

Union Calendar No. 284

113TH CONGRESS
2^D SESSION

H. R. 1872

[Report No. 113-381, Part I]

To amend the Balanced Budget and Emergency Deficit Control Act of 1985 to increase transparency in Federal budgeting, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 8, 2013

Mr. GARRETT (for himself, Mr. RYAN of Wisconsin, Mr. DUNCAN of South Carolina, Mr. FLORES, Mr. MULVANEY, Mr. WESTMORELAND, Mr. AMASH, and Mr. HENSARLING) introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committee on Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

MARCH 18, 2014

Reported from the Committee on the Budget with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

MARCH 18, 2014

The Committee on Oversight and Government Reform discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on May 8, 2013]

A BILL

To amend the Balanced Budget and Emergency Deficit Control Act of 1985 to increase transparency in Federal budgeting, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Budget and Accounting*
5 *Transparency Act of 2014”.*

6 **TITLE I—FAIR VALUE ESTIMATES**

7 **SEC. 101. CREDIT REFORM.**

8 *(a) IN GENERAL.—Title V of the Congressional Budget*
9 *Act of 1974 is amended to read as follows:*

10 **“TITLE V—FAIR VALUE**

11 **“SEC. 500. SHORT TITLE.**

12 *“This title may be cited as the ‘Fair Value Accounting*
13 *Act of 2014’.*

14 **“SEC. 501. PURPOSES.**

15 *“The purposes of this title are to—*

16 *“(1) measure more accurately the costs of Fed-*
17 *eral credit programs by accounting for them on a fair*
18 *value basis;*

19 *“(2) place the cost of credit programs on a budg-*
20 *etary basis equivalent to other Federal spending;*

21 *“(3) encourage the delivery of benefits in the*
22 *form most appropriate to the needs of beneficiaries;*
23 *and*

24 *“(4) improve the allocation of resources among*
25 *Federal programs.*

1 **“SEC. 502. DEFINITIONS.**

2 *“For purposes of this title:*

3 *“(1) The term ‘direct loan’ means a disburse-*
4 *ment of funds by the Government to a non-Federal*
5 *borrower under a contract that requires the repay-*
6 *ment of such funds with or without interest. The term*
7 *includes the purchase of, or participation in, a loan*
8 *made by another lender and financing arrangements*
9 *that defer payment for more than 90 days, including*
10 *the sale of a Government asset on credit terms. The*
11 *term does not include the acquisition of a federally*
12 *guaranteed loan in satisfaction of default claims or*
13 *the price support loans of the Commodity Credit Cor-*
14 *poration.*

15 *“(2) The term ‘direct loan obligation’ means a*
16 *binding agreement by a Federal agency to make a di-*
17 *rect loan when specified conditions are fulfilled by the*
18 *borrower.*

19 *“(3) The term ‘loan guarantee’ means any guar-*
20 *antee, insurance, or other pledge with respect to the*
21 *payment of all or a part of the principal or interest*
22 *on any debt obligation of a non-Federal borrower to*
23 *a non-Federal lender, but does not include the insur-*
24 *ance of deposits, shares, or other withdrawable ac-*
25 *counts in financial institutions.*

1 “(4) The term ‘loan guarantee commitment’
2 means a binding agreement by a Federal agency to
3 make a loan guarantee when specified conditions are
4 fulfilled by the borrower, the lender, or any other
5 party to the guarantee agreement.

6 “(5)(A) The term ‘cost’ means the sum of the
7 Treasury discounting component and the risk compo-
8 nent of a direct loan or loan guarantee, or a modi-
9 fication thereof.

10 “(B) The Treasury discounting component shall
11 be the estimated long-term cost to the Government of
12 a direct loan or loan guarantee, or modification
13 thereof, calculated on a net present value basis, ex-
14 cluding administrative costs and any incidental ef-
15 fects on governmental receipts or outlays.

