Non-Federal liabilities: Other | 4 | 3 |
| 2999 | Total liabilities | 460 | 194 |
| 4999 | Total liabilities and net position | 460 | 194 |

BUSINESS GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 73-4149-0-3-376 | 2004 actual | 2005 est. | 2006 est. | |
|---|---|-----------|-----------|-------|
| Obligations by program activity: | | | | |
| 00.01 | Default claims | 1,372 | 1,264 | 1,350 |
| 00.02 | Interests on Treasury borrowing | 154 | 175 | 200 |
| 00.05 | Other Expenses | 192 | 15 | 15 |
| 00.91 | Direct Program by Activities—Subtotal | 1,718 | 1,454 | 1,565 |
| 02.00 | Interest on Treasury borrowing | 1,718 | 1,454 | 1,565 |
| 08.02 | Payment of downward reestimate to receipt account | 189 | 323 | |
| 08.04 | Payment of interest on downward reestimate to receipt account | 37 | 147 | |
| 08.91 | Direct Program by Activities—Subtotal | 226 | 470 | |
| 10.00 | Total new obligations | 1,944 | 1,924 | 1,565 |

| | | | | |
|--|--|--------|--------|--------|
| Budgetary resources available for obligation: | | | | |
| 21.40 | Unobligated balance carried forward, start of year | 249 | 3,071 | 4,693 |
| 22.00 | New financing authority (gross) | 4,766 | 3,546 | 1,600 |
| 23.90 | Total budgetary resources available for obligation | 5,015 | 6,617 | 6,293 |
| 23.95 | Total new obligations | -1,944 | -1,924 | -1,565 |
| 24.40 | Unobligated balance carried forward, end of year | 3,071 | 4,693 | 4,728 |

| | | | | |
|---|--|-------|-------|-------|
| New financing authority (gross), detail: | | | | |
| Mandatory: | | | | |
| 67.10 | Authority to borrow | 1,400 | 500 | 300 |
| Spending authority from offsetting collections: | | | | |
| Discretionary: | | | | |
| 68.00 | Offsetting collections (cash) | 3,412 | 3,046 | 1,300 |
| 68.10 | Change in uncollected customer payments from Federal sources (unexpired) | -46 | | |
| 68.90 | Spending authority from offsetting collections (total discretionary) | 3,366 | 3,046 | 1,300 |
| 70.00 | Total new financing authority (gross) | 4,766 | 3,546 | 1,600 |

| | | | | |
|--------------------------------------|--|--------|--------|--------|
| Change in obligated balances: | | | | |
| 72.40 | Obligated balance, start of year | -68 | -39 | |
| 73.10 | Total new obligations | 1,944 | 1,924 | 1,565 |
| 73.20 | Total financing disbursements (gross) | -1,961 | -1,885 | -1,565 |
| 74.00 | Change in uncollected customer payments from Federal sources (unexpired) | 46 | | |
| 74.40 | Obligated balance, end of year | -39 | | |
| 87.00 | Total financing disbursements (gross) | 1,961 | 1,885 | 1,565 |

Credit accounts—Continued

BUSINESS GUARANTEED LOAN FINANCING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

| Identification code 73-4149-0-3-376 | 2004 actual | 2005 est. | 2006 est. |
|--|---|-----------|-----------|
| Offsets: | | | |
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 | Payments from program account | -111 | |
| 88.00 | Upward reestimate | -1,939 | -1,357 |
| 88.00 | Interest on reestimate | -465 | -549 |
| 88.00 | Other | -18 | |
| 88.25 | Interest on uninvested funds | -122 | -125 |
| 88.40 | Fees | -501 | -700 |
| 88.40 | Recoveries | -244 | -300 |
| 88.40 | other | -12 | -15 |
| 88.90 | Total, offsetting collections (cash) | -3,412 | -3,046 |
| Against gross financing authority only: | | | |
| 88.95 | Change in receivables from program accounts | 46 | |
| Net financing authority and financing disbursements: | | | |
| 89.00 | Financing authority | 1,400 | 500 |
| 90.00 | Financing disbursements | -1,451 | -1,161 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 73-4149-0-3-376 | 2004 actual | 2005 est. | 2006 est. |
|---|---|-----------|-----------|
| Position with respect to appropriations act limitation on commitments: | | | |
| 2111 | Limitation on guaranteed loans made by private lenders | 23,972 | 34,253 |
| 2150 | Total guaranteed loan commitments | 23,972 | 34,253 |
| 2199 | Guaranteed amount of guaranteed loan commitments | 15,957 | 21,375 |
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 | Outstanding, start of year | 52,630 | 56,962 |
| 2231 | Disbursements of new guaranteed loans | 14,067 | 21,000 |
| 2251 | Repayments and prepayments | -8,363 | -9,100 |
| 2261 | Adjustments: Terminations for default that result in loans receivable | -1,372 | -1,302 |
| 2290 | Outstanding, end of year | 56,962 | 67,560 |
| Memorandum: | | | |
| 2299 | Guaranteed amount of guaranteed loans outstanding, end of year | 54,975 | 51,000 |
| Addendum: | | | |
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: | | | |
| 2310 | Outstanding, start of year | 1,830 | 2,769 |
| 2331 | Disbursements for guaranteed loan claims | 1,372 | 1,302 |
| 2351 | Repayments of loans receivable | -302 | -227 |
| 2361 | Write-offs of loans receivable | -241 | -255 |
| 2364 | Other adjustments, net | 110 | -177 |
| 2390 | Outstanding, end of year | 2,769 | 3,412 |

