

## SMALL BUSINESS ADMINISTRATION

For 2004, the Small Business Administration (SBA) budget requests \$797.9 million in new budget authority. SBA's continuing operations will provide over \$20 billion in new loans to small businesses, funding for non-credit programs, and funding for the disaster loan program. SBA has revised its 7(a) loan subsidy model to more accurately reflect the costs of the 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 105-135, 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, \$360,155,000: 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 \$88,000,000 shall be available to fund grants for performance in fiscal year 2004 or fiscal year 2005 as authorized by section 21 of the Small Business Act, as amended. In addition to amounts otherwise available from collections, 5 percent of such collections, not to exceed \$3,000,000, for qualified expenses of delinquent non-tax debt collection.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

#### Program and Financing (in millions of dollars)

Identification code 73-0100-0-1-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Government contracting and minority enterprise development .....	31	32	32
00.02 Disaster assistance .....	121	134	108
00.04 Management and administration .....	111	114	116
00.05 Executive direction .....	4	4	5
00.06 General counsel .....	8	8	9
00.07 Congressional and legislative affairs .....	1	1	1
00.08 Hearings and appeals .....	1	1	1
00.09 Communications and publications .....	3	3	3
00.11 Advocacy .....	5	7	8
00.12 Field operations .....	2	1	1
00.13 Equal employment opportunity and civil rights compliance .....	2	2	2
00.14 Regional and district offices .....	140	150	152
00.15 Chief financial officer .....	9	9	9
00.16 Capital Access .....	55	79	48
00.17 Entrepreneurial development .....	116	115	114
00.18 Small disadvantaged businesses .....	1	2	2
00.19 Veteran's Business Development .....	1	1	1
10.00 Total new obligations .....	611	663	612
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	41	56	1
22.00 New budget authority (gross) .....	632	608	612
23.90 Total budgetary resources available for obligation .....	673	664	613
23.95 Total new obligations .....	-611	-663	-612
23.98 Unobligated balance expiring or withdrawn .....	-6	.....	.....
24.40 Unobligated balance carried forward, end of year .....	56	1	1
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	338	353	360
42.00 Transferred from other accounts .....	3	.....	.....
43.00 Appropriation (total discretionary) .....	341	353	360

68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	291	255	252
70.00	Total new budget authority (gross) .....	632	608	612

<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	311	292	390
73.10	Total new obligations .....	611	663	612
73.20	Total outlays (gross) .....	-628	-565	-607
73.40	Adjustments in expired accounts (net) .....	-3	.....	.....
74.40	Obligated balance, end of year .....	292	390	395

<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	499	449	450
86.93	Outlays from discretionary balances .....	129	116	157
87.00	Total outlays (gross) .....	628	565	607

<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Federal sources:				
88.00	Payments from business loan program account .....	-129	-129	-129
88.00	Payments from disaster loan program account .....	-157	-121	-118
88.00	Federal sources .....	-4	-2	-2
88.40	Non-Federal sources .....	-3	-3	-3
88.90	Total, offsetting collections (cash) .....	-293	-255	-252
Against gross budget authority only:				
88.96	Portion of offsetting collections (cash) credited to expired accounts .....	2	.....	.....

<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	341	353	360
90.00	Outlays .....	334	310	355

<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>				
99.00	Budget authority .....	9	9	9
99.01	Outlays .....	9	9	9

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	2002 actual	2003 est.	2004 est.	
<b>Personnel compensation:</b>				
11.1	Full-time permanent .....	179	192	200
11.3	Other than full-time permanent .....	8	8	8
11.5	Other personnel compensation .....	4	3	3
11.9	Total personnel compensation .....	191	203	211
12.1	Civilian personnel benefits .....	45	50	49
21.0	Travel and transportation of persons .....	4	5	4
22.0	Transportation of things .....	.....	3	.....
23.1	Rental payments to GSA .....	31	32	36
23.3	Communications, utilities, and miscellaneous charges .....	4	4	6
24.0	Printing and reproduction .....	1	1	1
25.2	Other services .....	42	72	67
Other purchases of goods and services from Government accounts:				
25.3	Other purchases of goods and services from Government accounts (disaster loan making) .....	94	104	80
25.3	Other purchases of goods and services from Government accounts (disaster loan serv) .....	27	30	28
26.0	Supplies and materials .....	2	.....	.....
31.0	Equipment .....	2	.....	.....
41.0	Grants, subsidies, and contributions .....	168	159	130
99.9	Total new obligations .....	611	663	612

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

**Personnel Summary**

Identification code 73-0100-0-1-376	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	3,843	3,802	3,802

*Note.*—The personnel summary includes regular (non-disaster) full-time equivalents (FTEs) of 2761, 2634, and 2634 in 2002, 2003, and 2004 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, as amended (5 U.S.C. App.), \$14,500,000.*

*Note.*—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**Program and Financing (in millions of dollars)**

Identification code 73-0200-0-1-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 General Office .....	1	1	1
00.02 Audit .....	5	6	6
00.03 Investigations .....	5	7	7
00.04 Management / Legal Counsel / Inspection and Evaluation .....	1	1	1
10.00 Total new obligations .....	12	15	15
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	12	15	15
23.95 Total new obligations .....	-12	-15	-15
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	11	14	14
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1	1	1
70.00 Total new budget authority (gross) .....	12	15	15
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	12	15	15
73.20 Total outlays (gross) .....	-12	-14	-15
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	12	14	14
86.93 Outlays from discretionary balances .....			1
87.00 Total outlays (gross) .....	12	14	15
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Payments from disaster loan program account .....	-1	-1	-1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	11	14	14
90.00 Outlays .....	13	13	14
<b>Additional net budget authority and outlays to cover cost of fully accruing retirement:</b>			
99.00 Budget authority .....	1	1	1
99.01 Outlays .....	1	1	1

The budget proposes \$14.5 million in new budget authority and \$500 thousand transferred from the Disaster Loans Program account for a total of \$15.0 million for the Office of Inspector General (OIG) for 2004. This appropriation provides funds for agency-wide audit, investigative, and inspection/evaluation 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	2002 actual	2003 est.	2004 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	8	9	9
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	9	10	10
12.1 Civilian personnel benefits .....	2	2	2
25.1 Advisory and assistance services .....	1	3	3
99.9 Total new obligations .....	12	15	15