16 “(C) The risk component shall be an amount
17 equal to the difference between—

18 “(i) the estimated long-term cost to the Gov-
19 ernment of a direct loan or loan guarantee, or
20 modification thereof, estimated on a fair value
21 basis, applying the guidelines set forth by the Fi-
22 nancial Accounting Standards Board in Finan-
23 cial Accounting Standards #157, or a successor
24 thereto, excluding administrative costs and any

1 *incidental effects on governmental receipts or*
2 *outlays; and*

3 “(i) *the Treasury discounting component of*
4 *such direct loan or loan guarantee, or modifica-*
5 *tion thereof.*

6 “(D) *The Treasury discounting component of a*
7 *direct loan shall be the net present value, at the time*
8 *when the direct loan is disbursed, of the following es-*
9 *timated cash flows:*

10 “(i) *Loan disbursements.*

11 “(ii) *Repayments of principal.*

12 “(iii) *Essential preservation expenses, pay-*
13 *ments of interest and other payments by or to*
14 *the Government over the life of the loan after ad-*
15 *justing for estimated defaults, prepayments, fees,*
16 *penalties, and other recoveries, including the ef-*
17 *fects of changes in loan terms resulting from the*
18 *exercise by the borrower of an option included in*
19 *the loan contract.*

20 “(E) *The Treasury discounting component of a*
21 *loan guarantee shall be the net present value, at the*
22 *time when the guaranteed loan is disbursed, of the fol-*
23 *lowing estimated cash flows:*

1 “(i) *Payments by the Government to cover*
2 *defaults and delinquencies, interest subsidies, es-*
3 *sential preservation expenses, or other payments.*

4 “(ii) *Payments to the Government includ-*
5 *ing origination and other fees, penalties, and re-*
6 *coveries, including the effects of changes in loan*
7 *terms resulting from the exercise by the guaran-*
8 *teed lender of an option included in the loan*
9 *guarantee contract, or by the borrower of an op-*
10 *tion included in the guaranteed loan contract.*

11 “(F) *The cost of a modification is the sum of—*

12 “(i) *the difference between the current esti-*
13 *mate of the Treasury discounting component of*
14 *the remaining cash flows under the terms of a*
15 *direct loan or loan guarantee and the current es-*
16 *timate of the Treasury discounting component of*
17 *the remaining cash flows under the terms of the*
18 *contract, as modified; and*

19 “(ii) *the difference between the current esti-*
20 *mate of the risk component of the remaining*
21 *cash flows under the terms of a direct loan or*
22 *loan guarantee and the current estimate of the*
23 *risk component of the remaining cash flows*
24 *under the terms of the contract as modified.*

1 “(G) In estimating Treasury discounting compo-
2 nents, the discount rate shall be the average interest
3 rate on marketable Treasury securities of similar du-
4 ration to the cash flows of the direct loan or loan
5 guarantee for which the estimate is being made.

6 “(H) When funds are obligated for a direct loan
7 or loan guarantee, the estimated cost shall be based on
8 the current assumptions, adjusted to incorporate the
9 terms of the loan contract, for the fiscal year in which
10 the funds are obligated.

11 “(6) The term ‘program account’ means the
12 budget account into which an appropriation to cover
13 the cost of a direct loan or loan guarantee program
14 is made and from which such cost is disbursed to the
15 financing account.

16 “(7) The term ‘financing account’ means the
17 nonbudget account or accounts associated with each
18 program account which holds balances, receives the
19 cost payment from the program account, and also in-
20 cludes all other cash flows to and from the Govern-
21 ment resulting from direct loan obligations or loan
22 guarantee commitments made on or after October 1,
23 1991.