As required by the Federal Credit Reform Act of 1990, as amended, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

| Identification code 73-4149-0-3-376 | 2003 actual | 2004 actual |
|-------------------------------------|-------------------------------|-------------|
| ASSETS: | | |
| Federal assets: | | |
| 1101 | Fund balances with Treasury | 181 |
| 1106 | Investments in US securities: | |
| | Receivables, net | 18 |
| Non-Federal assets: | | |
| 1206 | Receivables, net | 30 |
| 1207 | Advances and prepayments | 19 |

| | | |
|--|---|--------|
| Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable: | | |
| 1501 | Defaulted guaranteed loans receivable, net | 1,840 |
| 1505 | Allowance for subsidy cost (-) | -2,459 |
| 1599 | Net present value of assets related to defaulted guaranteed loans | 1,840 |
| 1901 | Other Federal assets: Public and other | 720 |
| 1999 | Total assets | 2,789 |
| LIABILITIES: | | |
| Federal liabilities: | | |
| 2101 | Accounts payable | 5 |
| 2103 | Debt | 1,092 |
| 2105 | Other | 488 |
| Non-Federal liabilities: | | |
| 2201 | Accounts payable | 54 |
| 2204 | Liabilities for loan guarantees | 1,626 |
| 2207 | Other | 12 |
| 2999 | Total liabilities | 2,789 |
| 4999 | Total liabilities and net position | 2,789 |

BUSINESS LOAN FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 73-4154-0-3-376 | 2004 actual | 2005 est. | 2006 est. |
|--|--|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 | Interest Expense to Treasury | 8 | 5 |
| 00.05 | Guaranteed loan default claims | 6 | 4 |
| 10.00 | Total new obligations | 14 | 9 |
| Budgetary resources available for obligation: | | | |
| 21.40 | Unobligated balance carried forward, start of year | 143 | 93 |
| 22.00 | New budget authority (gross) | 128 | 105 |
| 22.40 | Capital transfer to general fund | -143 | -172 |
| 22.60 | Portion applied to repay debt to FFB | -21 | -17 |
| 23.90 | Total budgetary resources available for obligation | 107 | 9 |
| 23.95 | Total new obligations | -14 | -9 |
| 24.40 | Unobligated balance carried forward, end of year | 93 | |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 60.00 | Appropriation | 50 | 50 |
| 69.00 | Offsetting collections (cash) | 81 | 55 |
| 69.10 | Change in uncollected customer payments from Federal sources (unexpired) | -3 | |
| 69.90 | Spending authority from offsetting collections (total mandatory) | 78 | 55 |
| 70.00 | Total new budget authority (gross) | 128 | 105 |
| Change in obligated balances: | | | |
| 72.40 | Obligated balance, start of year | 36 | 15 |
| 73.10 | Total new obligations | 14 | 9 |
| 73.20 | Total outlays (gross) | -38 | -20 |
| 74.00 | Change in uncollected customer payments from Federal sources (unexpired) | 3 | |
| 74.40 | Obligated balance, end of year | 15 | 4 |
| Outlays (gross), detail: | | | |
| 86.97 | Outlays from new mandatory authority | 38 | 20 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 | Federal sources | -3 | |
| Loan repayments: | | | |
| 88.40 | Financing programs-principal | -23 | -18 |
| 88.40 | Investment programs-principal | -8 | -5 |
| 88.40 | Interest Income-Business & investment | -10 | -7 |
| 88.40 | Fees | -6 | -4 |
| 88.40 | Collection on FFB loans | -21 | -17 |
| 88.40 | Other Income-both Business and Investment | -10 | -4 |
| 88.90 | Total, offsetting collections (cash) | -81 | -55 |

| | | | |
|--|--|-----|---------|
| Against gross budget authority only: | | | |
| 88.95 | Change in uncollected customer payments from Federal sources (unexpired) | 3 | |
| Net budget authority and outlays: | | | |
| 89.00 | Budget authority | 50 | 50 20 |
| 90.00 | Outlays | -43 | -35 -29 |