**Personnel Summary**

Identification code 73-0200-0-1-376	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment .....	108	125	125

**Public enterprise funds:**

**SURETY BOND GUARANTEES REVOLVING FUND**

**Program and Financing (in millions of dollars)**

Identification code 73-4156-0-3-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable obligations .....	6	9	11
10.00 Total new obligations (object class 42.0) .....	6	9	11
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	26	26	23
22.00 New budget authority (gross) .....	6	6	7
23.90 Total budgetary resources available for obligation .....	32	32	30
23.95 Total new obligations .....	-6	-9	-11
24.40 Unobligated balance carried forward, end of year .....	26	23	20
<b>New budget authority (gross), detail:</b>			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	6	6	7
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1	1	1
73.10 Total new obligations .....	6	9	11
73.20 Total outlays (gross) .....	-6	-9	-10
74.40 Obligated balance, end of year .....	1	1	1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	6	6	7
86.93 Outlays from discretionary balances .....		3	3
87.00 Total outlays (gross) .....	6	9	10
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-6	-6	-7
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-1	3	3

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 2004, the budget proposes a \$1.7 billion program level that is anticipated to be sufficient to accommodate demand from prior-approval and preferred sureties. This program does not require a subsidy appropriation.

Statement of Operations (in millions of dollars)

Identification code 73-4156-0-3-376	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue	3	6	6	7
0102 Expense	-10	-6	-9	-11
0105 Net income or loss (-)	-7		-3	-4

Balance Sheet (in millions of dollars)

Identification code 73-4156-0-3-376	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury	26	27	25	24
Investments in US securities:				
1106 Receivables, net	6	5	5	6
1999 Total assets	32	32	30	30
<b>LIABILITIES:</b>				
2201 Non-Federal liabilities: Accounts payable	14	16	17	15
2999 Total liabilities	14	16	17	15
<b>NET POSITION:</b>				
3100 Appropriated capital	293	289	332	333
3300 Cumulative results of operations	-275	-273	-319	-318
3999 Total net position	18	16	13	15
4999 Total liabilities and net position	32	32	30	30

Credit accounts:

BUSINESS LOANS PROGRAM ACCOUNT

For the cost of direct loans, \$1,910,000, to be available until expended; and for the cost of guaranteed loans, \$94,860,000, as authorized by 15 U.S.C. 631 note, of which \$45,000,000 shall remain available until September 30, 2005: 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, as amended: Provided further, That during fiscal year 2004 commitments to guarantee loans under section 503 of the Small Business Investment Act of 1958, as amended (the Act), shall not exceed \$4,500,000,000: Provided further, That during fiscal year 2004 commitments to guarantee loans for debentures and participating securities under section 303(b) of the Act shall not exceed the levels established by section 20(i)(1)(C) of the Small Business Act: Provided further, That during fiscal year 2004 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.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, \$129,000,000, which may be transferred to and merged with the appropriations for Salaries and Expenses.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 73-1154-0-1-376	2002 actual	2003 est.	2004 est.
0102 Negative subsidies/subsidy reestimates	389	258	

Program and Financing (in millions of dollars)

Identification code 73-1154-0-1-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loan subsidy	1	4	3
00.02 Guaranteed loan subsidy	129	85	95
00.05 Reestimate of direct loan	1	2	
00.06 Interest on direct loan reestimation		2	
00.07 Reestimate of loan guarantee subsidy	72	526	
00.08 Interest on reestimates of loan guarantee subsidy	19	163	
00.09 Administrative expenses	129	129	129
10.00 Total new obligations	351	911	227
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	54	73	73

22.00 New budget authority (gross)	370	911	226
23.90 Total budgetary resources available for obligation	424	984	299
23.95 Total new obligations	-351	-911	-227
24.40 Unobligated balance carried forward, end of year	73	73	72

New budget authority (gross), detail:

<b>Discretionary:</b>			
Appropriation:			
40.00 Appropriation	209	218	226
40.00 Appropriation (terrorism)	75		
40.36 Unobligated balance rescinded	-6		
43.00 Appropriation (total discretionary)	278	218	226
<b>Mandatory:</b>			
60.00 Appropriation	92	693	
70.00 Total new budget authority (gross)	370	911	226

Change in obligated balances:

72.40 Obligated balance, start of year	93	98	78
73.10 Total new obligations	351	911	227
73.20 Total outlays (gross)	-346	-933	-223
74.40 Obligated balance, end of year	98	78	82

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	146	137	142
86.93 Outlays from discretionary balances	108	103	81
86.97 Outlays from new mandatory authority	92	693	
87.00 Total outlays (gross)	346	933	223

Net budget authority and outlays:

89.00 Budget authority	370	911	226
90.00 Outlays	346	933	223

Additional net budget authority and outlays to cover cost of fully accruing retirement:

99.00 Budget authority	4	4	4
99.01 Outlays	4	4	4

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

Identification code 73-1154-0-1-376	2002 actual	2003 est.	2004 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
115001 Micro loans	16	27	20
115901 Total direct loan levels	16	27	20
<b>Direct loan subsidy (in percent):</b>			
132001 Micro loans	6.78	13.05	9.55
132901 Weighted average subsidy rate	6.78	13.05	9.55
<b>Direct loan subsidy budget authority:</b>			
133001 Micro loans	1	4	2
133901 Total subsidy budget authority	1	4	2
<b>Direct loan subsidy outlays:</b>			
134001 Micro loans	1	2	1
134901 Total subsidy outlays	1	2	1
<b>Direct loan upward reestimate subsidy budget authority:</b>			
135001 Micro loans	1	4	
135901 Total upward reestimate budget authority	1	4	
<b>Direct loan upward reestimate subsidy outlays:</b>			
136001 Micro loans	1	4	
136901 Total upward reestimate outlays	1	4	
<b>Direct loan downward reestimate subsidy budget authority:</b>			
137001 Micro loans	-4	-2	
137901 Total downward reestimate budget authority	-4	-2	
<b>Direct loan downward reestimate subsidy outlays:</b>			
138001 Micro loans	-4	-2	
138901 Total downward reestimate subsidy outlays	-4	-2	
<b>Guaranteed loan levels supportable by subsidy budget authority:</b>			
215001 Microloan guarantees	2	2	2
215002 General business—7(a)	9,287	4,850	9,300
215002 General business—7(a)—terrorist response	1,779	2,544	
215003 General business—7(a) DELTA	1	20	
215004 Section 504	2,467	4,500	4,500

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	2002 actual	2003 est.	2004 est.
215005 Section 504 DELTA .....		3	
215006 SBIC debentures .....	411	3,000	3,000
215007 SBIC participating securities .....	1,300	4,000	4,000
215008 New Market Venture Capital .....	19	64	
215009 7(a) secondary market .....			
<b>215901 Total loan guarantee levels .....</b>	<b>15,266</b>	<b>18,983</b>	<b>20,802</b>
Guaranteed loan subsidy (in percent):			
232001 Microloan guarantees .....	8.17	8.42	8.66
232002 General business—7(a) .....	1.07	1.76	1.02
232002 General business—7(a) — terrorist response .....	1.67	1.78	0.00
232003 General business—7(a) DELTA .....	1.73	2.40	1.56
232004 Section 504 .....	0.00	0.00	0.00
232005 Section 504 DELTA .....	0.84	0.88	0.86
232006 SBIC debentures .....	0.00	0.00	0.00
232007 SBIC participating securities .....	0.00	0.00	0.00
232008 New Market Venture Capital .....	14.47	15.46	16.05
232009 7(a) secondary market .....	0.00	0.00	66.04
<b>232901 Weighted average subsidy rate .....</b>	<b>0.86</b>	<b>0.45</b>	<b>0.46</b>
Guaranteed loan subsidy budget authority:			
233001 Microloan guarantees .....			
233002 General business—7(a) .....	99	85	95
233002 General business—7(a) — terrorist response .....	30		
233003 General business—7(a) DELTA .....			
233004 Section 504 .....			
233005 Section 504 DELTA .....			
233006 SBIC debentures .....			
233007 SBIC participating securities .....			
233008 New Market Venture Capital .....	3		
233009 7(a) secondary market .....			
<b>233901 Total subsidy budget authority .....</b>	<b>132</b>	<b>85</b>	<b>95</b>
Guaranteed loan subsidy outlays:			
234001 Microloan guarantees .....			
234002 General business—7(a) .....	96	81	86
234002 General business—7(a) — terrorist response .....	24	16	
234003 General business—7(a) DELTA .....	1	1	1
234004 Section 504 .....			
234005 Section 504 DELTA .....			
234006 SBIC debentures .....			
234007 SBIC participating securities .....			
234008 New Market Venture Capital .....	3	9	7
234009 7(a) secondary market .....			
<b>234901 Total subsidy outlays .....</b>	<b>124</b>	<b>107</b>	<b>94</b>
Guaranteed loan upward reestimate subsidy budget authority:			
235001 Microloan guarantees .....			
235002 General business—7(a) .....	5	189	
235003 General business—7(a) DELTA .....			
235004 Section 504 .....	23	146	
235005 Section 504 DELTA .....			
235006 SBIC debentures .....	10	27	
235007 SBIC participating securities .....	53	327	
<b>235901 Total upward reestimate budget authority .....</b>	<b>91</b>	<b>689</b>	
Guaranteed loan upward reestimate subsidy outlays:			
236001 Microloan guarantees .....			
236002 General business—7(a) .....	5	189	
236003 General business—7(a) DELTA .....			
236004 Section 504 .....	23	146	
236005 Section 504 DELTA .....			
236006 SBIC debentures .....	10	27	
236007 SBIC participating securities .....	53	327	
<b>236901 Total upward reestimate subsidy outlays .....</b>	<b>91</b>	<b>689</b>	
Guaranteed loan downward reestimate subsidy budget authority:			
237001 Microloan guarantees .....			
237002 General business—7(a) .....	-182	-158	
237003 General business—7(a) DELTA .....			
237004 Section 504 .....	-112	-10	
237005 Section 504 DELTA .....			
237006 SBIC debentures .....	-52	-34	
237007 SBIC participating securities .....	-38	-54	
<b>237901 Total downward reestimate subsidy budget authority .....</b>	<b>-384</b>	<b>-256</b>	
Guaranteed loan downward reestimate subsidy outlays:			
238001 Microloan guarantees .....			

238002 General business—7(a) .....	-182	-158	
238003 General business—7(a) DELTA .....			
238004 Section 504 .....	-112	-10	
238005 Section 504 DELTA .....			
238006 SBIC debentures .....	-52	-34	
238007 SBIC participating securities .....	-38	-54	
<b>238901 Total downward reestimate subsidy outlays .....</b>	<b>-384</b>	<b>-256</b>	
Administrative expense data:			
351001 Budget authority .....	129	129	129
358001 Outlays from balances .....			
359001 Outlays from new authority .....	129	129	129

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 2004, the budget proposes \$225.8 million in new budget authority for the Business Loans Program account. This amount will be used to administer the loan programs and support 7(a) loans and the Microloan Direct program. For all other loan programs, borrowers fees are sufficient to cover subsidy obligations.

The Section 7(a) program provides general business credit assistance. The requested program level for 2004 is \$9.3 billion. The Section 504 CDC Program is for long-term fixed rate financing and will require a program level of \$4.5 billion in 2004. The Small Business Investment Companies (SBIC) program provides debt and equity capital. The budget proposes a program level of \$4 billion for SBIC Participating Securities and \$3 billion for SBIC Debentures. The Microloan Direct program provides loans of \$35,000 or less through intermediaries.

The Master Reserve Fund (MRF) is maintained by the SBA's fiscal agent as part of its Administration of the 7(a) secondary market program. The MRF 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 balances include the principal portion of the borrowers' first payment for pooled loans and float on borrowers' payments received prior to their disbursement to the secondary holders. The earnings on the balances are used to fund the SBA's guarantee of the timely payment of principal and interest owed to the 7(a) secondary market holders and to pay expenses of the MRF trustee and investment advisor.

To improve financial management of the MRF, SBA will budget for the 7(a) secondary market program in accordance with the Federal Credit Reform Act. SBA will refine its subsidy estimates and account for loans in both financing and liquidating accounts. The 7(a) secondary market has approximately \$12 billion of currently outstanding investments held by 7(a) secondary holders.

Object Classification (in millions of dollars)

Identification code 73-1154-0-1-376	2002 actual	2003 est.	2004 est.
25.2 Other services .....	129	129	129
41.0 Grants, subsidies, and contributions .....	222	782	98
<b>99.9 Total new obligations .....</b>	<b>351</b>	<b>911</b>	<b>227</b>

**BUSINESS DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 73-4148-0-3-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loans .....	16	27	20
00.02 Interest on Treasury borrowing .....	29	35	33
00.91 Direct Program by Activities—Subtotal (1 level)	45	62	53
08.02 Payment of downward reestimate to a receipt account	3	1	.....
08.04 Payment of interest on downward reestimate to a receipt account .....	1	1	.....
08.91 Direct Program by Activities—Subtotal (1 level)	4	2	.....
10.00 Total new obligations .....	49	64	53
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	317	309	.....
22.00 New financing authority (gross) .....	55	98	74
22.10 Resources available from recoveries of prior year obligations .....	3	.....	.....
22.60 Portion applied to repay debt .....	-17	-341	-21
23.90 Total budgetary resources available for obligation	358	66	53
23.95 Total new obligations .....	-49	-64	-53
24.40 Unobligated balance carried forward, end of year .....	309	.....	.....
<b>New financing authority (gross), detail:</b>			
Discretionary:			
47.00 Authority to borrow .....	24	23	17
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	69	75	57
68.10 Change in receivables from program account .....	-38	.....	.....
68.90 Spending authority from offsetting collections (total discretionary) .....	31	75	57
70.00 Total new financing authority (gross) .....	55	98	74
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	39	23	8
73.10 Total new obligations .....	49	64	53
73.20 Total financing disbursements (gross) .....	-100	-80	-61
73.45 Recoveries of prior year obligations .....	-3	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	38	.....	.....
74.40 Obligated balance, end of year .....	23	8	.....
87.00 Total financing disbursements (gross) .....	100	80	61

**Offsets:**

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Federal sources: Payments from program account .....	-1	-2	-1
88.00 Upward reestimate .....	-1	-2	.....
88.00 Interest on reestimate .....	-2	.....	.....
88.25 Interest on uninvested funds .....	-12	-13	-14
Non-Federal sources:			
88.40 Repayments of principal, net .....	-16	-17	-18
88.40 Misc. fees .....	-1	.....	.....
88.40 Interest received on loans .....	-2	-4	-3
88.40 Other income .....	-36	-35	-21
88.90 Total, offsetting collections (cash) .....	-69	-75	-57
Against gross financing authority only:			
88.95 Change in receivables from program accounts .....	38	.....	.....

**Net financing authority and financing disbursements:**

89.00 Financing authority .....	24	23	17
90.00 Financing disbursements .....	31	5	4

**Status of Direct Loans** (in millions of dollars)

Identification code 73-4148-0-3-376	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	16	27	20
1150 Total direct loan obligations .....	16	27	20

Cumulative balance of direct loans outstanding:

1210 Outstanding, start of year .....	107	119	122
1231 Disbursements: Direct loan disbursements .....	25	18	19
1251 Repayments: Repayments and prepayments .....	-13	-10	-11
1263 Write-offs for default: Direct loans .....	.....	-5	-6
1290 Outstanding, end of year .....	119	122	124

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	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	305	333	339	346
Investments in US securities:				
1106 Receivables, net .....	41	4	6	8
Non-Federal assets:				
1206 Receivables, net .....	30	1	2	3
1207 Advances and prepayments .....	.....	1	.....	.....
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	107	119	122	124
1405 Allowance for subsidy cost (-) .....	-3	-10	-12	-14
1499 Net present value of assets related to direct loans .....	104	109	110	110
1504 Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable: Foreclosed property .....	.....	.....	.....	.....
1999 Total assets .....	480	448	457	467
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable .....	43	1	3	5
2103 Debt .....	437	443	451	459
2207 Non-Federal liabilities: Other .....	.....	4	3	3
2999 Total liabilities .....	480	448	457	467
4999 Total liabilities and net position .....	480	448	457	467

**BUSINESS GUARANTEED LOAN FINANCING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 73-4149-0-3-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Default claims .....	1,253	1,390	995
00.05 Other Expenses .....	5	10	13
00.91 Direct Program by Activities—Subtotal (1 level)	1,258	1,400	1,008
08.02 Payment of downward reestimate to receipt account	298	222	.....
08.03 Payment to liquidating account to purchase loan assets (73-4154) .....	19	.....	.....
08.04 Payment of interest on downward reestimate to receipt account .....	86	34	.....
08.91 Direct Program by Activities—Subtotal (1 level)	403	256	.....
10.00 Total new obligations .....	1,661	1,656	1,008
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	136	183	292
22.00 New financing authority (gross) .....	1,708	1,764	931
23.90 Total budgetary resources available for obligation	1,844	1,947	1,223
23.95 Total new obligations .....	-1,661	-1,656	-1,008
24.40 Unobligated balance carried forward, end of year .....	183	292	215
<b>New financing authority (gross), detail:</b>			
Discretionary:			
47.00 Authority to borrow .....	850	150	250
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	872	1,614	681

**Credit accounts—Continued**

**BUSINESS GUARANTEED LOAN FINANCING ACCOUNT—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 73-4149-0-3-376	2002 actual	2003 est.	2004 est.
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	- 14		
68.90 Spending authority from offsetting collections (total discretionary) .....	858	1,614	681
70.00 Total new financing authority (gross) .....	1,708	1,764	931
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	- 8	69	98
73.10 Total new obligations .....	1,661	1,656	1,008
73.20 Total financing disbursements (gross) .....	- 1,598	- 1,627	- 907
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	14		
74.40 Obligated balance, end of year .....	69	98	199
87.00 Total financing disbursements (gross) .....	1,598	1,627	907
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Payments from program account .....	- 124	- 107	- 94
88.00 Upward reestimate .....	- 72	- 526	
88.00 Interest on reestimate .....	- 19	- 163	
88.25 Interest on uninvested funds .....	- 45	- 48	- 48
Non-Federal sources:			
88.40 Fees .....	- 314	- 300	- 35
88.40 Recoveries .....	- 209	- 279	- 302
88.40 Proceeds from loan asset sales .....	- 53		
88.40 Other .....	- 36	- 191	- 202
88.90 Total, offsetting collections (cash) .....	- 872	- 1,614	- 681
Against gross financing authority only:			
88.95 Change in receivables from program accounts .....	14		
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	850	150	250
90.00 Financing disbursements .....	726	13	226

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 73-4149-0-3-376	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	15,266	18,983	20,802
2150 Total guaranteed loan commitments .....	15,266	18,983	20,802
2199 Guaranteed amount of guaranteed loan commitments .....	12,213	15,186	16,642
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	35,107	40,023	41,933
2231 Disbursements of new guaranteed loans .....	12,342	10,111	10,741
2251 Repayments and prepayments .....	- 7,427	- 7,481	- 8,138
Adjustments:			
2261 Terminations for default that result in loans receivable .....	- 922	- 684	- 698
2264 Other adjustments, net .....	923	- 36	- 37
2290 Outstanding, end of year .....	40,023	41,933	43,801
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	32,018	33,546	35,041
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year .....	966	1,304	1,556
2331 Disbursements for guaranteed loan claims .....	922	684	698
2351 Repayments of loans receivable .....	- 212	- 218	- 223
2361 Write-offs of loans receivable .....	- 105	- 74	- 75
2364 Other adjustments, net .....	- 267	- 140	- 143
2390 Outstanding, end of year .....	1,304	1,556	1,813

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	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	924	253	360	490
Investments in US securities:				
1106 Receivables, net .....	179	669	799	700
Non-Federal assets:				
1206 Receivables, net .....		61	76	61
1207 Advances and prepayments .....	245		2	
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501 Defaulted guaranteed loans receivable, gross .....	966	1,304	1,556	1,813
1505 Allowance for subsidy cost (-) .....	- 32	- 36	- 90	- 95
1599 Net present value of assets related to defaulted guaranteed loans .....	934	1,268	1,466	1,718
1901 Other Federal assets: Public and other .....	238	377	143	
1999 Total assets .....	2,520	2,628	2,846	2,969
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable .....		73	89	75
2103 Debt .....		850	875	900
2105 Other .....		251	238	338
Non-Federal liabilities:				
2201 Accounts payable .....		103	115	147
2204 Liabilities for loan guarantees .....	2,520	1,358	1,455	1,458
2207 Other .....		- 7	74	51
2999 Total liabilities .....	2,520	2,628	2,846	2,969
4999 Total liabilities and net position .....	2,520	2,628	2,846	2,969

**BUSINESS LOAN FUND LIQUIDATING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 73-4154-0-3-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Interest Expense to Treasury .....	15	8	5
00.03 Msc. program expenses .....	45	85	60
00.05 Guaranteed loan default claims .....	414	147	85
10.00 Total new obligations .....	474	240	150
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	289	257	
22.00 New budget authority (gross) .....	175	113	85
22.10 Resources available from recoveries of prior year obligations .....	647		76
22.40 Capital transfer to general fund .....	- 350	- 115	
22.60 Portion applied to repay debt to FFB .....	- 30	- 15	- 11
23.90 Total budgetary resources available for obligation .....	731	240	150
23.95 Total new obligations .....	- 474	- 240	- 150
24.40 Unobligated balance carried forward, end of year .....	257		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	171	113	85
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....	4		
69.90 Spending authority from offsetting collections (total mandatory) .....	175	113	85
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	388	109	259
73.10 Total new obligations .....	474	240	150
73.20 Total outlays (gross) .....	- 102	- 90	- 68

73.45	Recoveries of prior year obligations .....	-647		-76
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	-4		
74.40	Obligated balance, end of year .....	109	259	265
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....	102	90	68
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Loan repayments:				
Non-Federal sources:				
88.40	Financing programs-principal .....	-44	-32	-24
88.40	Investment programs-principal .....	-20	-11	-8
88.40	Interest Income-Business .....	-5	-4	-3
88.40	Interest income-Investment .....	-3	-2	-1
88.40	collection on FFB loans .....	-30	-15	-11
88.40	Other Income-both Business and Investment .....	-50	-49	-38
88.40	Asset sale proceeds .....	-19		
88.90	Total, offsetting collections (cash) .....	-171	-113	-85
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	-4		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....	-68	-23	-17

**Status of Direct Loans (in millions of dollars)**

Identification code 73-4154-0-3-376	2002 actual	2003 est.	2004 est.	
<b>Business Loan Fund, Direct Loans</b>				
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	204	148	113
1232	Disbursements: Purchase of loans assets from the public .....	7	11	10
Repayments:				
1251	Repayments and prepayments .....	-44	-35	-32
1252	Proceeds from loan asset sales to the public or discounted .....	-6		
1262	Adjustments: Discount on loan asset sales to the public or discounted .....			
1263	Write-offs for default: Direct loans .....	-13	-11	-9
1290	Outstanding, end of year .....	148	113	82
<b>Small Business Investment Company, Direct Loans</b>				
<b>Section 503 Development Company, Direct Loans</b>				
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	133	103	88
1251	Repayments: Repayments and prepayments .....	-30	-15	-11
1290	Outstanding, end of year .....	103	88	77

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 73-4154-0-3-376	2002 actual	2003 est.	2004 est.	
<b>Business Loan Fund, Loan Guarantees</b>				
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year .....	1,501	1,067	812
2251	Repayments and prepayments .....	-418	-244	-191
Adjustments:				
2261	Terminations for default that result in loans receivable .....	-11	-11	-10
2264	Other adjustments, net .....	-5		
2290	Outstanding, end of year .....	1,067	812	611
<b>Memorandum:</b>				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	938	715	538

**Addendum:**

Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year .....	378	357	328
2331	Disbursements for guaranteed loan claims .....	11	11	10
2351	Repayments of loans receivable .....	-18	-24	-19
2361	Write-offs of loans receivable .....	-6	-11	-8
2364	Other adjustments, net .....	-8	-5	-4

2390	Outstanding, end of year .....	357	328	307
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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.

**Statement of Operations (in millions of dollars)**

Identification code 73-4154-0-3-376	2001 actual	2002 actual	2003 est.	2004 est.	
0101	Revenue .....	24	26	20	15
0102	Expense .....	-154	-22	-16	-10
0105	Net income or loss (-) .....	-130	4	4	5

**Balance Sheet (in millions of dollars)**

Identification code 73-4154-0-3-376	2001 actual	2002 actual	2003 est.	2004 est.	
<b>ASSETS:</b>					
Federal assets:					
1101	Fund balances with Treasury .....	676	365	254	225
Investments in US securities:					
1104	Agency securities, par .....	490			
1106	Receivables, net .....		5	4	3
1107	Advances and prepayments .....	3	4	2	1
Non-Federal assets:					
1206	Receivables, net .....	50	12	59	49
1207	Advances and prepayments .....	8		2	
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1601	Direct loans, gross .....	337	251	202	160
1603	Allowance for estimated uncollectible loans and interest (-) .....	-26	-74	-30	-8
1699	Value of assets related to direct loans .....	311	177	172	152
Other Federal assets:					
Other assets:					
1901	Other assets .....	88	207	30	13
1901	Other assets 7(a) secondary market .....		296	296	296
1999	Total assets .....	1,626	1,066	819	739
<b>LIABILITIES:</b>					
Federal liabilities:					
2101	Accounts payable .....	27	19	15	39
2102	Interest payable .....		73	62	50
2103	Debt to the FFB .....	133	29	15	11
2105	Other Liabilities .....	987	380	156	146
Non-Federal liabilities:					
2201	Accounts payable .....	4	233	35	25
Liabilities for loan guarantees:					
2204	Liabilities for loan guarantees .....			12	6
2204	Liabilities for 7(a) secondary market .....		314	314	314
2207	Other Liabilities .....	475	36	228	166
2999	Total liabilities .....	1,626	1,084	837	757
<b>NET POSITION:</b>					
3300	Cumulative results of operations .....		-18	-18	-18
3999	Total net position .....		-18	-18	-18
4999	Total liabilities and net position .....	1,626	1,066	819	739

**Object Classification (in millions of dollars)**

Identification code 73-4154-0-3-376	2002 actual	2003 est.	2004 est.	
42.0	Insurance claims and indemnities .....	459	232	145
43.0	Interest and dividends .....	15	8	5
99.9	Total new obligations .....	474	240	150

**Credit accounts—Continued**

**DISASTER LOANS PROGRAM ACCOUNT**

For the cost of direct loans authorized by section 7(b) of the Small Business Act, as amended, \$79,109,000, 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, as amended.

In addition, for administrative expenses to carry out the direct loan program, \$118,354,000, which may be transferred to and merged with appropriations for Salaries and Expenses, of which \$500,000 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 \$108,000,000 is for direct administrative expenses of loan making and servicing to carry out the direct loan program; and of which \$9,854,000 is for indirect administrative expenses: Provided, That any amount in excess of \$9,854,000 to be transferred to and merged with appropriations for Salaries and Expenses for indirect administrative expenses shall be treated as a re-programming 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.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

**General Fund Credit Receipt Accounts (in millions of dollars)**

Identification code 73-1152-0-1-453	2002 actual	2003 est.	2004 est.
0102 Disaster loans program, downward reestimates of subsidies .....	14	42	

**Program and Financing (in millions of dollars)**

Identification code 73-1152-0-1-453	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loan subsidy .....	217	76	79
00.05 Upward reestimate of direct loans .....		305	
00.06 Interest on upward reestimates of direct loans .....		163	
00.09 Administrative expense .....	157	122	118
00.91 Direct Program by Activities—Subtotal (1 level) .....	374	666	197
08.03 Gain sharing to Salaries .....		3	
10.00 Total new obligations .....	374	669	197

**Budgetary resources available for obligation:**

21.40 Unobligated balance carried forward, start of year .....	131	71	73
22.00 New budget authority (gross) .....	282	665	198
22.10 Resources available from recoveries of prior year obligations .....	32	6	
23.90 Total budgetary resources available for obligation .....	445	742	271
23.95 Total new obligations .....	-374	-669	-197
24.40 Unobligated balance carried forward, end of year .....	71	73	74

**New budget authority (gross), detail:**

<b>Discretionary:</b>			
<b>Appropriation:</b>			
40.00 Appropriation .....	210	194	198
40.00 Appropriation-Terrorism .....	75		
41.00 Transferred to other accounts .....	-3		
43.00 Appropriation (total discretionary) .....	282	194	198
<b>Mandatory:</b>			
60.00 Appropriation .....		468	
<b>Discretionary:</b>			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....		3	
70.00 Total new budget authority (gross) .....	282	665	198

**Change in obligated balances:**

72.40 Obligated balance, start of year .....	68	38	12
73.10 Total new obligations .....	374	669	197
73.20 Total outlays (gross) .....	-372	-689	-198
73.45 Recoveries of prior year obligations .....	-32	-6	
74.40 Obligated balance, end of year .....	38	12	11

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	217	151	152
86.93 Outlays from discretionary balances .....	155	70	46
86.97 Outlays from new mandatory authority .....		468	
87.00 Total outlays (gross) .....	372	689	198

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources .....		-3	

**Net budget authority and outlays:**

89.00 Budget authority .....	282	662	198
90.00 Outlays .....	372	686	198

**Additional net budget authority and outlays to cover cost of fully accruing retirement:**

99.00 Budget authority .....	3	3	3
99.01 Outlays .....	3	3	3

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

Identification code 73-1152-0-1-453	2002 actual	2003 est.	2004 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
115001 Disaster Loan .....	844	544	760
115001 EIDL Terrorist Attack .....	375	169	
115001 PHY Terrorist Attack .....	43	18	
115901 Total direct loan levels .....	1,262	731	760
<b>Direct loan subsidy (in percent):</b>			
132001 Direct loan levels .....	14.67	13.98	11.72
132001 Direct Loans — EIDL Terrorist attack .....	23.16	23.20	0.00
132001 PHY Terrorist Attack .....	14.67	13.98	0.00
132901 Weighted average subsidy rate .....	17.19	16.14	10.39
<b>Direct loan subsidy budget authority:</b>			
133001 Direct loan levels .....	124	76	79
133001 Direct Loans — EIDL Terrorist attack .....	87	39	
133001 PHY Terrorist Attack .....	6	3	
133901 Total subsidy budget authority .....	217	118	79
<b>Direct loan subsidy outlays:</b>			
134001 Direct loan levels .....	124	89	76
134001 Direct Loans — EIDL Terrorist attack .....	87	12	
134001 Direct loan — PHY Terrorist attack .....	6		
134901 Total subsidy outlays .....	217	101	76
<b>Direct loan upward reestimate subsidy budget authority:</b>			
135001 Direct loan levels .....		468	
135901 Total upward reestimate budget authority .....		468	
<b>Direct loan upward reestimate subsidy outlays:</b>			
136001 Direct loan levels .....		468	
136901 Total upward reestimate outlays .....		468	
<b>Direct loan downward reestimate subsidy budget authority:</b>			
137001 Disaster Loan .....	-14	-42	
137901 Total downward reestimate budget authority .....	-14	-42	
<b>Direct loan downward reestimate subsidy outlays:</b>			
138001 Disaster Loan .....	-14	-42	
138901 Total downward reestimate subsidy outlays .....	-14	-42	
<b>Administrative expense data:</b>			
351001 Budget authority .....	101	122	118
351001 Budget authority for terrorists attack .....			
359001 Outlays from new authority .....	101	122	118
359001 Outlays from new authority for terrorist attack .....			

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 2004, SBA will rely on anticipated carry-over balances of \$0 million from 2003 plus \$10 million in recoveries to support \$760 million in loans. The subsidy rate is 11.72 percent.

**Object Classification** (in millions of dollars)

Identification code 73-1152-0-1-453	2002 actual	2003 est.	2004 est.
25.2 Other services .....	157	122	118
41.0 Grants, subsidies, and contributions .....	217	547	79
99.9 Total new obligations .....	374	669	197

**DISASTER DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing** (in millions of dollars)

Identification code 73-4150-0-3-453	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct loans .....	1,236	1,110	1,331
00.02 Interest on Treasury borrowing .....	683	696	705
00.91 Direct Program by Activities—Subtotal (1 level) .....	1,919	1,806	2,036
08.02 Payment of downward reestimate to a receipt account .....	14	39	
08.03 Payment to liquidating account to purchase loan assets (73 4153) .....	80	70	7
08.04 Payment of interest on downward reestimate to a receipt account .....		3	
08.91 Direct Program by Activities—Subtotal (1 level) .....	94	112	7
10.00 Total new obligations .....	2,013	1,918	2,043
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	5,684	5,468	
22.00 New financing authority (gross) .....	3,100	3,480	3,175
22.10 Resources available from recoveries of prior year obligations .....	182		
22.60 Portion applied to repay debt .....	-1,485	-7,030	-1,132
23.90 Total budgetary resources available for obligation .....	7,481	1,918	2,043
23.95 Total new obligations .....	-2,013	-1,918	-2,043
24.40 Unobligated balance carried forward, end of year .....	5,468		
<b>New financing authority (gross), detail:</b>			
Discretionary:			
47.00 Authority to borrow .....	1,294	788	1,175
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	2,093	2,692	2,000
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-287		
68.90 Spending authority from offsetting collections (total discretionary) .....	1,806	2,692	2,000
70.00 Total new financing authority (gross) .....	3,100	3,480	3,175
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	612	204	42
73.10 Total new obligations .....	2,013	1,918	2,043
73.20 Total financing disbursements (gross) .....	-2,526	-2,080	-2,043
73.45 Recoveries of prior year obligations .....	-182		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	287		
74.40 Obligated balance, end of year .....	204	42	42
87.00 Total financing disbursements (gross) .....	2,526	2,080	2,043

**Offsets:**

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources:			
88.00	Payments from program account .....	-217	-101 -76
88.00	Upward reestimate .....		-305
88.00	Interest on upward reestimate .....		-163
88.25	Interest on uninvested funds .....	-436	-445 -465
Non-Federal sources:			
88.40	Repayments from principal, net .....	-490	-498 -508
88.40	Collection of misc. receivables .....	-162	-165 -168
88.40	Interest received on loans .....	-79	-84 -88
88.40	Proceeds from loan sales .....	-709	-931 -695
88.90	Total, offsetting collections (cash) .....	-2,093	-2,692 -2,000
Against gross financing authority only:			
88.95	Change in receivables from program accounts .....	287	

**Net financing authority and financing disbursements:**

89.00	Financing authority .....	1,294	788	1,175
90.00	Financing disbursements .....	433	-612	43

**Status of Direct Loans** (in millions of dollars)

Identification code 73-4150-0-3-453	2002 actual	2003 est.	2004 est.	
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans .....			
1131	Direct loan obligations exempt from limitation .....	1,272	795	760
1150	Total direct loan obligations .....	1,272	795	760
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	3,288	3,644	3,211
Disbursements:				
1231	Direct loan disbursements .....	1,226	713	684
1233	Purchase of loans assets from a liquidating account .....	80	116	7
Repayments:				
1251	Repayments and prepayments .....	-368	-146	-149
1252	Proceeds from loan asset sales to the public or discounted .....	-461	-863	-500
1262	Adjustments: Discount on loan asset sales to the public or discounted .....	-84	-212	-185
Write-offs for default:				
1263	Direct loans .....	-73	-41	-41
1264	Other adjustments, net .....	36		
1290	Outstanding, end of year .....	3,644	3,211	3,027

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	2001 actual	2002 actual	2003 est.	2004 est.	
<b>ASSETS:</b>					
Federal assets:					
1101	Fund balances with Treasury .....	5,072	5,672	3,000	3,095
Investments in US securities:					
1106	Interest/Accounts Receivables .....	1,094	512	517	426
Net value of assets related to post-1991 direct loans receivable:					
1401	Direct loans receivable, gross .....	5,212	3,644	3,211	3,027
1405	Allowance for subsidy cost (-) .....	-931	35	-32	-33
1499	Net present value of assets related to direct loans .....	4,281	3,679	3,179	2,994
1999	Total assets .....	10,447	9,863	6,696	6,515
<b>LIABILITIES:</b>					
Federal liabilities:					
2103	Debt .....	10,447	9,742	6,270	6,283
2105	Other .....		41	153	85
Non-Federal liabilities:					
2201	Accounts payable .....		75	188	51
2207	Other .....		5	85	96

**Credit accounts—Continued**

**DISASTER DIRECT LOAN FINANCING ACCOUNT—Continued**

**Balance Sheet (in millions of dollars)—Continued**

Identification code 73-4150-0-3-453	2001 actual	2002 actual	2003 est.	2004 est.
2999 Total liabilities .....	10,447	9,863	6,696	6,515
4999 Total liabilities and net position .....	10,447	9,863	6,696	6,515

**DISASTER LOAN FUND LIQUIDATING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 73-4153-0-3-453	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
01.01 Interest expense to Treasury .....	9	4	3
01.03 Other expenses .....	14	21	8
10.00 Total new obligations .....	23	25	11
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	308	113	
22.00 New budget authority from offsetting collections (gross) .....	136	86	11
22.40 Capital transfer to general fund .....	-308	-174	
23.90 Total budgetary resources available for obligation	136	25	11
23.95 Total new obligations .....	-23	-25	-11
24.40 Unobligated balance carried forward, end of year .....	113		
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Offsetting collections (cash) .....	124	86	11
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....	12		
69.90 Spending authority from offsetting collections (total mandatory) .....	136	86	11
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	25	11	22
73.10 Total new obligations .....	23	25	11
73.20 Total outlays (gross) .....	-25	-14	-2
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-12		
74.40 Obligated balance, end of year .....	11	22	31
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	25	14	2
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Asset Sale Proceeds .....	-80	-70	-7
88.40 Loan repayments .....	-40	-13	-2
88.40 Interest income .....	-1	-1	-1
88.40 Other collection of Principal .....	-3	-2	-1
88.90 Total, offsetting collections (cash) .....	-124	-86	-11
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-12		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-99	-72	-9

**Status of Direct Loans (in millions of dollars)**

Identification code 73-4153-0-3-453	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	248	100	11
Repayments:			
1251 Repayments and prepayments .....	-40	-13	-2
1252 Proceeds from loan asset sales to the public or discounted .....	-56	-73	-7
1262 Adjustments: Discount on loan asset sales to the public or discounted .....	-24		

1263 Write-offs for default: Direct loans .....	-28	-3	-1
1290 Outstanding, end of year .....	100	11	1

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.

**Statement of Operations (in millions of dollars)**

Identification code 73-4153-0-3-453	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue .....	2	8	5	3
0102 Expense .....	-82	-48	-30	-15
0105 Net income or loss (-) .....	-80	-40	-25	-12

**Balance Sheet (in millions of dollars)**

Identification code 73-4153-0-3-453	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	36	124	20	10
Investments in US securities:				
1106 Receivables, net .....		12		6
1206 Non-Federal assets: Receivables, net .....	9			
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	248	100	11	1
1603 Allowance for estimated uncollectible loans and interest (-) .....	-18	-11		
1699 Value of assets related to direct loans .....	230	89	11	1
1901 Other Federal assets: Other assets .....	320	16	52	
1999 Total assets .....	595	241	83	17
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable .....	22	9	5	3
2105 Other .....	565	104	54	8
Non-Federal liabilities:				
2201 Accounts payable .....	4	127	18	5
2207 Other .....	4	1	6	1
2999 Total liabilities .....	595	241	83	17
4999 Total liabilities and net position .....	595	241	83	17

**Object Classification (in millions of dollars)**

Identification code 73-4153-0-3-453	2002 actual	2003 est.	2004 est.
25.2 Other services .....	14	21	8
43.0 Interest and dividends .....	9	4	3
99.9 Total new obligations .....	23	25	11

**POLLUTION CONTROL EQUIPMENT FUND LIQUIDATING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 73-4147-0-3-376	2002 actual	2003 est.	2004 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....		3	3
10.00 Total new obligations (object class 42.0) .....		3	3
<b>Budgetary resources available for obligation:</b>			
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		
<b>New budget authority (gross), detail:</b>				
Mandatory:				
60.00	Appropriation .....	3	3	3
<b>Change in obligated balances:</b>				
73.10	Total new obligations .....		3	3
73.20	Total outlays (gross) .....		-3	-3
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....		3	3
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	3	3	3
90.00	Outlays .....		3	3

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 73-4147-0-3-376	2002 actual	2003 est.	2004 est.	
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year .....	16	12	8
2251	Repayments and prepayments .....	-4	-3	-2
2261	Adjustments: Terminations for default that result in loans receivable .....		-1	-1
2290	Outstanding, end of year .....	12	8	5
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	12	8	5
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year .....	49	49	50
2331	Disbursements for guaranteed loan claims .....		1	1
2390	Outstanding, end of year .....	49	50	51

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.

**Statement of Operations (in millions of dollars)**

Identification code 73-4147-0-3-376	2001 actual	2002 actual	2003 est.	2004 est.
0101	Revenue .....			
0102	Expense .....		-3	
0105	Net income or loss (-) .....		-3	

**Balance Sheet (in millions of dollars)**

Identification code 73-4147-0-3-376	2001 actual	2002 actual	2003 est.	2004 est.
<b>ASSETS:</b>				
1101	Federal assets: Fund balances with Treasury .....	3	27	2
1206	Non-Federal assets: Receivables, net .....		5	
1701	Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Defaulted guaranteed loans, gross .....	16		15
1999	Total assets .....	19	32	17
<b>LIABILITIES:</b>				
2104	Federal liabilities: Resources payable to Treasury .....	19		17
Non-Federal liabilities:				
2201	Accounts payable .....		1	
2207	Other .....		31	
2999	Total liabilities .....	19	32	17
<b>NET POSITION:</b>				
3300	Cumulative results of operations .....			
3999	Total net position .....			
4999	Total liabilities and net position .....	19	32	17

**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.

**GENERAL FUND RECEIPT ACCOUNTS**

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Offsetting receipts from the public:			
73-272130	Disaster loan program, Downward reestimates of subsidies .....	14	42
73-272230	Business loan program, Downward reestimates of subsidies .....	389	258
General Fund	Offsetting receipts from the public .....	403	300