24 “(8) The term ‘liquidating account’ means the
25 budget account that includes all cash flows to and

1 *from the Government resulting from direct loan obli-*
2 *gations or loan guarantee commitments made prior to*
3 *October 1, 1991. These accounts shall be shown in the*
4 *budget on a cash basis.*

5 *“(9) The term ‘modification’ means any Govern-*
6 *ment action that alters the estimated cost of an out-*
7 *standing direct loan (or direct loan obligation) or an*
8 *outstanding loan guarantee (or loan guarantee com-*
9 *mitment) from the current estimate of cash flows.*
10 *This includes the sale of loan assets, with or without*
11 *recourse, and the purchase of guaranteed loans (or di-*
12 *rect loan obligations) or loan guarantees (or loan*
13 *guarantee commitments) such as a change in collec-*
14 *tion procedures.*

15 *“(10) The term ‘current’ has the same meaning*
16 *as in section 250(c)(9) of the Balanced Budget and*
17 *Emergency Deficit Control Act of 1985.*

18 *“(11) The term ‘Director’ means the Director of*
19 *the Office of Management and Budget.*

20 *“(12) The term ‘administrative costs’ means*
21 *costs related to program management activities, but*
22 *does not include essential preservation expenses.*

23 *“(13) The term ‘essential preservation expenses’*
24 *means servicing and other costs that are essential to*
25 *preserve the value of loan assets or collateral.*

1 **“SEC. 503. OMB AND CBO ANALYSIS, COORDINATION, AND**
2 **REVIEW.**

3 “(a) *IN GENERAL.*—*For the executive branch, the Di-*
4 *rector shall be responsible for coordinating the estimates re-*
5 *quired by this title. The Director shall consult with the*
6 *agencies that administer direct loan or loan guarantee pro-*
7 *grams.*

8 “(b) *DELEGATION.*—*The Director may delegate to*
9 *agencies authority to make estimates of costs. The delegation*
10 *of authority shall be based upon written guidelines, regula-*
11 *tions, or criteria consistent with the definitions in this title.*

12 “(c) *COORDINATION WITH THE CONGRESSIONAL*
13 *BUDGET OFFICE.*—*In developing estimation guidelines,*
14 *regulations, or criteria to be used by Federal agencies, the*
15 *Director shall consult with the Director of the Congressional*
16 *Budget Office.*

17 “(d) *IMPROVING COST ESTIMATES.*—*The Director and*
18 *the Director of the Congressional Budget Office shall coordi-*
19 *nate the development of more accurate data on historical*
20 *performance and prospective risk of direct loan and loan*
21 *guarantee programs. They shall annually review the per-*
22 *formance of outstanding direct loans and loan guarantees*
23 *to improve estimates of costs. The Office of Management and*
24 *Budget and the Congressional Budget Office shall have ac-*
25 *cess to all agency data that may facilitate the development*
26 *and improvement of estimates of costs.*

1 “(e) *HISTORICAL CREDIT PROGRAMS COSTS.*—The Di-
2 rector shall review, to the extent possible, historical data
3 and develop the best possible estimates of adjustments that
4 would convert aggregate historical budget data to credit re-
5 form accounting.

6 **“SEC. 504. BUDGETARY TREATMENT.**

7 “(a) *PRESIDENT’S BUDGET.*—Beginning with fiscal
8 year 2017, the President’s budget shall reflect the costs of
9 direct loan and loan guarantee programs. The budget shall
10 also include the planned level of new direct loan obligations
11 or loan guarantee commitments associated with each appro-
12 priations request. For each fiscal year within the five-fiscal
13 year period beginning with fiscal year 2017, such budget
14 shall include, on an agency-by-agency basis, subsidy esti-
15 mates and costs of direct loan and loan guarantee programs
16 with and without the risk component.