Status of Direct Loans (in millions of dollars)

| Identification code 73-4154-0-3-376 | 2004 actual | 2005 est. | 2006 est. |
|---|--|-----------|-----------|
| Cumulative balance of direct loans outstanding: | | | |
| 1210 | Outstanding, start of year | 106 | 75 51 |
| 1251 | Repayments: Repayments and prepayments | -26 | -21 -17 |
| 1263 | Write-offs for default: Direct loans | -5 | -3 -1 |
| 1290 | Outstanding, end of year | 75 | 51 33 |
| Cumulative balance of direct loans outstanding: | | | |
| 1210 | Outstanding, start of year | 78 | 57 40 |
| 1251 | Repayments: Repayments and prepayments | -21 | -17 -13 |
| 1290 | Outstanding, end of year | 57 | 40 27 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 73-4154-0-3-376 | 2004 actual | 2005 est. | 2006 est. |
|---|--|-----------|-----------|
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 | Outstanding, start of year | 758 | 531 375 |
| 2251 | Repayments and prepayments | -205 | -150 -119 |
| Adjustments: | | | |
| 2261 | Terminations for default that result in loans receivable | -6 | -6 -5 |
| 2264 | Other adjustments, net | -16 | |
| 2290 | Outstanding, end of year | 531 | 375 251 |
| Memorandum: | | | |
| 2299 | Guaranteed amount of guaranteed loans outstanding, end of year | 467 | 330 220 |
| Addendum: | | | |
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: | | | |
| 2310 | Outstanding, start of year | 106 | 79 60 |
| 2331 | Disbursements for guaranteed loan claims | 6 | 6 5 |
| 2351 | Repayments of loans receivable | -26 | -15 -13 |
| 2361 | Write-offs of loans receivable | -8 | -7 -5 |
| 2364 | Other adjustments, net | 1 | -3 -1 |
| 2390 | Outstanding, end of year | 79 | 60 46 |

As required by the Federal Credit Reform Act of 1990, as amended, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. This account is shown on a cash basis. All new activity in this program in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year) is recorded in corresponding program and financing accounts.

Balance Sheet (in millions of dollars)

| Identification code 73-4154-0-3-376 | 2003 actual | 2004 actual |
|---|---|-------------|
| ASSETS: | | |
| Federal assets: | | |
| 1101 | Fund balances with Treasury | 179 108 |
| Investments in US securities: | | |
| 1106 | Receivables, net | 3 3 |
| Non-Federal assets: | | |
| 1206 | Receivables, net | 1 1 |
| 1207 | Advances and prepayments | 4 4 |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | |
| 1601 | Direct loans, gross | 184 133 |
| 1699 | Value of assets related to direct loans | 184 133 |
| 1901 | Other Federal assets: Other assets | 46 35 |

| | | | |
|--------------------------|--|-----|-----|
| 1999 | Total assets | 417 | 284 |
| LIABILITIES: | | | |
| Federal liabilities: | | | |
| 2101 | Accounts payable | 32 | 8 |
| 2103 | Debt | 80 | 58 |
| 2105 | Other Liabilities | 274 | 183 |
| Non-Federal liabilities: | | | |
| 2201 | Accounts payable | 6 | 8 |
| 2207 | Other Liabilities | 25 | 27 |
| 2999 | Total liabilities | 417 | 284 |
| 4999 | Total liabilities and net position | 417 | 284 |

Object Classification (in millions of dollars)

| Identification code 73-4154-0-3-376 | 2004 actual | 2005 est. | 2006 est. |
|-------------------------------------|--|-----------|-----------|
| 42.0 | Insurance claims and indemnities | 6 | 4 3 |
| 43.0 | Interest and dividends | 8 | 5 4 |
| 99.9 | Total new obligations | 14 | 9 7 |