17 “(b) *APPROPRIATIONS REQUIRED.*—Notwithstanding
18 any other provision of law, new direct loan obligations may
19 be incurred and new loan guarantee commitments may be
20 made for fiscal year 2017 and thereafter only to the extent
21 that—

22 “(1) new budget authority to cover their costs is
23 provided in advance in an appropriation Act;

24 “(2) a limitation on the use of funds otherwise
25 available for the cost of a direct loan or loan guar-

1 *antee program has been provided in advance in an*
2 *appropriation Act; or*

3 *“(3) authority is otherwise provided in appro-*
4 *priation Acts.*

5 *“(c) EXEMPTION FOR DIRECT SPENDING PRO-*
6 *GRAMS.—Subsections (b) and (e) shall not apply to—*

7 *“(1) any direct loan or loan guarantee program*
8 *that constitutes an entitlement (such as the guaran-*
9 *teed student loan program or the veteran’s home loan*
10 *guaranty program);*

11 *“(2) the credit programs of the Commodity Cred-*
12 *it Corporation existing on the date of enactment of*
13 *this title; or*

14 *“(3) any direct loan (or direct loan obligation)*
15 *or loan guarantee (or loan guarantee commitment)*
16 *made by the Federal National Mortgage Association*
17 *or the Federal Home Loan Mortgage Corporation.*

18 *“(d) BUDGET ACCOUNTING.—*

19 *“(1) The authority to incur new direct loan obli-*
20 *gations, make new loan guarantee commitments, or*
21 *modify outstanding direct loans (or direct loan obli-*
22 *gations) or loan guarantees (or loan guarantee com-*
23 *mitments) shall constitute new budget authority in an*
24 *amount equal to the cost of the direct loan or loan*
25 *guarantee in the fiscal year in which definite author-*

1 *ity becomes available or indefinite authority is used.*
2 *Such budget authority shall constitute an obligation*
3 *of the program account to pay to the financing ac-*
4 *count.*

5 *“(2) The outlays resulting from new budget au-*
6 *thority for the cost of direct loans or loan guarantees*
7 *described in paragraph (1) shall be paid from the*
8 *program account into the financing account and re-*
9 *corded in the fiscal year in which the direct loan or*
10 *the guaranteed loan is disbursed or its costs altered.*

11 *“(3) All collections and payments of the financ-*
12 *ing accounts shall be a means of financing.*

13 *“(e) MODIFICATIONS.—An outstanding direct loan (or*
14 *direct loan obligation) or loan guarantee (or loan guarantee*
15 *commitment) shall not be modified in a manner that in-*
16 *creases its costs unless budget authority for the additional*
17 *cost has been provided in advance in an appropriation Act.*

18 *“(f) REESTIMATES.—When the estimated cost for a*
19 *group of direct loans or loan guarantees for a given pro-*
20 *gram made in a single fiscal year is re-estimated in a subse-*
21 *quent year, the difference between the reestimated cost and*
22 *the previous cost estimate shall be displayed as a distinct*
23 *and separately identified subaccount in the program ac-*
24 *count as a change in program costs and a change in net*

1 *interest. There is hereby provided permanent indefinite au-*
2 *thority for these re-estimates.*

3 “(g) *ADMINISTRATIVE EXPENSES.*—*All funding for an*
4 *agency’s administrative costs associated with a direct loan*
5 *or loan guarantee program shall be displayed as distinct*
6 *and separately identified subaccounts within the same*
7 *budget account as the program’s cost.*

8 **“SEC. 505. AUTHORIZATIONS.**

9 “(a) *AUTHORIZATION FOR FINANCING ACCOUNTS.*—*In*
10 *order to implement the accounting required by this title,*
11 *the President is authorized to establish such non-budgetary*
12 *accounts as may be appropriate.*

13 “(b) *TREASURY TRANSACTIONS WITH THE FINANCING*
14 *ACCOUNTS.*—

15 “(1) *IN GENERAL.*—*The Secretary of the Treas-*
16 *ury shall borrow from, receive from, lend to, or pay*
17 *to the financing accounts such amounts as may be*
18 *appropriate. The Secretary of the Treasury may pre-*
19 *scribe forms and denominations, maturities, and*
20 *terms and conditions for the transactions described in*
21 *the preceding sentence, except that the rate of interest*
22 *charged by the Secretary on lending to financing ac-*
23 *counts (including amounts treated as lending to fi-*
24 *nancing accounts by the Federal Financing Bank*
25 *(hereinafter in this subsection referred to as the*

1 *'Bank' pursuant to section 405(b)) and the rate of*
2 *interest paid to financing accounts on uninvested bal-*
3 *ances in financing accounts shall be the same as the*
4 *rate determined pursuant to section 502(5)(G).*

5 *“(2) LOANS.—For guaranteed loans financed by*
6 *the Bank and treated as direct loans by a Federal*
7 *agency pursuant to section 406(b)(1), any fee or in-*
8 *terest surcharge (the amount by which the interest*
9 *rate charged exceeds the rate determined pursuant to*
10 *section 502(5)(G) that the Bank charges to a private*
11 *borrower pursuant to section 6(c) of the Federal Fi-*
12 *nanancing Bank Act of 1973 shall be considered a cash*
13 *flow to the Government for the purposes of deter-*
14 *mining the cost of the direct loan pursuant to section*
15 *502(5). All such amounts shall be credited to the ap-*
16 *propriate financing account.*

17 *“(3) REIMBURSEMENT.—The Bank is authorized*
18 *to require reimbursement from a Federal agency to*
19 *cover the administrative expenses of the Bank that are*
20 *attributable to the direct loans financed for that agen-*
21 *cy. All such payments by an agency shall be consid-*
22 *ered administrative expenses subject to section 504(g).*
23 *This subsection shall apply to transactions related to*
24 *direct loan obligations or loan guarantee commit-*
25 *ments made on or after October 1, 1991.*

1 “(4) *AUTHORITY.*—*The authorities provided in*
2 *this subsection shall not be construed to supersede or*
3 *override the authority of the head of a Federal agency*
4 *to administer and operate a direct loan or loan guar-*
5 *antee program.*

6 “(5) *TITLE 31.*—*All of the transactions provided*
7 *in the subsection shall be subject to the provisions of*
8 *subchapter II of chapter 15 of title 31, United States*
9 *Code.*

10 “(6) *TREATMENT OF CASH BALANCES.*—*Cash*
11 *balances of the financing accounts in excess of current*
12 *requirements shall be maintained in a form of*
13 *uninvested funds and the Secretary of the Treasury*
14 *shall pay interest on these funds. The Secretary of the*
15 *Treasury shall charge (or pay if the amount is nega-*
16 *tive) financing accounts an amount equal to the risk*
17 *component for a direct loan or loan guarantee, or*
18 *modification thereof. Such amount received by the*
19 *Secretary of the Treasury shall be a means of financ-*
20 *ing and shall not be considered a cash flow of the*
21 *Government for the purposes of section 502(5).*

22 “(c) *AUTHORIZATION FOR LIQUIDATING ACCOUNTS.*—
23 (1) *Amounts in liquidating accounts shall be available only*
24 *for payments resulting from direct loan obligations or loan*

1 *guarantee commitments made prior to October 1, 1991,*
2 *for—*

3 “(A) *interest payments and principal repay-*
4 *ments to the Treasury or the Federal Financing Bank*
5 *for amounts borrowed;*

6 “(B) *disbursements of loans;*

7 “(C) *default and other guarantee claim pay-*
8 *ments;*

9 “(D) *interest supplement payments;*

10 “(E) *payments for the costs of foreclosing, man-*
11 *aging, and selling collateral that are capitalized or*
12 *routinely deducted from the proceeds of sales;*

13 “(F) *payments to financing accounts when re-*
14 *quired for modifications;*

15 “(G) *administrative costs and essential preserva-*
16 *tion expenses, if—*

17 “(i) *amounts credited to the liquidating ac-*
18 *count would have been available for administra-*
19 *tive costs and essential preservation expenses*
20 *under a provision of law in effect prior to Octo-*
21 *ber 1, 1991; and*

22 “(ii) *no direct loan obligation or loan guar-*
23 *antee commitment has been made, or any modi-*
24 *fication of a direct loan or loan guarantee has*
25 *been made, since September 30, 1991; or*

1 “(H) such other payments as are necessary for
2 the liquidation of such direct loan obligations and
3 loan guarantee commitments.