DISASTER LOANS PROGRAM ACCOUNT

For the cost of direct loans authorized by section 7(b) of the Small Business Act, \$83,335,000, to remain available until expended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974. In addition, for administrative expenses to carry out the direct loan program authorized by section 7(b), of the Small Business Act, \$113,159,000 \$56,000,000, to remain available until expended, which may be transferred to and merged with appropriations for Salaries and Expenses, of which \$500,000 \$900,000 is for the Office of Inspector General of the Small Business Administration for audits and reviews of disaster loans and the disaster loan program and shall be transferred to and merged with appropriations for the Office of Inspector General; of which \$104,409,000 \$46,100,000 is for direct administrative expenses of loan making and servicing to carry out the direct loan program[, to remain available until expended]; and of which \$8,250,000 \$9,000,000 is for indirect administrative expenses: *Provided*, That any amount in excess of \$8,250,000 \$9,000,000 to be transferred to and merged with appropriations for Salaries and Expenses for indirect administrative expenses shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section. (Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2005.)

For an additional amount for "Disaster Loans Program Account" for the cost of direct loans, \$501,000,000, to remain available until expended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in Section 502 of the Congressional Budget Act of 1974.

In addition, for an additional amount for "Disaster Loans Program Account" for administrative expenses to carry out the disaster loan program, \$428,000,000, to remain available until expended, which may be transferred to the appropriations for "Salaries and Expenses": *Provided*, That no funds shall be transferred to the appropriations for "Salaries and Expenses" for indirect administrative expenses: *Provided further*, That the amounts provided under this heading are designated as an emergency requirement pursuant to section 402 of S. Con. Res. 95 (108th Congress), as made applicable to the House of Representatives by H. Res. 649 (108th Congress) and applicable to the Senate by section 14007 of Public Law 108-287. (Emergency Supplemental Appropriations for Hurricane Disasters Assistance Act, 2005.)

General Fund Credit Receipt Accounts (in millions of dollars)

| Identification code 73-1152-0-1-453 | 2004 actual | 2005 est. | 2006 est. |
|-------------------------------------|--|-----------|-----------|
| 0102 | Negative subsidies/subsidy reestimates | 2 | 70 |

Program and Financing (in millions of dollars)

| Identification code 73-1152-0-1-453 | 2004 actual | 2005 est. | 2006 est. |
|---|---------------------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 | Direct loan subsidy | 80 | 501 83 |

Credit accounts—Continued

DISASTER LOANS PROGRAM ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

| Identification code 73-1152-0-1-453 | 2004 actual | 2005 est. | 2006 est. |
|---|-------------|-----------|-----------|
| 00.05 Upward reestimate of direct loans | 591 | 222 | ..... |
| 00.06 Interest on upward reestimates of direct loans | 537 | 114 | ..... |
| 00.09 Administrative expense | 113 | 541 | 56 |
| 10.00 Total new obligations | 1,321 | 1,378 | 139 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 38 | 29 | 37 |
| 22.00 New budget authority (gross) | 1,298 | 1,376 | 139 |
| 22.10 Resources available from recoveries of prior year obligations | 14 | 10 | ..... |
| 23.90 Total budgetary resources available for obligation | 1,350 | 1,415 | 176 |
| 23.95 Total new obligations | -1,321 | -1,378 | -139 |
| 24.40 Unobligated balance carried forward, end of year | 29 | 37 | 37 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 171 | 113 | 139 |
| 40.00 Appropriation (supplemental) ..... | ..... | 929 | ..... |
| 40.35 Appropriation permanently reduced | -2 | -2 | ..... |
| 43.00 Appropriation (total discretionary) | 169 | 1,040 | 139 |
| Mandatory: | | | |
| 60.00 Appropriation | 1,128 | 336 | ..... |
| Discretionary: | | | |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 1 | ..... | ..... |
| 70.00 Total new budget authority (gross) | 1,298 | 1,376 | 139 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 36 | 43 | 207 |
| 73.10 Total new obligations | 1,321 | 1,378 | 139 |
| 73.20 Total outlays (gross) | -1,300 | -1,204 | -345 |
| 73.45 Recoveries of prior year obligations | -14 | -10 | ..... |
| 74.40 Obligated balance, end of year | 43 | 207 | 1 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 131 | 800 | 107 |
| 86.93 Outlays from discretionary balances | 41 | 68 | 238 |
| 86.97 Outlays from new mandatory authority | 1,128 | 336 | ..... |
| 87.00 Total outlays (gross) | 1,300 | 1,204 | 345 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | -1 | ..... | ..... |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 1,297 | 1,376 | 139 |
| 90.00 Outlays | 1,299 | 1,204 | 345 |

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

| Identification code 73-1152-0-1-453 | 2004 actual | 2005 est. | 2006 est. |
|---|-------------|-----------|-----------|
| Direct loan levels supportable by subsidy budget authority: | | | |
| 115001 Disaster Loan | 664 | 3,966 | 810 |
| 115001 EIDL Terrorist Attack | 3 | 16 | ..... |
| 115001 PHY Terrorist Attack | 1 | ..... | ..... |
| 115901 Total direct loan levels | 668 | 3,982 | 810 |
| Direct loan subsidy (in percent): | | | |
| 132001 Disaster Loan | 11.72 | 12.86 | 14.64 |
| 132001 EIDL Terrorist Attack | 23.20 | 0.00 | 0.00 |
| 132001 PHY Terrorist Attack | 11.72 | 0.00 | 0.00 |
| 132901 Weighted average subsidy rate | 11.72 | 12.86 | 14.64 |
| Direct loan subsidy budget authority: | | | |
| 133001 Disaster Loan | 78 | 510 | 83 |
| 133001 EIDL Terrorist Attack | 1 | 4 | ..... |
| 133001 PHY Terrorist Attack ..... | ..... | ..... | ..... |
| 133901 Total subsidy budget authority | 79 | 514 | 83 |

| | | | |
|---|-------|-------|-------|
| Direct loan subsidy outlays: | | | |
| 134001 Disaster Loan | 58 | 390 | 64 |
| 134001 EIDL Terrorist Attack ..... | ..... | ..... | ..... |
| 134001 PHY Terrorist Attack ..... | ..... | ..... | ..... |
| 134901 Total subsidy outlays | 58 | 390 | 64 |
| Direct loan upward reestimate subsidy budget authority: | | | |
| 135001 Disaster Loan | 1,128 | 336 | ..... |
| 135901 Total upward reestimate budget authority | 1,128 | 336 | ..... |
| Direct loan downward reestimate subsidy budget authority: | | | |
| 137001 Disaster Loan | -2 | -70 | ..... |
| 137901 Total downward reestimate budget authority | -2 | -70 | ..... |
| Administrative expense data: | | | |
| 351001 Budget authority | 114 | 541 | 56 |
| 359001 Outlays from new authority | 113 | 551 | 56 |

As required by the Federal Credit Reform Act of 1990, as amended, this account records, for loans made pursuant to section 7(b) of the Small Business Act, as amended, the subsidy costs associated with the direct loans obligated in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Disaster loans made pursuant to Section 7(b) of the Small Business Act are the primary form of Federal assistance for non-farm, private sector disaster losses. For this reason, the program is the only form of SBA assistance not limited to small businesses. Through this program, SBA helps homeowners, renters, businesses of all sizes, and non-profit organizations pay for the cost of rebuilding. Pursuant to the Small Business Act, the government subsidizes borrowers who have incurred uninsured losses or economic injury as the result of a natural disaster.

For 2006, SBA will rely on anticipated carry-over balances of \$25.3 million from 2005 plus \$10 million in recoveries to support \$810 million in loans. The subsidy rate is 14.64 percent.

Object Classification (in millions of dollars)

| Identification code 73-1152-0-1-453 | 2004 actual | 2005 est. | 2006 est. |
|---|-------------|-----------|-----------|
| 25.2 Other services | 113 | 541 | 56 |
| 41.0 Grants, subsidies, and contributions | 1,208 | 837 | 83 |
| 99.9 Total new obligations | 1,321 | 1,378 | 139 |

DISASTER DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 73-4150-0-3-453 | 2004 actual | 2005 est. | 2006 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct loans | 668 | 3,966 | 810 |
| 00.02 Interest on Treasury borrowing | 335 | 600 | 300 |
| 00.03 Other | 13 | ..... | ..... |
| 00.91 Direct Program by Activities—Subtotal | 1,016 | 4,566 | 1,110 |
| 08.02 Payment of downward reestimate to a receipt account | 1 | 27 | ..... |
| 08.04 Payment of interest on downward reestimate to a receipt account | 1 | 43 | ..... |
| 08.91 Direct Program by Activities—Subtotal | 2 | 70 | ..... |
| 10.00 Total new obligations | 1,018 | 4,636 | 1,110 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1,205 | 2,844 | ..... |
| 22.00 New financing authority (gross) | 2,550 | 5,267 | 1,395 |
| 22.10 Resources available from recoveries of prior year obligations | 107 | ..... | ..... |

| | | | | |
|---|--|--------|--------|--------|
| 22.60 | Portion applied to repay debt | —3,475 | —285 | |
| 23.90 | Total budgetary resources available for obligation | 3,862 | 4,636 | 1,110 |
| 23.95 | Total new obligations | —1,018 | —4,636 | —1,110 |
| 24.40 | Unobligated balance carried forward, end of year | 2,844 | | |
| New financing authority (gross), detail: | | | | |
| Mandatory: | | | | |
| 67.10 | Authority to borrow | 782 | 3,711 | 691 |
| Spending authority from offsetting collections: | | | | |
| Discretionary: | | | | |
| 68.00 | Offsetting collections (cash) | 1,778 | 1,556 | 704 |
| 68.10 | Change in uncollected customer payments from Federal sources (unexpired) | —10 | | |
| 68.90 | Spending authority from offsetting collections (total discretionary) | 1,768 | 1,556 | 704 |
| 70.00 | Total new financing authority (gross) | 2,550 | 5,267 | 1,395 |
| Change in obligated balances: | | | | |
| 72.40 | Obligated balance, start of year | 180 | 293 | 2,003 |
| 73.10 | Total new obligations | 1,018 | 4,636 | 1,110 |
| 73.20 | Total financing disbursements (gross) | —808 | —2,926 | —1,100 |
| 73.45 | Recoveries of prior year obligations | —107 | | |
| 74.00 | Change in uncollected customer payments from Federal sources (unexpired) | 10 | | |
| 74.40 | Obligated balance, end of year | 293 | 2,003 | 2,013 |
| 87.00 | Total financing disbursements (gross) | 808 | 2,926 | 1,100 |

| | | | | |
|--|---|--------|--------|------|
| Offsets: | | | | |
| Against gross financing authority and financing disbursements: | | | | |
| Offsetting collections (cash) from: | | | | |
| 88.00 | Payments from program account | —59 | —390 | —64 |
| 88.00 | Upward reestimate | —999 | —222 | |
| 88.00 | Interest on upward reestimate | —129 | —114 | |
| 88.25 | Interest income from Treasury | —178 | —375 | —275 |
| 88.40 | Repayments of principal, net | —410 | —450 | —350 |
| 88.40 | Collection of misc. receivables | —3 | —5 | —15 |
| 88.90 | Total, offsetting collections (cash) | —1,778 | —1,556 | —704 |
| Against gross financing authority only: | | | | |
| 88.95 | Change in receivables from program accounts | 10 | | |
| Net financing authority and financing disbursements: | | | | |
| 89.00 | Financing authority | 782 | 3,711 | 691 |
| 90.00 | Financing disbursements | —971 | 1,370 | 396 |

Status of Direct Loans (in millions of dollars)

| | | | | |
|--|--|-------------|-----------|-----------|
| Identification code 73-4150-0-3-453 | | | | |
| | | 2004 actual | 2005 est. | 2006 est. |
| Position with respect to appropriations act limitation on obligations: | | | | |
| 1111 | Limitation on direct loans | | | |
| 1131 | Direct loan obligations exempt from limitation | 668 | 3,966 | 810 |
| 1150 | Total direct loan obligations | 668 | 3,966 | 810 |
| Cumulative balance of direct loans outstanding: | | | | |
| 1210 | Outstanding, start of year | 2,935 | 3,034 | 5,692 |
| 1231 | Disbursements: Direct loan disbursements | 467 | 2,900 | 1,100 |
| 1251 | Repayments: Repayments and prepayments | —316 | —200 | —350 |
| 1263 | Write-offs for default: Direct loans | —52 | —42 | —60 |
| 1290 | Outstanding, end of year | 3,034 | 5,692 | 6,382 |

As required by the Federal Credit Reform Act of 1990, as amended, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

| | | | |
|-------------------------------------|-----------------------------------|-------------|-------------|
| Identification code 73-4150-0-3-453 | | | |
| | | 2003 actual | 2004 actual |
| ASSETS: | | | |
| Federal assets: | | | |
| 1101 | Fund balances with Treasury | 1,385 | 3,137 |

| | | | |
|---|--|-------|-------|
| Investments in US securities: | | | |
| 1106 | Interest/Accounts Receivables | 64 | 375 |
| Net value of assets related to post-1991 direct loans receivable: | | | |
| 1401 | Direct loans receivable, gross | 2,935 | 3,034 |
| 1405 | Allowance for subsidy cost (-) | —630 | —613 |
| 1499 | Net present value of assets related to direct loans | 2,305 | 2,421 |
| 1504 | Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable: Foreclosed property | 1,346 | |
| 1999 | Total assets | 5,100 | 5,933 |
| LIABILITIES: | | | |
| Federal liabilities: | | | |
| 2103 | Debt | 5,081 | 5,863 |
| 2105 | Other | | 68 |
| Non-Federal liabilities: | | | |
| 2201 | Accounts payable | 13 | 2 |
| 2207 | Other | 6 | |
| 2999 | Total liabilities | 5,100 | 5,933 |
| 4999 | Total liabilities and net position | 5,100 | 5,933 |

DISASTER LOAN FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

| | | | | |
|--|--|-------------|-----------|-----------|
| Identification code 73-4153-0-3-453 | | | | |
| | | 2004 actual | 2005 est. | 2006 est. |
| Obligations by program activity: | | | | |
| 01.01 | Interest expense to Treasury | 2 | 1 | 1 |
| 01.03 | Other expenses | 1 | 2 | 2 |
| 10.00 | Total new obligations | 3 | 3 | 3 |
| Budgetary resources available for obligation: | | | | |
| 21.40 | Unobligated balance carried forward, start of year | 60 | 61 | |
| 22.00 | New budget authority from offsetting collections (gross) | 64 | 61 | 28 |
| 22.40 | Capital transfer to general fund | —60 | —119 | —25 |
| 23.90 | Total budgetary resources available for obligation | 64 | 3 | 3 |
| 23.95 | Total new obligations | —3 | —3 | —3 |
| 24.40 | Unobligated balance carried forward, end of year | 61 | | |
| New budget authority (gross), detail: | | | | |
| Mandatory: | | | | |
| 60.00 | Appropriation | 50 | 50 | 20 |
| 69.00 | Offsetting collections (cash) | 14 | 11 | 8 |
| 70.00 | Total new budget authority (gross) | 64 | 61 | 28 |
| Change in obligated balances: | | | | |
| 72.40 | Obligated balance, start of year | 4 | 3 | 2 |
| 73.10 | Total new obligations | 3 | 3 | 3 |
| 73.20 | Total outlays (gross) | —4 | —4 | —3 |
| 74.40 | Obligated balance, end of year | 3 | 2 | 2 |
| Outlays (gross), detail: | | | | |
| 86.97 | Outlays from new mandatory authority | 4 | 4 | 3 |
| Offsets: | | | | |
| Against gross budget authority and outlays: | | | | |
| Offsetting collections (cash) from: | | | | |
| 88.40 | Loan repayments | —8 | —8 | —6 |
| 88.40 | Other collection | —6 | —3 | —2 |
| 88.90 | Total, offsetting collections (cash) | —14 | —11 | —8 |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 50 | 50 | 20 |
| 90.00 | Outlays | —10 | —7 | —5 |

Status of Direct Loans (in millions of dollars)

| | | | | |
|---|----------------------------------|-------------|-----------|-----------|
| Identification code 73-4153-0-3-453 | | | | |
| | | 2004 actual | 2005 est. | 2006 est. |
| Cumulative balance of direct loans outstanding: | | | | |
| 1210 | Outstanding, start of year | 44 | 35 | 25 |

Credit accounts—Continued

DISASTER LOAN FUND LIQUIDATING ACCOUNT—Continued

Status of Direct Loans (in millions of dollars)—Continued

| Identification code 73-4153-0-3-453 | 2004 actual | 2005 est. | 2006 est. |
|---|-------------|-----------|-----------|
| 1251 Repayments: Repayments and prepayments | -8 | -8 | -6 |
| 1263 Write-offs for default: Direct loans | -1 | -2 | -1 |
| 1290 Outstanding, end of year | 35 | 25 | 18 |

As required by the Federal Credit Reform Act of 1990, as amended, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated prior to 1992. This account is shown on a cash basis. All new activity in this program in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year) is recorded in corresponding program and financing accounts.

Balance Sheet (in millions of dollars)

| Identification code 73-4153-0-3-453 | 2003 actual | 2004 actual |
|---|-------------|-------------|
| ASSETS: | | |
| 1101 Federal assets: Fund balances with Treasury | 64 | 64 |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | |
| 1601 Direct loans, gross | 46 | 35 |
| 1603 Allowance for estimated uncollectible loans and interest (-) | | -1 |
| 1699 Value of assets related to direct loans | 46 | 34 |
| 1901 Other Federal assets: Other assets | | 3 |
| 1999 Total assets | 110 | 101 |
| LIABILITIES: | | |
| Federal liabilities: | | |
| 2101 Accounts payable | 3 | 2 |
| 2105 Other | 107 | 99 |
| 2999 Total liabilities | 110 | 101 |
| 4999 Total liabilities and net position | 110 | 101 |

Object Classification (in millions of dollars)

| Identification code 73-4153-0-3-453 | 2004 actual | 2005 est. | 2006 est. |
|-------------------------------------|-------------|-----------|-----------|
| 25.2 Other services | 1 | 2 | 2 |
| 43.0 Interest and dividends | 2 | 1 | 1 |
| 99.9 Total new obligations | 3 | 3 | 3 |

POLLUTION CONTROL EQUIPMENT FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 73-4147-0-3-376 | 2004 actual | 2005 est. | 2006 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Disbursement for Guaranty Loan Claim | | 3 | 3 |
| 10.00 Total new obligations (object class 42.0) | | 3 | 3 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 3 | 3 | |
| 22.00 New budget authority (gross) | 3 | 3 | 3 |
| 22.40 Capital transfer to general fund | -3 | -3 | |
| 23.90 Total budgetary resources available for obligation | 3 | 3 | 3 |
| 23.95 Total new obligations | | -3 | -3 |
| 24.40 Unobligated balance carried forward, end of year | 3 | | |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 60.00 Appropriation | 3 | 3 | 3 |

Change in obligated balances:

| | | |
|-----------------------------------|----|----|
| 73.10 Total new obligations | 3 | 3 |
| 73.20 Total outlays (gross) | -3 | -1 |

Outlays (gross), detail:

| | | |
|--|---|---|
| 86.97 Outlays from new mandatory authority | 3 | 1 |
|--|---|---|

Net budget authority and outlays:

| | | | |
|------------------------------|---|---|---|
| 89.00 Budget authority | 3 | 3 | 3 |
| 90.00 Outlays | 3 | 3 | 1 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 73-4147-0-3-376 | 2004 actual | 2005 est. | 2006 est. |
|---|-------------|-----------|-----------|
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 8 | 6 | 4 |
| 2251 Repayments and prepayments | -4 | -1 | -2 |
| Adjustments: | | | |
| 2261 Terminations for default that result in loans receivable | | -1 | |
| 2264 Other adjustments, net | 2 | | |
| 2290 Outstanding, end of year | 6 | 4 | 2 |

Memorandum:

| | | | |
|---|---|---|---|
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 6 | 4 | 2 |
|---|---|---|---|

Addendum:

| | | | |
|--|----|----|----|
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: | | | |
| 2310 Outstanding, start of year | 49 | 49 | 52 |
| 2331 Disbursements for guaranteed loan claims | | 3 | 3 |
| 2390 Outstanding, end of year | 49 | 52 | 55 |

Public Law 94-305 established this fund to alleviate the adverse impact of pollution regulations on small businesses. As a result of the elimination of tax exempt financing associated with the Pollution Control Guaranteed program, no new activity is anticipated for this program.

Balance Sheet (in millions of dollars)

| Identification code 73-4147-0-3-376 | 2003 actual | 2004 actual |
|--|-------------|-------------|
| ASSETS: | | |
| 1101 Federal assets: Fund balances with Treasury | 3 | 3 |
| 1701 Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Defaulted guaranteed loans, gross | 16 | 16 |
| 1999 Total assets | 19 | 19 |
| LIABILITIES: | | |
| 2104 Federal liabilities: Resources payable to Treasury | 19 | 19 |
| 2999 Total liabilities | 19 | 19 |
| 4999 Total liabilities and net position | 19 | 19 |

ADMINISTRATIVE PROVISION—SMALL BUSINESS ADMINISTRATION

Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Small Business Administration in this Act may be transferred between such appropriations, but no such appropriation shall be increased by more than 10 percent by any such transfers: *Provided*, That any transfer pursuant to this paragraph shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section. (*Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2005.*)

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

| | 2004 actual | 2005 est. | 2006 est. |
|--|-------------|-----------|-----------|
| Offsetting receipts from the public: | | | |
| 73-272130 Disaster loan program, Downward reestimates of subsidies | 2 | 70 | ..... |
| 73-272230 Business loan program, Downward reestimates of subsidies | 228 | 470 | ..... |
| General Fund Offsetting receipts from the public | 239 | 549 | ..... |