4 “(2) Amounts credited to liquidating accounts in any
5 year shall be available only for payments required in that
6 year. Any unobligated balances in liquidating accounts at
7 the end of a fiscal year shall be transferred to miscellaneous
8 receipts as soon as practicable after the end of the fiscal
9 year.

10 “(3) If funds in liquidating accounts are insufficient
11 to satisfy obligations and commitments of such accounts,
12 there is hereby provided permanent, indefinite authority to
13 make any payments required to be made on such obligations
14 and commitments.

15 “(d) REINSURANCE.—Nothing in this title shall be
16 construed as authorizing or requiring the purchase of insur-
17 ance or reinsurance on a direct loan or loan guarantee from
18 private insurers. If any such reinsurance for a direct loan
19 or loan guarantee is authorized, the cost of such insurance
20 and any recoveries to the Government shall be included in
21 the calculation of the cost.

22 “(e) ELIGIBILITY AND ASSISTANCE.—Nothing in this
23 title shall be construed to change the authority or the re-
24 sponsibility of a Federal agency to determine the terms and

1 *conditions of eligibility for, or the amount of assistance pro-*
2 *vided by a direct loan or a loan guarantee.*

3 **“SEC. 506. TREATMENT OF DEPOSIT INSURANCE AND AGEN-**
4 **CIES AND OTHER INSURANCE PROGRAMS.**

5 *“This title shall not apply to the credit or insurance*
6 *activities of the Federal Deposit Insurance Corporation,*
7 *National Credit Union Administration, Resolution Trust*
8 *Corporation, Pension Benefit Guaranty Corporation, Na-*
9 *tional Flood Insurance, National Insurance Development*
10 *Fund, Crop Insurance, or Tennessee Valley Authority.*

11 **“SEC. 507. EFFECT ON OTHER LAWS.**

12 *“(a) EFFECT ON OTHER LAWS.—This title shall super-*
13 *sede, modify, or repeal any provision of law enacted prior*
14 *to the date of enactment of this title to the extent such provi-*
15 *sion is inconsistent with this title. Nothing in this title shall*
16 *be construed to establish a credit limitation on any Federal*
17 *loan or loan guarantee program.*

18 *“(b) CREDITING OF COLLECTIONS.—Collections result-*
19 *ing from direct loans obligated or loan guarantees com-*
20 *mitted prior to October 1, 1991, shall be credited to the liq-*
21 *uidating accounts of Federal agencies. Amounts so credited*
22 *shall be available, to the same extent that they were avail-*
23 *able prior to the date of enactment of this title, to liquidate*
24 *obligations arising from such direct loans obligated or loan*
25 *guarantees committed prior to October 1, 1991, including*

1 *repayment of any obligations held by the Secretary of the*
 2 *Treasury or the Federal Financing Bank. The unobligated*
 3 *balances of such accounts that are in excess of current needs*
 4 *shall be transferred to the general fund of the Treasury.*
 5 *Such transfers shall be made from time to time but, at least*
 6 *once each year.”.*

7 **(b) CONFORMING AMENDMENT.**—*The table of contents*
 8 *set forth in section 1(b) of the Congressional Budget and*
 9 *Impoundment Control Act of 1974 is amended by striking*
 10 *the items relating to title V and inserting the following:*

“TITLE V—FAIR VALUE

“Sec. 500. *Short title.*

“Sec. 501. *Purposes.*

“Sec. 502. *Definitions.*

“Sec. 503. *OMB and CBO analysis, coordination, and review.*

“Sec. 504. *Budgetary treatment.*

“Sec. 505. *Authorizations.*

“Sec. 506. *Treatment of deposit insurance and agencies and other insurance programs.*

“Sec. 507. *Effect on other laws.”.*

11 **SEC. 102. BUDGETARY ADJUSTMENT.**

12 **(a) IN GENERAL.**—*Section 251(b)(1) of the Balanced*
 13 *Budget and Emergency Deficit Control Act of 1985 is*
 14 *amended by adding at the end the following new sentence:*
 15 *“A change in discretionary spending solely as a result of*
 16 *the amendment to title V of the Congressional Budget Act*
 17 *of 1974 made by the Budget and Accounting Transparency*
 18 *Act of 2014 shall be treated as a change of concept under*
 19 *this paragraph.”.*

1 **(b) REPORT.**—*Before adjusting the discretionary caps*
 2 *pursuant to the authority provided in subsection (a), the*
 3 *Office of Management and Budget shall report to the Com-*
 4 *mittees on the Budget of the House of Representatives and*
 5 *the Senate on the amount of that adjustment, the method-*
 6 *ology used in determining the size of that adjustment, and*
 7 *a program-by-program itemization of the components of*
 8 *that adjustment.*

9 **(c) SCHEDULE.**—*The Office of Management and Budg-*
 10 *et shall not make an adjustment pursuant to the authority*
 11 *provided in subsection (a) sooner than 60 days after pro-*
 12 *viding the report required in subsection (b).*

13 **SEC. 103. EFFECTIVE DATE.**

14 *The amendments made by section 101 shall take effect*
 15 *beginning with fiscal year 2017.*

16 **TITLE II—BUDGETARY**
 17 **TREATMENT**

18 **SEC. 201. CBO AND OMB STUDIES RESPECTING BUDGETING**
 19 **FOR COSTS OF FEDERAL INSURANCE PRO-**
 20 **GRAMS.**

21 *Not later than 1 year after the date of enactment of*
 22 *this Act, the Directors of the Congressional Budget Office*
 23 *and of the Office of Management and Budget shall each pre-*
 24 *pare a study and make recommendations to the Committees*
 25 *on the Budget of the House of Representatives and the Sen-*

1 ate as to the feasibility of applying fair value concepts to
2 budgeting for the costs of Federal insurance programs.

3 **SEC. 202. ON-BUDGET STATUS OF FANNIE MAE AND**
4 **FREDDIE MAC.**

5 *Notwithstanding any other provision of law, the re-*
6 *ceipts and disbursements, including the administrative ex-*
7 *penses, of the Federal National Mortgage Association and*
8 *the Federal Home Loan Mortgage Corporation shall be*
9 *counted as new budget authority, outlays, receipts, or deficit*
10 *or surplus for purposes of—*

11 *(1) the budget of the United States Government*
12 *as submitted by the President;*

13 *(2) the congressional budget; and*

14 *(3) the Balanced Budget and Emergency Deficit*
15 *Control Act of 1985.*

16 **SEC. 203. EFFECTIVE DATE.**

17 *Section 202 shall not apply with respect to an enter-*
18 *prise (as such term is defined in section 1303 of the Federal*
19 *Housing Enterprises Financial Safety and Soundness Act*
20 *of 1992 (12 U.S.C. 4502)) after the date that all of the fol-*
21 *lowing have occurred:*

22 *(1) The conservatorship for such enterprise under*
23 *section 1367 of such Act (12 U.S.C. 4617) has been*
24 *terminated.*

1 (2) *The Director of the Federal Housing Finance*
2 *Agency has certified in writing that such enterprise*
3 *has repaid to the Federal Government the maximum*
4 *amount consistent with minimizing total cost to the*
5 *Federal Government of the financial assistance pro-*
6 *vided to the enterprise by the Federal Government*
7 *pursuant to the amendments made by section 1117 of*
8 *the Housing and Economic Recovery Act of 2008*
9 *(Public Law 110–289; 122 Stat. 2683) or otherwise.*

10 (3) *The charter for the enterprise has been re-*
11 *voked, annulled, or terminated and the authorizing*
12 *statute (as such term is defined in such section 1303)*
13 *with respect to the enterprise has been repealed.*

14 **TITLE III—BUDGET REVIEW AND** 15 **ANALYSIS**

16 **SEC. 301. CBO AND OMB REVIEW AND RECOMMENDATIONS** 17 **RESPECTING RECEIPTS AND COLLECTIONS.**

18 *Not later than 1 year after the date of enactment of*
19 *this Act, the Director of the Office of Management and*
20 *Budget shall prepare a study of the history of offsetting col-*
21 *lections against expenditures and the amount of receipts*
22 *collected annually, the historical application of the budg-*
23 *etary terms “revenue”, “offsetting collections”, and “offset-*
24 *ting receipts”, and review the application of those terms*
25 *and make recommendations to the Committees on the Budg-*

1 *et of the House of Representatives and the Senate of whether*
2 *such usage should be continued or modified. The Director*
3 *of the Congressional Budget Office shall review the history*
4 *and recommendations prepared by the Director of the Office*
5 *of Management and Budget and shall submit comments and*
6 *recommendations to such Committees.*

7 **SEC. 302. AGENCY BUDGET JUSTIFICATIONS.**

8 *Section 1108 of title 31, United States Code, is amend-*
9 *ed by inserting at the end the following new subsections:*

10 *“(h)(1) Whenever any agency prepares and submits*
11 *written budget justification materials for any committee of*
12 *the House of Representatives or the Senate, such agency*
13 *shall post such budget justification on the same day of such*
14 *submission on the ‘open’ page of the public website of the*
15 *agency, and the Office of Management and Budget shall*
16 *post such budget justification in a centralized location on*
17 *its website, in the format developed under paragraph (2).*
18 *Each agency shall include with its written budget justifica-*
19 *tion the process and methodology the agency is using to*
20 *comply with the Fair Value Accounting Act of 2014.*

21 *“(2) The Office of Management and Budget, in con-*
22 *sultation with the Congressional Budget Office and the Gov-*
23 *ernment Accountability Office, shall develop and notify*
24 *each agency of the format in which to post a budget jus-*
25 *tification under paragraph (1). Such format shall be de-*

1 *signed to ensure that posted budget justifications for all*
2 *agencies—*

3 “(A) *are searchable, sortable, and downloadable*
4 *by the public;*

5 “(B) *are consistent with generally accepted*
6 *standards and practices for machine-discoverability;*

7 “(C) *are organized uniformly, in a logical man-*
8 *ner that makes clear the contents of a budget justifica-*
9 *tion and relationships between data elements within*
10 *the budget justification and among similar docu-*
11 *ments; and*

12 “(D) *use uniform identifiers, including for agen-*
13 *cies, bureaus, programs, and projects.*

14 “(i)(1) *Not later than the day that the Office of Man-*
15 *agement and Budget issues guidelines, regulations, or cri-*
16 *teria to agencies on how to calculate the risk component*
17 *under the Fair Value Accounting Act of 2014, it shall sub-*
18 *mit a written report to the Committees on the Budget of*
19 *the House of Representatives and the Senate containing all*
20 *such guidelines, regulations, or criteria.*

21 “(2) *For fiscal year 2017 and each of the next four*
22 *fiscal years thereafter, the Comptroller General shall submit*
23 *an annual report to the Committees on the Budget of the*
24 *House of Representatives and the Senate reviewing and*

1 *evaluating the progress of agencies in the implementation*
2 *of the Fair Value Accounting Act of 2014.*

3 “(3) *Such guidelines, regulations, or criteria shall be*
4 *deemed to be a rule for purposes of section 553 of title 5*
5 *and shall be issued after notice and opportunity for public*
6 *comment in accordance with the procedures under such sec-*
7 *tion.*”.

Union Calendar No. 284

113TH CONGRESS
2^D SESSION

H. R. 1872

[Report No. 113-381, Part I]

A BILL

To amend the Balanced Budget and Emergency Deficit Control Act of 1985 to increase transparency in Federal budgeting, and for other purposes.

MARCH 18, 2014

Reported from the Committee on the Budget with an amendment

MARCH 18, 2014

The Committee on Oversight and Government Reform discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed