GOVERNMENT-SPONSORED ENTERPRISES

This chapter contains descriptions of and data on the Government-sponsored enterprises listed below. These enterprises were established and chartered by the Federal Government. They are not included in the Federal budget because they are classified as being private. However, because of their relationship to the Government, detailed statements of financial operations and condition are presented, to the extent such information is available, on a basis that is as consistent as practicable with the basis for the budget data of Government agencies. These statements are not reviewed by the President; they are presented as submitted by the enterprises.

—The Student Loan Marketing Association is a for-profit financial corporation chartered by Congress in 1972 under the Higher Education Act (HEA) to help increase the availability of student loans. Sallie Mae carries out secondary market and other functions.

—The College Construction Loan Insurance Association is organized as a private, for-profit insurance corporation to guarantee and insure bonds and loans made for construction and renovation of college and university facilities. The Corporation was established by, but was not chartered by, the Federal Government.

—The Federal National Mortgage Association provides supplementary assistance to the secondary market for home mortgages. The Federal Home Loan Mortgage Corporation provides a secondary market for mortgage lenders. Both are supervised by the Department of Housing and Urban Development for their roles in helping to finance low- and moderate-income housing; both are regulated for financial safety and soundness by the Office of Federal Housing Enterprise Oversight.

—The Banks for Cooperatives, Agricultural Credit Bank, and Farm Credit Banks provide financial assistance to agriculture. They are supervised by the Farm Credit Administration.

—The Federal Agricultural Mortgage Corporation, under the supervision of the Farm Credit Administration, provides a secondary mortgage market for agricultural real estate and certain rural housing loans as well as for farm and business loans guaranteed by the U.S. Department of Agriculture.

—The Federal Home Loan Banks assist thrift institutions, banks, insurance companies, and credit unions in providing financing for housing and community development and are supervised by the Federal Housing Finance Board.

—The Financing Corporation functions as a financing vehicle for the FSLIC Resolution Fund. It operates under the supervision and control of the Federal Housing Finance Board.

—The Resolution Funding Corporation provides financing for the Resolution Trust Corporation (RTC) and is subject to the general oversight and direction of the Thrift Depositor Protection Oversight Board.

The Board of Governors of the Federal Reserve System is not a Government-sponsored enterprise, but its transactions also are not included in the budget because of its unique status in the conduct of monetary policy. The Board provides data on its administrative budget on a calendar year basis, which is included here for information. Its budget schedules and statements are not subject to review by the President.

DEPARTMENT OF EDUCATION

Student Loan Marketing Association

Program and Financing (in millions of dollars)

Identification code 99–1500–0–3–502		1996 actual	1997 est.	1998 est.
	Obligations by program activity:			
	Operating expenses:			
00.01	Interest expense	2,690	2,555	2,683
00.02	Administrative expenses and taxes	510	466	489
00.91	Total operating expenses	3,200	3,021	3,172
	Capital investment:			
01.01	Loans, etc	9,984	9,845	9,190
01.02	Investments, dividends, and other assets	845	700	650
01.91	Total capital investment	10,829	10,545	9,840
10.00	Total obligations	14,029	13,566	13,012
	Budgetary resources available for obligation:			
22.00	New budget authority (gross)	14,029	13,566	13,012
23.95	New obligations	–14,029	–13,566	–13,012
	New budget authority (gross), detail:			
67.15	Authority to borrow (indefinite)	–6,707	–1,434	–1,488
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	20,736	15,000	14,500
70.00	Total new budget authority (gross)	14,029	13,566	13,012
	Change in unpaid obligations:			
72.91	Unpaid obligations, start of year: Obligated balance: U.S. Securities: Par value	1,201	1,291	1,253
73.10	New obligations	14,029	13,566	13,012
73.20	Total outlays (gross)	–13,940	–13,604	–12,950
74.91	Unpaid obligations, end of year: Obligated balance: U.S. Securities: Par value	1,291	1,253	1,315
	Outlays (gross), detail:			
86.97	Outlays from new permanent authority	13,940	13,604	12,950
	Offsets:			
	Against gross budget authority and outlays:			
88.40	Offsetting collections (cash) from: Non-Federal sources	–20,736	–15,000	–14,500
	Net budget authority and outlays:			
89.00	Budget authority	–6,707	–1,434	–1,488
90.00	Outlays	–6,796	–1,396	–1,550

Status of Direct Loans (in millions of dollars)

Identification code 99–1500–0–3–502		1996 actual	1997 est.	1998 est.
	Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans	....	....	....
1131	Direct loan obligations exempt from limitation	9,984	9,845	9,190
1150	Total direct loan obligations	9,984	9,845	9,190
	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	41,636	37,391	35,572
1231	Disbursements: Direct loan disbursements	9,984	9,845	9,190
	Repayments:			
1251	Repayments and prepayments	–9,713	–5,670	–5,237
1252	Proceeds from loan asset sales to the public or discounted	–4,522	–6,000	–6,000
1264	Write-offs for default: Other adjustments, net	6	6	7

STUDENT LOAN MARKETING ASSOCIATION—Continued

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

Identification code 99–1500–0–3–502		1996 actual	1997 est.	1998 est.
1290	Outstanding, end of year	37,391	35,572	33,532

The Student Loan Marketing Association (Sallie Mae), a shareholder-owned corporation, was created by the Education Amendments of 1972 to expand funds available for student loans by providing liquidity to lenders engaged in the Federal Family Education Loan Program (FFELP), formerly the guaranteed student loan program (GSLP).

Sallie Mae provides liquidity through direct purchase of insured student loans from eligible lenders and through warehousing advances, which are loans to lenders secured by insured student loans, Government or agency securities, or other acceptable collateral. In capital shortage areas, Sallie Mae is authorized, at the request of Federal officials, to make insured loans directly to students. Sallie Mae is authorized to advance funds to State agencies that will provide loans to students. Sallie Mae is also authorized to provide a secondary market for noninsured loans; to serve as a guarantee agency in support of loan availability at the request of the Secretary of Education; to purchase and underwrite student loan revenue bonds; to provide certain additional services as determined by its board of directors to be supportive of the credit needs of students generally; and to provide financing for academic facilities and equipment.

Sallie Mae is authorized by the Health Professions Educational Assistance Act of 1976 to provide a secondary market for federally insured loans to graduate health professions students.

Operations.—The forecast data with respect to operations are based on certain general economic and specific FFELP loan volume assumptions and should not be relied upon as an official forecast of the corporation's future business.

ANNUAL LOAN ACTIVITY

[In millions of dollars]

	1996 actual	*1997 est.*	*1998 est.*
Guaranteed student loans:			
Stafford (formerly "regular"):			
Purchased	5,956	6,620	6,124
Warehoused	1,721	1,000	1,000
PLUS/SLS: Purchased	682	758	701
Subtotal, Guaranteed student loans	8,359	8,378	7,825
Health professions loans: Purchased	366	407	376
Other	1,259	1,060	989
Total	9,984	9,845	9,190

Financing.—Between 1974 and early 1982, Sallie Mae borrowed through the Federal Financing Bank. The Secretary of Education was authorized by the Education Amendments of 1980 to guarantee principal and interest on such obligations issued prior to October 1, 1985. Under an agreement with the Department of the Treasury reached in early 1981, Sallie Mae began borrowing directly in the private capital markets. Its last borrowing through the FFB and its last issuance of federally guaranteed obligations occurred in January 1982. During the first quarter of 1994, Sallie Mae prepaid all of the outstanding FFB debt. Its obligations today have certain characteristics, provided by charter, which give them "agency" status, but they are not federally insured or guaranteed.

Management.—At its annual meeting in May 1996, the shareholders of Sallie Mae elected 14 members to its board of directors to serve until the next annual meeting. Sallie Mae is entitled to elect 14 members to the board. Pursuant to the Education Amendments of 1972, seven public directors are appointed by the President, who also names the chairman from among the 21 members.

Restructuring.—On September 30, 1996, the President signed legislation that authorizes Sallie Mae to restructure as a fully private, state chartered corporation. The legislation calls for Sallie Mae's shareholders to vote on restructuring within 18 months of enactment of this authorizing legislation. Under the restructuring, currently outstanding Sallie Mae debt will retain the characteristics of government sponsored enterprise (GSE) debt, as will debt issued by the GSE subsidiary of the new private company during a wind down period that ends in 2008. New business activities conducted outside of the GSE will not be financed by GSE debt.

If the shareholders vote not to authorize the restructuring, Sallie Mae is required to submit a plan by July 1, 2007, for winding up its GSE activities by July 1, 2013, on which day Sallie Mae would cease to exist.

Statement of Operations (in millions of dollars)

Identification code 99–1500–0–3–502		1995 actual	1996 actual	1997 est.	1998 est.
0101	Revenue	3,959			
0102	Expense	–3,481			
0109	Net income	478			

Note.—The Sallie Mae Board of Directors does not consider it appropriate to forecast corporate revenue in a public document since such forecasts could be used for speculative purposes.

Balance Sheet (in millions of dollars)

Identification code 99–1500–0–3–502		1995 actual	1996 actual	1997 est.	1998 est.
	ASSETS:				
	Federal assets:				
	Investments in US securities:				
1102	Treasury securities, par	1,173	1,281	1,243	1,305
1104	Agency securities, par	29	10	10	10
1106	Receivables, net	855	852	894	939
	Non-Federal assets:				
1201	Investments in non-Federal securities, net	9,907	6,971	7,345	7,682
1206	Receivables, net	326	483	507	532
1207	Advances and prepayments	13	15	15	16
	Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601	Direct loans, gross	41,739	37,538	35,712	33,664
1603	Allowance for estimated uncollectible loans and interest (–)	–103	–147	–140	–132
1699	Value of assets related to direct loans	41,636	37,391	35,572	33,532
	Other Federal assets:				
1801	Cash and other monetary assets	37	35	37	39
1803	Property, plant and equipment, net	179	246	259	272
1901	Other assets	144	100	105	110
1999	Total assets	54,299	47,384	45,987	44,437
	LIABILITIES:				
	Non-Federal liabilities:				
2202	Interest payable	582	472	495	520
2203	Debt	51,672	44,964	43,448	41,771
2206	Pension and other actuarial liabilities	14	15	15	16
2207	Other	746	916	961	1,009
2999	Total liabilities	53,014	46,367	44,919	43,316
	NET POSITION:				
3200	Invested capital	1,284	1,017	1,068	1,121
3999	Total net position	1,284	1,017	1,068	1,121
4999	Total liabilities and net position	54,298	47,384	45,987	44,437

Object Classification (in millions of dollars)

Identification code 99–1500–0–3–502		1996 actual	1997 est.	1998 est.
11.1	Personnel compensation: Full-time permanent	53	45	47
12.1	Civilian personnel benefits	14	11	12
21.0	Travel and transportation of persons	5	4	4
23.3	Communications, utilities, and miscellaneous charges	4	4	4

25.1	Advisory and assistance services	15	13	13
25.2	Other services	234	197	207
31.0	Equipment	8	6	7
33.0	Loans	9,984	9,845	9,190
43.0	Interest, dividends, and taxes	3,712	3,441	3,528
99.9	Total obligations	14,029	13,566	13,012

College Construction Loan Insurance Association

The College Construction Loan Insurance Association (Connie Lee) was authorized by Public Law 99–498 on October 17, 1986. The Corporation was created to insure and reinsure bonds and loans of educational institutions which borrow funds to finance the acquisition, construction, or renovation of their facilities. The Association was incorporated in February 1987, under the District of Columbia Business Corporation Act.

Connie Lee's authorizing statute stated that "no obligation which is insured, guaranteed, or otherwise backed by the corporation, shall be deemed to be an obligation which is guaranteed by the full faith and credit of the United States."

Operations.—Connie Lee is structured to operate as a private corporation, subject to the same state laws and regulations as any other insurance company. Accordingly, Connie Lee secures insurance licenses in each of the various states in which it expects to conduct its insurance activities.

The Board of Directors authorized management to begin activities as a reinsuror of educational facilities bonds in 1988. Connie Lee reinsured its first bonds in December 1988. In fiscal year 1996, Connie Lee insured $2,041 million of debt service on bonds benefitting colleges, universities and teaching hospitals. Connie Lee also provided reinsurance on bonds representing $5 million of debt service.

INSURANCE AND REINSURANCE ACTIVITY

[In thousands of dollars]

Debt service insured:	*1996 actual*
Direct insurance	2,041,502
Reinsurance	5,210
Total	2,046,712

Financing.—In order to provide capitalization, the Secretary of Education, the Student Loan Marketing Association (Sallie Mae), and other investors were authorized to purchase stock in the corporation. Sallie Mae made an initial investment of $2 million in Connie Lee stock in fiscal year 1987. The Secretary of Education purchased $19.1 million in Connie Lee stock with funds appropriated for this purpose in fiscal year 1988. Subsequently, the corporation sold an additional $50.9 million of equity securities to Sallie Mae, increasing total capital of the corporation to $72.0 million. At the end of 1991, Connie Lee placed equity securities with private investors, providing sufficient incremental capital to obtain a triple-A credit rating necessary to engage in the financial guaranty business as a direct writer of insurance.

Statement of Operations (in millions of dollars)

Identification code 99–9931–0–3–502		1995 actual	1996 actual	1997 est.	1998 est.
0101	Revenue	22	22		
0102	Expense	–12	–11		
0109	Net income	10	11		

Management.—Connie Lee is governed by an eleven-member board of directors comprised of two directors appointed by the Secretary of the Treasury; two directors appointed by the Secretary of Education; three directors appointed by the Student Loan Marketing Association; and four directors elected by the corporation's shareholders, one of whom must be an administrator of a college or university.

Privatization.—Legislation was enacted in 1996 that privatizes Connie Lee by repealing its enabling legislation and requiring the Federal Government to sell, and Connie Lee to purchase, the corporation's federally owned stock. This sale will occur during fiscal year 1997, and proceeds will be used to finance public elementary and secondary school facility construction and repair within the District of Columbia. Data on the corporation's financial position at the time of the stock sale will be published in the President's Budget for FY 1999.

The corporation will continue to insure debt of educational institutions, including Historically Black Colleges and Universities and academic institutions that have lower investment-grade credit ratings. Without the Federal restrictions previously imposed by legislation, the corporation will be able to guarantee bonds in other market sectors and diversify into new products and services.

Balance Sheet (in millions of dollars)

Identification code 99–9931–0–3–502		1995 actual	1996 actual	1997 est.	1998 est.
	ASSETS:				
	Federal assets:				
	Investments in US securities:				
1102	Treasury securities, par	25	42		
1104	Agency securities, par	30	21		
	Non-Federal assets:				
1201	Investments in non-Federal securities, net	142	155		
1206	Receivables, net	8	9		
1207	Advances and prepayments	30	37		
	Other Federal assets:				
1801	Cash and other monetary assets	6	3		
1803	Property, plant and equipment, net	1	1		
1999	Total assets	242	268		
	LIABILITIES:				
2104	Federal liabilities: Resources payable to Treasury	7	9		
2201	Non-Federal liabilities: Accounts payable	80	94		
2999	Total liabilities	87	103		
	NET POSITION:				
3200	Invested capital	155	165		
3999	Total net position	155	165		
4999	Total liabilities and net position	242	268		

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Federal National Mortgage Association

PORTFOLIO PROGRAMS

Program and Financing (in millions of dollars)

Identification code 99–2500–0–3–371		1996 actual	1997 est.	1998 est.
	Obligations by program activity:			
	Operating expenses:			
00.01	Interest on borrowings from the public	19,659	22,126	25,444
00.02	Other costs	3,120	2,855	3,011
00.91	Total operating expenses	22,779	24,981	28,455
	Capital investment:			
01.01	Mortgage purchases and loans	71,234	67,488	77,724
01.02	Lease-Purchase Discounts	–129		
01.91	Total capital investment	71,105	67,488	77,724
10.00	Total obligations	93,884	92,469	106,179
	Budgetary resources available for obligation:			
21.47	Unobligated balance available, start of year: Authority to borrow	406,165	464,639	484,339
22.00	New budget authority (gross)	152,358	112,169	146,721
23.90	Total budgetary resources available for obligation	558,523	576,808	631,060
23.95	New obligations	–93,884	–92,469	–106,179

FEDERAL NATIONAL MORTGAGE ASSOCIATION—Continued

PORTFOLIO PROGRAMS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 99–2500–0–3–371		1996 actual	1997 est.	1998 est.
24.47	Unobligated balance available, end of year: Authority to borrow	464,639	484,339	524,881
	New budget authority (gross), detail:			
67.10	Authority to borrow	99,682	81,253	115,011
67.15	Net increase or decrease in unlimited borrowing authorities	–3	–3	–3
67.90	Authority to borrow (total)	99,679	81,250	115,008
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	52,679	30,919	31,713
70.00	Total new budget authority (gross)	152,358	112,169	146,721
	Change in unpaid obligations:			
	Unpaid obligations, start of year:			
	Obligated balance:			
72.47	Corporate borrowing authority	–39,959	–47,738	–57,179
72.90	Fund balance	48,071	54,604	63,193
72.99	Total unpaid obligations, start of year	8,112	6,866	6,014
73.10	New obligations	93,884	92,469	106,179
73.20	Total outlays (gross)	–95,130	–93,322	–105,909
	Unpaid obligations, end of year:			
	Obligated balance:			
74.47	Corporate borrowing authority	–47,738	–57,179	–64,601
74.90	Fund balance	54,604	63,193	70,885
74.99	Total unpaid obligations, end of year	6,866	6,014	6,284
	Outlays (gross), detail:			
86.97	Outlays from new permanent authority	52,674	30,919	31,710
86.98	Outlays from permanent balances	42,456	62,403	74,199
87.00	Total outlays (gross)	95,130	93,322	105,909
	Offsets:			
	Against gross budget authority and outlays:			
	Offsetting collections (cash) from:			
88.00	Federal sources	–130	–130	–130
88.40	Non-Federal sources	–52,549	–30,789	–31,583
88.90	Total, offsetting collections (cash)	–52,679	–30,919	–31,713
	Net budget authority and outlays:			
89.00	Budget authority	99,679	81,250	115,008
90.00	Outlays	42,451	62,403	74,196

Status of Direct Loans (in millions of dollars)

Identification code 99–2500–0–3–371		1996 actual	1997 est.	1998 est.
	Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans	....	....	....
1131	Direct loan obligations exempt from limitation	63,858	68,312	78,229
1150	Total direct loan obligations	63,858	68,312	78,229
	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	250,374	293,037	330,600
	Disbursements:			
1231	Direct loan disbursements	66,802	67,301	77,506
1232	Purchase of loans assets from the public	4,432	188	219
1251	Repayments: Repayments and prepayments	–26,596	–29,926	–37,726
1264	Write-offs for default: Other adjustments, net	–1,975	....	....
1290	Outstanding, end of year	293,037	330,600	370,599

The Federal National Mortgage Association, (Fannie Mae) is a federally-chartered, privately-owned company with a public mission to play a leadership role in mortgage finance, to improve the liquidity of the residential mortgage market and increase the availability of mortgage credit to low-and moderate income families and areas underserved by private lending institutions. In carrying out its mission, Fannie Mae engages primarily in two forms of business: investing in portfolios of residential mortgages and guaranteeing residential mortgage securities. As of September 30, 1996, Fannie Mae held a net mortgage portfolio totaling $277 billion and had outstanding guaranteed mortgage-backed securities of over $636 billion. Fannie Mae's portfolio purchases and MBS finance about one of every five mortgages in the country.

Through a federal charter, Congress has equipped Fannie Mae with certain attributes to help it carry out its public mission and help lower the cost of homeownership for low- and moderate-income homebuyers. These include an exemption from state and local taxes (except real property taxes), an exemption of its debt and mortgage securities from Securities and Exchange Commission registration requirements, and potential access to U.S. Treasury funds. Fannie Mae's charter also prohibits the imposition of user fees. Fannie Mae pays federal income tax; its earnings as of third quarter suggest the company will pay over $1 billion for 1996. Securities guaranteed by Fannie Mae and debt issued by the company are solely the corporation's obligations and are not backed by the full faith and credit of the U.S. Government. The common stock of the corporation is owned by the public, if fully transferable, and trades on the New York, Midwest, and Pacific stock exchanges.

Fannie Mae was established in 1938 to assist private markets in providing a steady supply of funds for housing. Fannie Mae was originally a subsidiary of the Reconstruction Finance Corporation and was permitted to purchase only loans insured by the Federal Housing Administration (FHA). In 1954, Fannie Mae was restructured as a mixed ownership (part government, part private) corporation. Congress sold the government's remaining interest in Fannie Mae in 1968 and completed the transformation to private shareholder ownership in 1970. Using the proceeds from the sale of subordinated debentures, Fannie Mae paid the Treasury $216 million for the government's preferred stock, which was retired, and for the Treasury's interest in the corporation's earned surplus. As a result, the corporation was taken off the federal budget.

In 1992, Congress reaffirmed and clarified Fannie Mae's role in the housing finance system through charter act amendments included in the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 ("The Act"). Fannie Mae's charter purposes, as amended by the Act, are: "to provide stability in the secondary market for residential mortgages; respond appropriately to the private capital market; provide ongoing assistance to the secondary market for residential mortgages (including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities); and promote access to mortgage credit throughout the Nation (including central cities, rural areas, and underserved areas) by increasing the liquidity of mortgage investments and improving the distribution of investment capital for residential mortgage financing."

Fannie Mae's primary customers are low-, moderate-, and middle-income families. In March of 1994, the company established its "$1 Trillion Initiative" to provide mortgage financing for low- and moderate-income families in underserved markets. At year-end 1996, the company had provided $269 billion in financing for $3.6 million targeted households, including 660,000 minority families, 1.5 million residents in central cities, and 723,000 first-time homebuyers. In addition, the company opened 25 new Partnership Offices in communities around the country; these offices work with local governments, lenders, nonprofit organizations, and neighborhood leaders to tailor affordable housing programs to each community's needs.

On December 1, 1995, the U.S. Department of Housing and Urban Development issued a final rule that sets the levels of the affordable housing goals for 1996–1999 and establishes the requirements for counting mortgage purchases to low- and moderate-income families and families living in underserved areas with specific census tract and minority concentration requirements. Under the new regulations, the low- and moderate-income target for 1996 is 40 percent, increasing to 42 percent for years 1997–1999; the underserved area goal for 1996 is 21 percent, increasing to 24 percent for the 1997–1999 period. In addition, the special affordable housing goal requires the corporation to target 12 percent of its conventional mortgage business in 1996 and 14 percent in 1997–1999 to very low-income families or low-income families in low-income areas; those amounts must include qualifying special affordable purchases on multifamily units totaling not less than $1.29 billion for each year. Fannie Mae exceeded its housing goals for 1994 and 1995, and expects to meet or exceed all of its goals for 1996.

The Act also established the Office of Federal Housing Enterprise Oversight (OFHEO), an independent office within HUD, headed by a Director who reports directly to the Congress. OFHEO has statutory responsibility for ensuring that Fannie Mae is adequately capitalized and operating in a safe and sound manner. Included among the express statutory authorities of the Director is the authority to conduct examinations of the financial health of the company and to issue minimum and risk-based capital standards. The minimum capital requirements are computed from statutorily established ratios that are applied to the assets and off-balance sheet risks of Fannie Mae. The risk-based capital standard determines the amount of capital that Fannie Mae must hold to withstand the impact of simultaneous adverse credit and interest rate stresses over a 10-year period, plus an additional amount to cover management and operations risk. Total capital (shareholder's equity plus allowance for loan losses) at the end of September 1996 was $13.0 billion. The company has continued to remain in compliance with applicable capital standards and has been deemed adequately capitalized by OFHEO since its first classification in June 1993.

Fannie Mae has pursued its housing mission vigorously and productively while continuing to maintain its financial strength. It provides liquidity and stability to the mortgage market. It also passes on reduced mortgage interest rates to homebuyers—according to some studies between 25 and 50 basis points. Meanwhile, Fannie Mae has remained profitable. Through the third quarter of 1996, it earned $2.01 billion in net income. The company also completed the financial restructuring plan it announced at the end of 1995, which included stock repurchase plans totaling $1 billion and a $350 million contribution to the Fannie Mae foundation for expanding homeownership.

The forecast data contained in this material has been developed based on certain general economic assumptions prevalent in the third quarter of 1996 and should not be construed as an official forecast for Fannie Mae.

Income and retained earnings for the years ended September 30, 1995 and 1996 follow (in thousands of dollars):

	1995 actual	*1996 actual*
Gross revenue	21,408,700	24,404,500
Gross expenses	18,190,200	21,008,700
Income before Federal income tax	3,218,500	3,395,800
Federal income tax	930,100	1,000,300
Net income	2,288,400	2,395,500
Retained earnings, beginning of year	7,545,000	9,123,000
Dividends on common stock	−710,400	−800,200
Retained earnings, end of year	9,123,000	10,718,300

Balance Sheet (in millions of dollars)

Identification code 99–2500–0–3–371		1995 actual	1996 actual	1997 est.	1998 est.
	ASSETS:				
	Federal assets:				
1101	Fund balances with Treasury	221	650		
	Investments in US securities:				
1102	Treasury securities, par	22	21		
1104	Other	47,828	53,933	63,209	70,904
	Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601	Public: direct loans (net of discount)	231,960	267,105	307,739	347,980
1602	Federal Agencies	8,545	10,164	3,709	3,406
1603	Allowance for estimated uncollectible loans and interest (–)	–287	–253	–233	–227
1699	Value of assets related to direct loans	240,218	277,016	311,215	351,159
	Other Federal assets:				
1801	Cash and other monetary assets	5,763	6,725	7,472	8,455
1803	Property, plant and equipment, net	177	190		
1999	Total assets	294,229	338,535	381,896	430,518
	LIABILITIES:				
	Federal liabilities:				
2101	Accounts payable	349	550		
2102	Accrued interest payable	3,712	4,429	5,499	6,242
2105	Other	5	6		
	Non-Federal liabilities:				
2203	Debt	277,192	319,153	359,996	406,260
2204	Estimated Federal liability for loan guarantees, credit reform	2,028	1,936	3,411	3,694
2206	Pension and other actuarial liabilities	157	178		
2207	Subtotal, Federal taxes payable	65	15		
2999	Total liabilities	283,508	326,267	368,906	416,196
	NET POSITION:				
3300	Cumulative results of operations	10,721	12,267	12,990	14,322
3999	Total net position	10,721	12,267	12,990	14,322
4999	Total liabilities and net position	294,229	338,534	381,896	430,518

Object Classification (in millions of dollars)

Identification code 99–2500–0–3–371		1996 actual	1997 est.	1998 est.
21.0	Travel and transportation of persons	14	14	15
23.3	Communications, utilities, and miscellaneous charges	11	11	12
24.0	Printing and reproduction	5		
25.1	Advisory and assistance services	95	89	97
	Other services:			
25.2	Other services—Non-Federal employment compensation	310	354	388
25.2	Other services	1,785	1,454	1,462
26.0	Supplies and materials	4		
31.0	Equipment	71	71	77
33.0	Investments and loans	71,105	67,487	77,724
43.0	Interest and dividends	20,484	22,989	26,404
99.9	Total obligations	93,884	92,469	106,179

MORTGAGE-BACKED SECURITIES

Program and Financing (in millions of dollars)

Identification code 99–2501–0–3–371		1996 actual	1997 est.	1998 est.
	Obligations by program activity:			
00.01	Capital investment: Commitments to issue MBS	200,735	128,618	141,293
10.00	Total obligations (object class 33.0)	200,735	128,618	141,293
	Budgetary resources available for obligation:			
22.00	New budget authority (gross)	200,735	128,618	141,293
23.95	New obligations	–200,735	–128,618	–141,293
	New budget authority (gross), detail:			
67.15	Corporate borrowing authority	117,682	59,205	66,453
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	83,053	69,413	74,840
70.00	Total new budget authority (gross)	200,735	128,618	141,293

FEDERAL NATIONAL MORTGAGE ASSOCIATION—Continued

MORTGAGE-BACKED SECURITIES—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 99–2501–0–3–371		1996 actual	1997 est.	1998 est.
	Change in unpaid obligations:			
72.47	Unpaid obligations, start of year: Obligated balance: Corporate borrowing authority	114,618	155,523	155,523
73.10	New obligations	200,735	128,618	141,293
73.20	Total outlays (gross)	–159,830	–128,618	–141,293
74.47	Unpaid obligations, end of year: Obligated balance: Corporate borrowing authority	155,523	155,523	155,523
	Outlays (gross), detail:			
86.97	Outlays from new permanent authority	83,053	69,413	74,840
86.98	Outlays from permanent balances	76,777	59,205	66,453
87.00	Total outlays (gross)	159,830	128,618	141,293
	Offsets:			
	Against gross budget authority and outlays:			
88.40	Offsetting collections (cash) from: Non-Federal sources	–83,053	–69,413	–74,840
	Net budget authority and outlays:			
89.00	Budget authority	117,682	59,205	66,453
90.00	Outlays	76,777	59,205	66,453

Status of Direct Loans (in millions of dollars)

Identification code 99–2501–0–3–371		1996 actual	1997 est.	1998 est.
	Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans	....	....	....
1131	Direct loan obligations exempt from limitation	200,735	128,618	141,293
1150	Total direct loan obligations	200,735	128,618	141,293
	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	559,585	636,362	695,567
1231	Disbursements: Direct loan disbursements	159,830	128,618	141,293
1251	Repayments: Repayments and prepayments	–83,053	–69,413	–74,840
1290	Outstanding, end of year	636,362	695,567	762,020

According to accounting practices for private corporations, the mortgages in the pools of loans supporting the mortgage-backed securities are considered to be owned by the holders of these securities. Consequently, on the books of the Federal National Mortgage Association (Fannie Mae), these mortgages are not considered assets and the securities outstanding are not considered liabilities. However, the concepts of the budget of the U.S. Government consider these mortgages and mortgage-backed securities to be assets and liabilities, respectively, of Fannie Mae. For the purposes of this document, therefore, they are presented as assets and liabilities in the accompanying schedules. On the schedule of Status of direct loans for mortgage-backed securities, the items labeled ''New loans'' and ''Recoveries: Repayments and prepayments'' are budgetary terms. However, from the Corporation's perspective, these items are ''Amounts issued'' and ''Amounts passed through to the holders of securities'', respectively.

The forecast data contained in this material has been developed based on certain general economic assumptions prevalent in the third quarter of 1996 and should not be construed as an official forecast of the Corporation's position.

Balance Sheet (in millions of dollars)

Identification code 99–2501–0–3–371		1995 actual	1996 actual	1997 est.	1998 est.
	ASSETS:				
	Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601	Direct loans, gross	560,107	636,883	696,097	762,582
1603	Allowance for estimated uncollectible loans and interest (–)	–522	–521	–541	–563
1699	Value of assets related to direct loans	559,585	636,362	695,556	762,019
1999	Total assets	559,585	636,362	695,556	762,019
	LIABILITIES:				
2104	Federal liabilities: Resources payable to Treasury	559,585	636,362	695,557	762,019
2999	Total liabilities	559,585	636,362	695,557	762,019

FEDERAL HOME LOAN MORTGAGE CORPORATION

PORTFOLIO PROGRAMS

Program and Financing (in millions of dollars)

Identification code 99–4420–0–3–371		1996 actual	1997 est.	1998 est.
	Obligations by program activity:			
	Operating expenses:			
00.01	Interest expense and provision for loan loss	8,960	11,979	16,015
00.02	Administration	425	463	504
00.91	Total operating expenses	9,385	12,442	16,519
01.01	Capital investment: Mortgage purchases for portfolio	46,267	57,253	70,848
10.00	Total obligations	55,652	69,695	87,367
	Budgetary resources available for obligation:			
21.47	Unobligated balance available, start of year: Authority to borrow	21,989	23,815	25,793
22.00	New budget authority (gross)	66,427	91,234	132,266
22.60	Redemption of debt	–8,949	–19,561	–42,757
23.90	Total budgetary resources available for obligation	79,467	95,488	115,302
23.95	New obligations	–55,652	–69,695	–87,367
24.47	Unobligated balance available, end of year: Authority to borrow	23,815	25,793	27,935
	New budget authority (gross), detail:			
67.15	Net change in borrowing authorities	43,200	61,039	93,013
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	23,227	30,195	39,253
70.00	Total new budget authority (gross)	66,427	91,234	132,266
	Change in unpaid obligations:			
72.47	Unpaid obligations, start of year: Obligated balance: Authority to borrow	7,993	548	1,140
73.10	New obligations	55,652	69,695	87,367
73.20	Total outlays (gross)	–63,097	–69,103	–87,415
74.47	Unpaid obligations, end of year: Obligated balance: Authority to borrow	548	1,140	1,092
	Outlays (gross), detail:			
86.97	Outlays from new permanent authority	33,115	44,740	79,123
86.98	Outlays from permanent balances	29,982	24,363	8,292
87.00	Total outlays (gross)	63,097	69,103	87,415
	Offsets:			
	Against gross budget authority and outlays:			
88.40	Offsetting collections (cash) from: Non-Federal sources	–23,227	–30,195	–39,253
	Net budget authority and outlays:			
89.00	Budget authority	43,200	61,039	93,013
90.00	Outlays	39,870	38,908	48,162

Status of Direct Loans (in millions of dollars)

Identification code 99–4420–0–3–371		1996 actual	1997 est.	1998 est.
	Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans	....	....	....
1131	Direct loan obligations exempt from limitation	46,267	57,253	70,848
1150	Total direct loan obligations	46,267	57,253	70,848
	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	94,989	129,427	176,350

1231	Disbursements: Direct loan disbursements	46,267	57,253	70,848
1251	Repayments: Repayments and prepayments	–11,829	–10,330	–6,913
1290	Outstanding, end of year	129,427	176,350	240,285

Federal Home Loan Mortgage Corporation (Freddie Mac), is a federally-charted, private shareholder-owned company with a public mission to provide stability and increase the liquidity of the residential mortgage market, and to help increase the availability of mortgage credit to low- and moderate-income families and in underserved areas. In carrying out its mission, Freddie Mac engages primarily in two forms of business: investing in portfolios of residential mortgages and guaranteeing residential mortgage securities. At the end of 1995, Freddie Mac held a net mortgage portfolio totaling over $107 billion and had outstanding guaranteed mortgage-backed securities of just under $460 billion.

Through a federal charter, Congress has equipped Freddie Mac with certain advantages over wholly private firms in carrying out these activities. These advantages include an exemption from state and local taxes (except real property taxes), an exemption for their debt and mortgage securities from SEC filing registration requirements, and a potential access to U.S. Treasury funds. Freddie Mac does pay federal income tax, however, and securities guaranteed by Freddie Mac and debt issued by the company are not explicitly backed by the full faith and credit of the U.S. Government. The common stock of the corporation is owned by the public, is fully transferable, and trades on the New York and Pacific stock exchanges.

Freddie Mac was established in 1970 under the Emergency Home Finance Act. Congress chartered Freddie Mac to provide mortgage lenders with an organized national secondary market enabling them to manage their conventional mortgage portfolio more effectively and gain indirect access to a ready source of additional funds to meet new demands for mortgages. Freddie Mac served as a conduit facilitating the flow of investment dollars from the capital markets to mortgage lenders, and ultimately, to homebuyers, increasing the amount of mortgage credit available and making it more affordable.

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) significantly changed the corporate governance of Freddie Mac. The company's three member Board of Directors, which had corresponded with the Federal Home Loan Bank Board, was replaced with an eighteen member Board of Directors. Thirteen board members are elected annually by shareholders and five are annually appointed by the President of the United States. In addition, FIRREA converted Freddie Mac's 60 million shares of non-voting, senior participating preferred stock into voting common stock. As a result, the corporation was taken off the federal budget.

FIRREA also clarified Freddie Mac's role in the housing finance delivery system through amendments to its charter act. Specifically, FIRREA established Freddie Mac's public mission: "to provide stability in the secondary market for residential mortgages; respond appropriately to the private capital market; provide ongoing assistance to the secondary market for residential mortgages (including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities); and promote access to mortgage credit throughout the Nation (including central cities, rural areas, and underserved areas) by increasing the liquidity of mortgage investments and improving the distribution of investment capital for residential mortgage financing."

The Federal Housing Enterprises Financial Safety and Soundness Act of 1992 ("The Act") added to Freddie Mac's public mission by introducing new affordable housing goals that are designed to improve the flow of mortgage funds to low- and moderate-income families in central cities, rural areas, and other underserved areas. On December 1, 1995, the U.S. Department of Housing and Urban Development (HUD) issued a final rule that sets the levels of the goals for 1996–1999 and establishes the requirements for counting mortgage purchases for meeting these goals. During the transition period prior to the issuance of the final regulation, Freddie Mac was subject to interim affordable housing goals. These interim goals required Freddie Mac to have 30 percent of the units it finances serve low- and moderate-income families and 30 percent of the units it finances in central cities. In 1995, Freddie Mac purchased about 39 percent of its financings from low- and moderate-income families and 23 percent of its business was located in central cities. Under the interim goals, Freddie Mae also was required to dedicate $3.357 billion in financings for households with very low incomes or with low incomes living in low-income areas. Freddie Mac achieved this goal with $5.426 billion of such loans in 1995.

The Act also enhanced the regulatory oversight of Freddie Mac by establishing the Office of Federal Housing Enterprise Oversight (OFHEO), an independent office within HUD, headed by a Director who reports directly to the Congress. OFHEO is responsible for ensuring that Freddie Mac is adequately capitalized and operating in a safe and sound manner. Included among the express statutory authorities of the Director is the authority to conduct examinations of the financial health of the company and to issue minimum and risk-based capital standards. The minimum capital requirements are computed from statutorily established ratios that are applied to the assets and off-balance sheet risks of Freddie Mac. The risk-based capital standard determines the amount of capital that Freddie Mac must hold to withstand the impact of simultaneous adverse credit and interest rate stresses over a 10-year period, plus an additional amount to cover management and operations risk.

Meanwhile, Freddie Mac has remained profitable. Freddie Mac recorded net income of $1.09 billion in 1995, an 11 percent increase over 1994 earnings of $983 million. Most of Freddie's increased earnings in 1995 came from a $284 million increase in net interest income as Freddie's retained portfolio surged by almost 50 percent during the year to pass the $100 billion mark in the fourth quarter. While accepting and managing higher interest rate risk, Freddie Mac has expanded its investments in retained mortgages from only $34 billion in 1992 to $107 billion at the end of 1995 in an effort to generate higher overall returns.

The financial data contained in this material relating to future periods represent estimates that have been prepared specifically for inclusion in the President's budget. These data should not be viewed as an official forecast of the corporation's future position, nor should they be used as a basis for making financial or investment decisions relating to the corporation. The data have been developed on the basis of certain economic assumptions that are subject to periodic review and revision. Consequently, the estimates are subject to forecast error and actual results from future business operations are likely to differ from these data.

According to generally accepted accounting principles utilized by private corporations, the mortgages in the pools of loans supporting PCs are considered to be owned by the holder of these securities. Therefore, Freddie Mac does not show these mortgages as assets. However, the budget philosophy of the United States Government includes these mortgages and mortgages pass-through securities as assets and liabilities, respectively, of Freddie Mac. For the purpose of this document, therefore, they are presented as assets and liabilities in the accompanying schedules. On the Status of Direct Loans schedule for mortgage pass-through securities, the

FEDERAL HOME LOAN MORTGAGE CORPORATION—Continued

PORTFOLIO PROGRAMS—Continued

items labeled "Disbursements" and "Repayments" are budgetary terms. However, from Freddie Mac's perspective, these amounts represent "Sales of PCs" and "Amounts passed through to PC holders," respectively.

Statement of Operations (in millions of dollars)

Identification code 99–4420–0–3–371	1995 actual	1996 actual	1997 est.	1998 est.
0101 Revenue	8,623	11,139		
0102 Expense	–7,571	–9,926		
0109 Net income	1,052	1,213		

Balance Sheet (in millions of dollars)

Identification code 99–4420–0–3–371	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	2,820	2,689	2,564	2,445
Non-Federal assets:				
1201 Investments in non-Federal securities, net	2,150	3,158	4,639	6,815
1206 Receivables, net	3,680	8,801	12,193	12,497
1207 Advances and prepayments		583	528	478
Other Federal assets:				
1801 Cash and other monetary assets	23,916	17,420	12,688	9,241
1802 Inventories and related properties	94,989	129,427	176,350	240,285
1803 Property, plant and equipment, net	1,098	906	725	539
1999 Total assets	128,653	162,984	209,687	272,300
LIABILITIES:				
2101 Federal liabilities: Accounts payable	73	1		
Non-Federal liabilities:				
2201 Accounts payable	452	764	1,291	2,182
2202 Interest payable	1,090	1,492	2,042	2,795
2203 Debt	111,610	146,954	193,491	254,765
2206 Pension and other actuarial liabilities		7,233	5,395	4,024
Other:				
2207 Accrued payroll and benefits	9,725	38	58	89
2207 Accrued annual leave (funded or unfunded)		2	2	2
2999 Total liabilities	122,950	156,484	202,279	263,857
NET POSITION:				
3200 Invested capital	5,703	6,500	7,408	8,443
3999 Total net position	5,703	6,500	7,408	8,443
4999 Total liabilities and net position	128,653	162,984	209,687	272,300

Object Classification (in millions of dollars)

Identification code 99–4420–0–3–371	1996 actual	1997 est.	1998 est.
21.0 Travel and transportation of persons	9	9	9
23.3 Communications, utilities, and other rent	32	32	32
24.0 Printing and reproduction	3	3	3
Other services:			
25.2 Other services—Non-Federal employment compensation	257	270	281
25.2 Other services	112	137	167
26.0 Supplies and materials	12	12	12
33.0 Mortgage purchases for portfolio	46,267	57,253	70,848
43.0 Interest and provision for loan losses	8,960	11,979	16,015
99.9 Total obligations	55,652	69,695	87,367

MORTGAGE-BACKED SECURITIES

Program and Financing (in millions of dollars)

Identification code 99–4440–0–3–371	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Capital investment: Issue (sales) of participation certification	123,808	127,522	131,348
10.00 Total obligations (object class 33.0)	123,808	127,522	131,348
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	123,808	127,522	131,348
23.95 New obligations	–123,808	–127,522	–131,348
New budget authority (gross), detail:			
67.15 Corporate borrowing authority (net PC pool change)	14,264	14,709	15,168
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	109,544	112,813	116,180
70.00 Total new budget authority (gross)	123,808	127,522	131,348
Change in unpaid obligations:			
73.10 New obligations	123,808	127,522	131,348
73.20 Total outlays (gross)	–123,808	–127,522	–131,348
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	123,808	127,522	131,348
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	–109,544	–112,813	–116,180
Net budget authority and outlays:			
89.00 Budget authority	14,264	14,709	15,168
90.00 Outlays	14,264	14,709	15,168

Status of Direct Loans (in millions of dollars)

Identification code 99–4440–0–3–371	1996 actual	1997 est.	1998 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	123,808	127,522	131,348
1150 Total direct loan obligations	123,808	127,522	131,348
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	457,046	471,310	486,019
1231 Disbursements: Direct loan disbursements	123,808	127,522	131,348
1251 Repayments: Repayments and prepayments	–109,544	–112,813	–116,180
1290 Outstanding, end of year	471,310	486,019	501,187

Balance Sheet (in millions of dollars)

Identification code 99–4440–0–3–371	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
1901 Other Federal assets: Underlying Mortgages	457,046	471,310	486,019	501,187
1999 Total assets	457,046	471,310	486,019	501,187
LIABILITIES:				
2104 Federal liabilities: Resources payable to Treasury	457,046	471,310	486,019	501,187
2999 Total liabilities	457,046	471,310	486,019	501,187

FARM CREDIT SYSTEM

The Farm Credit System is a government sponsored enterprise that provides privately financed credit to agricultural and rural communities. The major functional entities of the system are: (1) Banks for Cooperatives (BC), (2) Agricultural Credit Bank (ACB), (3) Farm Credit Banks (FCB), and (4) direct lender associations. The history and specific functions of the bank entities are discussed after the presentation of financial schedules for each bank entity. As part of the Farm Credit System (FCS), these entities are regulated and examined by the Farm Credit Administration (FCA), an independent Federal agency. The administrative costs of FCA are currently financed by assessments of system institutions. System banks finance loans primarily from sales of bonds to the public and their own capital funds. The system bonds issued by the banks are not guaranteed by the U.S. Government either as to principal or interest. The bonds are backed by an insurance fund, administered by the Farm Credit System

Insurance Corporation (FCSIC), an independent Federal agency that collects insurance premiums from member banks to pay its administrative expenses and fund insurance reserves. All of the banks' current operating expenses are paid from their own income and do not require budgetary resources from the Federal Government. Limited Federal assistance is provided to support interest payments on special FCS Financial Assistance Corporation (FAC) debt obligations (see discussion of FAC elsewhere in this document).

Banks for Cooperatives

Program and Financing (in millions of dollars)

Identification code 99–4120–0–3–351		1996 actual	1997 est.	1998 est.
	Obligations by program activity:			
	Operating expenses:			
00.01	Administrative expenses	6	6	7
00.02	Interest on borrowings	137	137	141
00.03	Insurance premiums	3	3	3
00.04	Provision for loan losses	9	7	5
00.06	Income tax expense	5	5	7
00.07	Other expenses	9	10	9
00.91	Total operating expenses	169	168	172
01.01	Capital investment: Direct loans	12,992	11,838	11,683
10.00	Total obligations	13,161	12,006	11,855
	Budgetary resources available for obligation:			
21.47	Unobligated balance available, start of year: Authority to borrow	2,309	2,281	2,278
22.00	New budget authority (gross)	13,257	12,303	11,874
22.60	Redemption of debt	–124	–300	....
23.90	Total budgetary resources available for obligation	15,442	14,284	14,152
23.95	New obligations	–13,161	–12,006	–11,855
24.47	Unobligated balance available, end of year: Authority to borrow	2,281	2,278	2,297
	New budget authority (gross), detail:			
67.15	Net borrowing	....	....	58
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	13,257	12,303	11,816
70.00	Total new budget authority (gross)	13,257	12,303	11,874
	Change in unpaid obligations:			
73.10	New obligations	13,161	12,006	11,855
73.20	Total outlays (gross)	–13,161	–12,006	–11,855
	Outlays (gross), detail:			
86.97	Outlays from new permanent authority	13,161	12,006	11,816
86.98	Outlays from permanent balances	....	....	39
87.00	Total outlays (gross)	13,161	12,006	11,855
	Offsets:			
	Against gross budget authority and outlays:			
88.40	Offsetting collections (cash) from: Non-Federal sources	–13,257	–12,303	–11,816
	Net budget authority and outlays:			
89.00	Budget authority	....	....	58
90.00	Outlays	–96	–297	39

Status of Direct Loans (in millions of dollars)

Identification code 99–4120–0–3–351		1996 actual	1997 est.	1998 est.
	Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans	....	....	....
1131	Direct loan obligations exempt from limitation	12,993	11,837	11,682
1150	Total direct loan obligations	12,993	11,837	11,682
	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	2,273	2,222	1,964
1231	Disbursements: Direct loan disbursements	12,992	11,837	11,683
1251	Repayments: Repayments and prepayments	–13,043	–12,091	–11,598
1263	Write-offs for default: Direct loans	....	–4	–1
1290	Outstanding, end of year	2,222	1,964	2,048

Note.—Direct loan balances exclude nonaccrual loans and sales contracts.

Pursuant to the Agricultural Credit Act of 1987, stockholders in 11 of 13 Banks for Cooperatives voted in 1988 to merge into a single National Bank for Cooperatives. On January 1, 1995, the Springfield Bank for Cooperatives also merged with other entities, as discussed below, to form the first Agricultural Credit Bank. The remaining Cooperative entity, the St. Paul Bank for Cooperatives, is independently chartered to provide credit and related services, nationwide, to eligible cooperatives primarily engaged in farm supply, grain, marketing and processing (including sugar and dairy.) Loans are also made to rural utilities, including telecommunications companies. The financial schedules below reflect the operations of the St. Paul Bank for Cooperatives. Loans are made for both seasonal and long-term needs.

Statement of Operations (in millions of dollars)

Identification code 99–4120–0–3–351		1995 actual	1996 actual	1997 est.	1998 est.
0101	Total interest income	177	200	198	205
0102	Total interest expense	–127	–137	–137	–141
0109	Net interest income	50	63	61	64
0111	Other income	10	13	13	13
0112	Other expenses	–21	–32	–32	–31
0119	Net income	–11	–19	–19	–18
0191	Total revenues	187	213	211	218
0192	Total expenses	–148	–169	–169	–172
0199	Net income or loss	39	44	42	46

Balance Sheet (in millions of dollars)

Identification code 99–4120–0–3–351		1995 actual	1996 actual	1997 est.	1998 est.
	ASSETS:				
	Non-Federal assets:				
1201	Cash and investment securities	394	356	357	368
1206	Accrued interest receivable on loans	40	41	41	41
	Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601	Direct loans, gross	2,273	2,222	1,964	2,048
1603	Allowance for estimated uncollectible loans and interest (–)	–24	–34	–37	–41
1699	Value of assets related to direct loans	2,249	2,188	1,927	2,007
1803	Other Federal assets: Property, plant and equipment, net	104	119	114	117
1999	Total assets	2,787	2,704	2,439	2,533
	LIABILITIES:				
2104	Federal liabilities: Resources payable to Treasury	29	34	34	34
	Non-Federal liabilities:				
	Accounts payable:				
2201	Consolidated systemwide and other bank bonds	1,329	1,534	1,346	1,384
2201	Consolidated systemwide notes	1,166	837	725	745
2201	Notes payable and other interest-bearing liabilities	....	....	....	....
2202	Accrued interest payable	17	20	27	30
2999	Total liabilities	2,541	2,425	2,132	2,193
	NET POSITION:				
3300	Cumulative results of operations	246	279	307	340
3999	Total net position	246	279	307	340
4999	Total liabilities and net position	2,787	2,704	2,439	2,533

Note.—Loans to cooperatives include nonaccrual loans and sales contracts.

BANKS FOR COOPERATIVES—Continued

Statement of Changes in Net Worth (in millions of dollars)

Identification code 99–4120–0–3–351	1995 actual	1996 actual	1997 est.	1998 est.
Beginning balance of net worth	224	246	279	307
Capital stock and participations issued	4	11	3	5
Capital stock and participations retired	–11	–8	–7	–6
Surplus retired				
Net income	39	44	43	46
Cash/Dividends/Patronage Distributions	–10	–14	–11	–12
Other, net				
Ending balance of net worth	246	279	307	340

Financing Activities (in millions of dollars)

Identification code 99–4120–0–3–351	1995 actual	1996 actual	1997 est.	1998 est.
Beginning balance of outstanding system obligation	1,699	2,459	2,339	2,031
Consolidated systemwide and other bank bonds issued	1,524	2,331	2,025	2,125
Consolidated systemwide and other bank bonds retired	–1,287	–2,788	–2,475	–2,350
Consolidated systemwide notes, net	523	337	142	283
Ending balance of outstanding system obligations	2,459	2,339	2,031	2,089

Object Classification (in millions of dollars)

Identification code 99–4120–0–3–351		1996 actual	1997 est.	1998 est.
11.1	Personnel compensation: Personnel compensation and benefits	5	6	6
23.2	Cost of space occupied and equipment	1	1	1
25.2	Other services	3	3	3
33.0	Investments and loans	12,992	11,837	11,682
43.0	Interest and dividends	137	137	141
92.0	Undistributed expenses	23	22	22
99.9	Total obligations	13,161	12,006	11,855

AGRICULTURAL CREDIT BANKS

Program and Financing (in millions of dollars)

Identification code 99–4130–0–3–351		1996 actual	1997 est.	1998 est.
	Obligations by program activity:			
	Operating expenses:			
00.01	Administrative expenses	41	37	39
00.02	Interest on borrowings	1,007	1,109	1,198
00.03	Insurance premiums	18	16	17
00.04	Provision for loan losses	48	20	15
00.06	Income tax expense	29	30	38
00.07	Other expenses	62	69	69
00.91	Total operating expenses	1,205	1,281	1,376
01.01	Capital investment: direct loans	48,117	46,000	47,000
10.00	Total obligations	49,322	47,281	48,376
	Budgetary resources available for obligation:			
21.47	Unobligated balance available, start of year: Authority to borrow	2,548	2,796	2,416
22.00	New budget authority (gross)	49,570	46,901	48,460
23.90	Total budgetary resources available for obligation	52,118	49,697	50,876
23.95	New obligations	–49,322	–47,281	–48,376
24.47	Unobligated balance available, end of year: Authority to borrow	2,796	2,416	2,500
	New budget authority (gross), detail:			
67.15	Authority to borrow (indefinite)	806	152	572
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	48,764	46,749	47,888
70.00	Total new budget authority (gross)	49,570	46,901	48,460
	Change in unpaid obligations:			
72.90	Unpaid obligations, start of year: Obligated balance: Fund balance	712	712	712
73.10	New obligations	49,322	47,281	48,376
73.20	Total outlays (gross)	–49,322	–47,281	–48,376
74.90	Unpaid obligations, end of year: Obligated balance: Fund balance	712	712	712
	Outlays (gross), detail:			
86.93	Outlays from current balances		380	
86.97	Outlays from new permanent authority	49,322	46,901	48,376
87.00	Total outlays (gross)	49,322	47,281	48,376
	Offsets:			
	Against gross budget authority and outlays:			
88.40	Offsetting collections (cash) from: Non-Federal sources	–48,764	–46,749	–47,888
	Net budget authority and outlays:			
89.00	Budget authority	806	152	572
90.00	Outlays	558	532	488

On January 1, 1995, the National Bank for Cooperatives, the Springfield Bank for Cooperatives, and the Farm Credit Bank of Springfield consolidated to form an Agricultural Credit Bank (ACB), known as CoBank ACB. This bank is headquartered in Denver, Colorado and serves eligible cooperatives nationwide, and provides funding to Agricultural Credit Associations (ACAs) in one of its regions. An ACB operates under statutory authority that combines the authorities of a FCB and a BC. In exercising its FCB authority, CoBank ACB's charter limits its lending to ACAs located in the region previously served by the Farm Credit Bank of Springfield. As an entity lending to Cooperatives, CoBank engages in the same business activities as the St. Paul Bank for Cooperatives and it provides international loans for the financing of agricultural exports.

Status of Direct Loans (in millions of dollars)

Identification code 99–4130–0–3–351		1996 actual	1997 est.	1998 est.
	Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans			
1131	Direct loan obligations exempt from limitation	48,117	46,000	47,000
1150	Total direct loan obligations	48,117	46,000	47,000
	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	14,231	14,914	15,583
1231	Disbursements: Direct loan disbursements	48,117	46,000	47,000
1251	Repayments: Repayments and prepayments	–47,422	–45,328	–46,361
1263	Write-offs for default: Direct loans	–12	–3	–5
1290	Outstanding, end of year	14,914	15,583	16,217

Statement of Operations (in millions of dollars)

Identification code 99–4130–0–3–351		1995 actual	1996 actual	1997 est.	1998 est.
0101	Total interest income	1,171	1,317	1,406	1,511
0102	Total interest expense	–902	–1,008	–1,109	–1,198
0109	Net interest income	269	309	297	313
0111	Other income	23	26	15	16
0112	Other expense	–175	–198	–172	–178
0119	Net income	–152	–172	–157	–162
0191	Total revenues	1,194	1,343	1,421	1,527
0192	Total expenses	–1,077	–1,206	–1,281	–1,376
0199	Net income or loss	117	137	140	151

Balance Sheet (in millions of dollars)

Identification code 99–4130–0–3–351		1995 actual	1996 actual	1997 est.	1998 est.
	ASSETS:				
	Non-Federal assets:				
1201	Cash and investment securities	2,652	2,915	2,488	2,504

1206	Accrued interest receivable on loans	165	167	157	172
	Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601	Direct loans, gross	14,237	14,914	15,583	16,217
1603	Allowance for estimated uncollectible loans and interest (–)	–170	–208	–225	–235
1699	Value of assets related to direct loans	14,067	14,706	15,358	15,982
1803	Other Federal assets: Property, plant and equipment, net	131	138	153	153
1999	Total assets	17,015	17,926	18,156	18,811
	LIABILITIES:				
2104	Federal liabilities: Resources payable to Treasury	142	129	140	145
	Non-Federal liabilities:				
	Accounts payable:				
2201	Consolidated systemwide and other bank bonds	10,805	14,510	14,580	15,052
2201	Consolidated systemwide notes	4,717	1,818	1,900	2,000
2201	Notes payable and other interest-bearing liabilities	12	9	10	10
2202	Accrued interest payable	126	180	181	188
2999	Total liabilities	15,802	16,646	16,811	17,395
	NET POSITION:				
3200	Invested capital	1,213	1,280	1,345	1,416
3999	Total net position	1,213	1,280	1,345	1,416
4999	Total liabilities and net position	17,015	17,926	18,156	18,811

Statement of Changes in Net Worth (in millions of dollars)

Identification code 99–4130–0–3–351	1995 actual	1996 actual	1997 est.	1998 est.
Beginning balance of net worth	1,210	1,213	1,281	1,345
Capital stock and participations issued	6	....	4	4
Capital stock and participations retired	–52	–38	–46	–46
Net income	117	138	140	151
Cash/Dividends/Patronage Distributions	–32	–32	–34	–38
Other, net	–36	....	....	....
Ending balance of net worth	1,213	1,281	1,345	1,416

Financing Activities (in millions of dollars)

Identification code 99–4130–0–3–351	1995 actual	1996 actual	1997 est.	1998 est.
Beginning balance of outstanding system obligations	13,736	15,320	15,964	16,116
Consolidated systemwide and other bank bonds issued	7,768	10,663	7,200	7,500
Consolidated systemwide and other bank bonds retired	–5,505	–7,079	–7,130	–7,030
Consolidated systemwide notes, net	–679	–2,940	82	100
Ending balance of outstanding system obligations	15,320	15,964	16,116	16,686

Object Classification (in millions of dollars)

Identification code 99–4130–0–3–351		1996 actual	1997 est.	1998 est.
12.1	Personnel compensation and benefits	35	32	34
23.2	Cost of space occupied and equipment	6	5	5
25.2	Other services	19	16	17
33.0	Investments and loans	48,117	46,000	47,000
43.0	Interest and dividends	1,007	1,109	1,198
92.0	Undistributed expenses	138	119	122
99.9	Total obligations	49,322	47,281	48,376

Farm Credit Banks

Program and Financing (in millions of dollars)

Identification code 99–4160–0–3–371		1996 actual	1997 est.	1998 est.
	Obligations by program activity:			
	Operating expenses:			
00.01	Administrative expenses	100	103	104
00.02	Interest on borrowings	2,356	2,586	2,774
00.03	Insurance premiums	13	13	12
00.04	Provision for loan losses	9	6	3
00.05	Losses/gains on property	–4	–2	....
00.06	Other expenses	252	169	149
00.91	Total operating expenses	2,726	2,875	3,042
01.01	Capital investment: Direct loans	29,160	28,789	30,083
10.00	Total obligations	31,886	31,664	33,125
	Budgetary resources available for obligation:			
21.47	Unobligated balance available, start of year: Authority to borrow	6,083	7,125	7,333
22.00	New budget authority (gross)	32,928	31,872	33,176
23.90	Total budgetary resources available for obligation	39,011	38,997	40,509
23.95	New obligations	–31,886	–31,664	–33,125
24.47	Unobligated balance available, end of year: Authority to borrow	7,125	7,333	7,384
	New budget authority (gross), detail:			
67.15	Authority to borrow (indefinite)	3,354	1,598	1,040
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	29,574	30,274	32,136
70.00	Total new budget authority (gross)	32,928	31,872	33,176
	Change in unpaid obligations:			
72.90	Unpaid obligations, start of year: Obligated balance: Fund balance	771	854	676
73.10	New obligations	31,886	31,664	33,125
73.20	Total outlays (gross)	–31,803	–31,842	–33,243
74.90	Unpaid obligations, end of year: Obligated balance: Fund balance	854	676	558
	Outlays (gross), detail:			
86.97	Outlays from new permanent authority	31,803	31,842	33,176
86.98	Outlays from permanent balances	....	....	67
87.00	Total outlays (gross)	31,803	31,842	33,243
	Offsets:			
	Against gross budget authority and outlays:			
88.40	Offsetting collections (cash) from: Non-Federal sources	–29,574	–30,274	–32,136
	Net budget authority and outlays:			
89.00	Budget authority	3,354	1,598	1,040
90.00	Outlays	2,229	1,568	1,107

Status of Direct Loans (in millions of dollars)

Identification code 99–4160–0–3–371		1996 actual	1997 est.	1998 est.
	Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans	....	....	....
1131	Direct loan obligations exempt from limitation	29,160	28,789	30,083
1150	Total direct loan obligations	29,160	28,789	30,083
	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	36,536	39,197	41,156
1231	Disbursements: Direct loan disbursements	29,077	28,967	30,201
1251	Repayments: Repayments and prepayments	–26,417	–27,005	–28,684
1263	Write-offs for default: Direct loans	1	–3	–2
1290	Outstanding, end of year	39,197	41,156	42,671

Note.—Loans outstanding at end of year do not include nonaccrual loans and sales contracts.

The Agricultural Credit Act of 1987 (1987 Act) required the Federal Land Banks (FLBs) and Federal Intermediate Credit Banks (FICBs) to merge into a Farm Credit Bank (FCB) in each of the 12 Farm Credit districts. The FCBs

FARM CREDIT BANKS—Continued

operate under statutory authority that combines the prior authorities of the FLB and the FICB. No merger occurred in the Jackson district in 1988 because the FLB was in receivership. Pursuant to section 410(e) of the 1987 Act, as amended by the Farm Credit Banks Safety and Soundness Act of 1992, the FICB of Jackson merged with the FCB of Columbia on October 1, 1993. Mergers and consolidations of FCBs across district lines, that began in 1992 continued through mid-1995. As a result of this restructuring activity, 6 FCBs headquartered in the following cities, remain: AgFirst FCB, Columbia, South Carolina; AgAmerica FCB, Spokane, Washington; AgriBank FCB, St. Paul, Minnesota; FCB of Wichita, Wichita, Kansas; FCB of Texas, Austin, Texas; and Western FCB, Sacramento, California.

The FCBs serve as discount banks and as of October 1, 1996 provided funds to 32 Federal Land Credit Associations (FLCA), 66 Production Credit Associations (PCAs), and 60 Agricultural Credit Associations (ACAs). These direct lender associations, in turn, make short-term production loans (PCAs and ACAs) and long-term real estate loans (FLCAs and ACAs) to eligible farmers and ranchers. Also, as of January 1, 1996, 69 Federal Land Bank Associations originated and serviced long-term real estate loans for 2 of the 6 FCBs that have no affiliated FLCAs. FCBs can also lend to local financing institutions, including commercial banks, as authorized by the Farm Credit Act of 1971, as amended.

All the capital stock of the FICB's, from organization in 1923 to December 31, 1956, was held by the U.S. Government. The 1956 Act provided a long-range plan for the eventual ownership of the credit banks by the production credit associations and the gradual retirement of the Government's investment in the banks. This retirement was accomplished in full on December 31, 1968. The last of the Government capital that had been invested in the FLB's was repaid in 1947.

Statement of Operations (in millions of dollars)

Identification code 99–4160–0–3–371		1995 actual	1996 actual	1997 est.	1998 est.
0101	Total interest income	3,011	3,111	3,253	3,436
0102	Total interest expense	–2,302	–2,356	–2,586	–2,774
0109	Net interest income	709	755	667	662
0111	Other income	44	47	17	16
0112	Other expenses	–361	–370	–289	–268
0119	Net income	–317	–323	–272	–252
0191	Total revenues	3,055	3,158	3,270	3,452
0192	Total expenses	–2,663	–2,726	–2,875	–3,042
0199	Net income or loss	392	432	395	410

Balance Sheet (in millions of dollars)

Identification code 99–4160–0–3–371		1995 actual	1996 actual	1997 est.	1998 est.
	ASSETS:				
	Non-Federal assets:				
1201	Cash and investment securities	6,708	7,487	7,544	7,618
1206	Accrued Interest Receivable	810	781	806	819
	Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601	Direct loans, gross	36,536	39,198	40,848	41,967
1603	Allowance for estimated uncollectible loans and interest (–)	–548	–494	–444	–435
1699	Value of assets related to direct loans	35,988	38,704	40,404	41,532
1803	Other Federal assets: Property, plant and equipment, net	525	653	545	545
1999	Total assets	44,031	47,625	49,299	50,514
	LIABILITIES:				
2104	Federal liabilities: Resources payable to Treasury	276	272	225	224
	Non-Federal liabilities:				
	Accounts payable:				
2201	Consolidated systemwide and other bank bonds	28,532	31,860	31,496	33,206
2201	Consolidated systemwide notes	10,060	10,086	12,048	11,378
2201	Notes payable and other interest-bearing liabilities	597	662	719	829
2202	Accrued interest payable	437	455	479	457
2999	Total liabilities	39,902	43,335	44,967	46,094
	NET POSITION:				
3200	Invested capital	4,129	4,290	4,332	4,420
3999	Total net position	4,129	4,290	4,332	4,420
4999	Total liabilities and net position	44,031	47,625	49,299	50,514

Statement of Changes in Net Worth (in millions of dollars)

Identification code 99–4160–0–3–371	1995 actual	1996 actual	1997 est.	1998 est.
Beginning balance of net worth	3,964	4,129	4,290	4,332
Capital stock and participations issued	37	77	39	37
Capital stock and participations retired	–121	–99	–69	–55
Net income	392	432	394	410
Cash/Dividends/Patronage Distributions	–146	–251	–323	–304
Other, net	3	2	1	....
Ending balance of net worth	4,129	4,290	4,332	4,420

Financing Activities (in millions of dollars)

Identification code 99–4160–0–3–371	1995 actual	1996 actual	1997 est.	1998 est.
Beginning balance of outstanding system obligations	38,119	38,651	41,994	43,956
Consolidated systemwide and other bank bonds issued	30,137	40,404	41,803	42,594
Consolidated systemwide and other bank bonds retired	–29,891	–38,432	–41,069	–40,471
Consolidated systemwide notes, net	286	1,371	1,228	–682
Ending balance of outstanding system obligations	38,651	41,994	43,956	45,397

Object Classification (in millions of dollars)

Identification code 99–4160–0–3–371		1996 actual	1997 est.	1998 est.
11.1	Personnel compensation: Full-time permanent	80	82	83
23.2	Cost of space occupied and equipment	19	20	21
25.2	Other services	13	13	12
33.0	Investments and loans	29,160	28,789	30,083
43.0	Interest and dividends	2,356	2,585	2,774
92.0	Undistributed expenses	257	174	152
99.5	Below reporting threshold	1	1	....
99.9	Total obligations	31,886	31,664	33,125

FEDERAL AGRICULTURAL MORTGAGE CORPORATION

Program and Financing (in millions of dollars)

Identification code 99–4180–0–3–351		1996 actual	1997 est.	1998 est.
	Obligations by program activity:			
00.01	Administrative expenses and taxes	5	6	8
10.00	Total obligations	5	6	8
	Budgetary resources available for obligation:			
21.47	Unobligated balance available, start of year: Authority to borrow	11	12	15
22.00	New budget authority (gross)	6	9	13
23.90	Total budgetary resources available for obligation	17	21	28
23.95	New obligations	–5	–6	–8
24.47	Unobligated balance available, end of year: Authority to borrow	12	15	20

	New budget authority (gross), detail:			
68.00	Spending authority from offsetting collections (gross): Offsetting collections (cash)	6	9	13
	Change in unpaid obligations:			
73.10	New obligations	5	6	8
73.20	Total outlays (gross)	–5	–6	–8
	Outlays (gross), detail:			
86.97	Outlays from new permanent authority	5	6	8
	Offsets:			
	Against gross budget authority and outlays:			
88.40	Offsetting collections (cash) from: Non-Federal sources	–6	–9	–13
	Net budget authority and outlays:			
89.00	Budget authority			
90.00	Outlays	–1	–3	–5

Farmer Mac is authorized under the Farm Credit Act of 1971 (the Act), as amended by the Agricultural Credit Act of 1987, to create a secondary market for agricultural real estate and rural home mortgages that meet minimum credit standards (qualified loans). The Farmer Mac title of the Act was amended by the 1990 farm bill to authorize Farmer Mac to purchase, pool, and securitize the guaranteed portions of farmer program, rural business and community development loans guaranteed by the USDA. The Farmer Mac title was further amended in 1991 to clarify Farmer Mac's authority to issue debt obligations, provide for the establishment of minimum capital standards, and establish the Office of Secondary Market Oversight at the Farm Credit Administration (FCA) and expand the agency's rulemaking authority. Most recently, the Farm Credit System Reform Act of 1996 amended the Farmer Mac title to allow Farmer Mac to purchase loans directly from lenders and to issue and guarantee mortgage-backed securities without requiring that a minimum cash reserve or subordinated (first loss) interest be maintained by the lenders, poolers or investors as had been required under its original authority. The 1996 Act also increased Farmer Mac's capital requirements over time and expanded the regulatory authorities of the FCA.

Farmer Mac operates through two programs, "Farmer Mac I," which involves qualified loans, and "Farmer Mac II," which involves guaranteed portions of USDA guaranteed loans. Farmer Mac operates by: (i) purchasing newly originated or existing qualified loans or guaranteed portions from lenders; and (ii) exchanging qualified loans or guaranteed portions for guaranteed securities. Loans purchased by Farmer Mac are aggregated into pools that back Farmer Mac guaranteed securities which are held by Farmer Mac or sold into the capital markets. Farmer Mac is intended to attract new capital for financing qualified loans and guaranteed portions, foster increased long-term, fixed-rate lending, and provide greater liquidity to agricultural and rural lenders. Increased competition among agricultural lenders, stimulated by access to the secondary market, should result in more favorable rates and terms for agricultural borrowers.

Farmer Mac is governed by a 15 member Board of Directors. Ten Board members are elected by stockholders, including five by the Farm Credit System and five by commercial lenders. Five are appointed by the President, subject to Senate confirmation.

Financing

Financial support and funding for Farmer Mac's operations comes from several sources: sale of common and preferred stock; issuance of debt obligations; gain on sale of guaranteed loan-backed securities; guarantee fees; and income from investments. Under procedures specified in the Act, Farmer Mac may issue obligations to the U.S. Treasury in a cumulative amount not to exceed $1.5 billion to fulfill its guarantee obligations.

The Act provides for the actuarial soundness of the guarantee fee to be reviewed annually by the Comptroller General in a report to Congress. The soundness of the Farmer Mac I program is maintained through the application of multiple procedures. First, all loans are screened against Farmer Mac's credit underwriting and appraisal standards. Second, Farmer Mac assesses annual guarantee fees set at levels determined, with the assistance of computer modeling tools to evaluate Farmer Mac's portfolio under conditions of economic stress, to be adequate for potential risks undertaken. Third, Farmer Mac controls interest rate risk through matched funding and requirement of yield maintenance provisions for mortgages that prepay. Fourth, Farmer Mac's portfolio of loans and guaranteed securities must conform to geographic and commodity diversification standards set by the Board. Fifth, Farmer Mac maintains an allowance for loan losses determined to be adequate to cover anticipated losses. Lastly, Farmer Mac must maintain core and risk based capital as provided in the Act and FCA regulations. In the Farmer Mac II program, the risks are minimal because only the USDA guaranteed portions of loans are purchased and funding is matched to effectively eliminate interest rate risk.

Available funds of Farmer Mac are invested in U.S. agency securities or other high-grade commercial investments. No stock dividends are allowed under the Act until the Board determines that an adequate loss reserve has been funded to back Farmer Mac guarantees.

Guarantees

Farmer Mac provides a guarantee of timely payment of principal and interest on securities backed by qualified loans or pools of qualified loans. These securities are not guaranteed by the United States, and are not "government securities". The 1996 Act removed requirements that loan originators or other third parties maintain cash reserves or subordinated securities in connection with the issuance of Farmer Mac's guaranteed securities.

Farmer Mac is subject to reporting requirements under securities laws and its guaranteed mortgage-backed securities are subject to registration with the Securities and Exchange Commission under the 1933 and 1934 Securities Acts.

Regulation

Farmer Mac is federally regulated by the FCA's Office of Secondary Market Oversight (OSMO). OSMO is responsible for examination of and rulemaking for Farmer Mac, including the determination of the stress test to evaluate the adequacy of Farmer Mac's capital and the establishment of risk-based capital requirements after February 1999. The 1996 amendments to the Farmer Mac title expanded FCA's regulatory authority to include provisions for establishing a conservatorship or receivership, if necessary, and provided for increased levels or core capital phased in over three years. Lastly, during the capital phase-in period the U.S. Treasury and FCA jointly monitor Farmer Mac's financial condition and report to Congress biannually, as requested by Congress in connection with the enactment of the 1996 Act.

Status of Guaranteed Loans (in millions of dollars)

Identification code 99–4180–0–3–351		1996 actual	1997 est.	1998 est.
	Position with respect to appropriations act limitation on commitments:			
2111	Limitation on guaranteed loans made by private lenders			
2131	Guaranteed loan commitments exempt from limitation	199	960	1,191
2150	Total guaranteed loan commitments	199	960	1,191
	Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year	506	598	1,313
2231	Disbursements of new guaranteed loans	199	960	1,191
2251	Repayments and prepayments	–107	–245	–423

FEDERAL AGRICULTURAL MORTGAGE CORPORATION—Continued

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

Identification code 99–4180–0–3–351	1996 actual	1997 est.	1998 est.
2290 Outstanding, end of year	598	1,313	2,081
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	598	1,313	2,081

Statement of Operations (in millions of dollars)

Identification code 99–4180–0–3–351	1995 actual	1996 actual	1997 est.	1998 est.
0111 Net interest income	3	3	2	3
0112 Allocated admin expense	–3	–3	–1	–2
0119 Net income or loss (–)	....	....	1	1
0121 Guarantee fee income	....	2	4	7
0122 Allocated admin expense	....	–2	–3	–4
0129 Net income or loss (–)	....	....	1	3
0131 Gain on issuance of MBS	....	1	3	3
0132 Allocated admin expense	....	....	–2	–2
0139 Net income or loss (–)	....	1	1	1
0199 Net income or loss	....	1	3	5

Balance Sheet (in millions of dollars)

Identification code 99–4180–0–3–351	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
1201 Non-Federal assets: Investment in securities	619	553	650	696
1999 Total assets	619	553	650	696
LIABILITIES:				
2203 Non-Federal liabilities: Debt	607	538	598	639
2999 Total liabilities	607	538	598	639
NET POSITION:				
3200 Invested capital	12	15	52	57
3999 Total net position	12	15	52	57
4999 Total liabilities and net position	619	553	650	696

Object Classification (in millions of dollars)

Identification code 99–4180–0–3–351	1996 actual	1997 est.	1998 est.
11.1 Personnel compensation: Personnel compensation and benefits	2	3	4
25.2 Other services	2	3	4
99.5 Below reporting threshold	1	....	....
99.9 Total obligations	5	6	8

FEDERAL HOME LOAN BANK SYSTEM

FEDERAL HOME LOAN BANKS

Program and Financing (in millions of dollars)

Identification code 99–4200–0–3–371	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Operating expenses:			
00.01 Administrative expenses including FHFB assessments	240	223	223
00.02 Affordable Housing program	115	120	120
00.03 Interest on consolidated obligations and loss on debt retirement	13,027	12,500	12,500
00.04 Interest on members' deposits and other borrowings	982	1,000	1,000
00.05 Payment to REFCORP	300	300	300
00.06 Cash dividends on capital stock	556	550	550
00.91 Total operating expenses	15,220	14,693	14,693
Capital investment:			
01.01 Investment in bank premises	9	15	9
01.04 Net increase in advances	31,174	....	....
01.05 Net increase in investments	....	13,304	....
01.06 Repurchase of capital stock	1,204	1,250	1,250
01.91 Total capital investment	32,387	14,569	1,259
10.00 Total obligations	47,607	29,262	15,952
Budgetary resources available for obligation:			
21.47 Unobligated balance available, start of year: Authority to borrow	148	....	94
22.00 New budget authority (gross)	47,459	29,357	17,609
23.90 Total budgetary resources available for obligation	47,607	29,357	17,703
23.95 New obligations	–47,607	–29,262	–15,952
24.47 Unobligated balance available, end of year: Authority to borrow	....	94	1,751
New budget authority (gross), detail:			
67.15 Authority to borrow (indefinite)	16,250	11,430	....
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	31,209	17,927	17,609
70.00 Total new budget authority (gross)	47,459	29,357	17,609
Change in unpaid obligations:			
Unpaid obligations, start of year:			
Obligated balance:			
72.41 U.S. Securities: Par value	2,630	1,695	1,700
72.47 Authority to borrow (obligated balance net of U.S. Treasury and agency securities held)	2,231	3,648	3,437
72.90 Fund balance	449	358	300
72.99 Total unpaid obligations, start of year	5,310	5,701	5,437
73.10 New obligations	47,607	29,262	15,952
73.20 Total outlays (gross)	–47,216	–29,527	–17,609
Unpaid obligations, end of year:			
Obligated balance:			
74.41 U.S. Securities: Par value	1,695	1,700	1,700
74.47 Authority to borrow	3,648	3,437	1,780
74.90 Fund balance	358	300	300
74.99 Total unpaid obligations, end of year	5,701	5,437	3,780
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	47,216	29,357	17,609
86.98 Outlays from permanent balances	....	170	....
87.00 Total outlays (gross)	47,216	29,527	17,609
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Collections from non-Federal sources	–18,215	–17,625	–17,609
88.40 Net decrease in advances	....	–302	....
88.40 Net decrease in investments	–12,994	....	....
88.90 Total, offsetting collections (cash)	–31,209	–17,927	–17,609
Net budget authority and outlays:			
89.00 Budget authority	16,250	11,430	....
90.00 Outlays	16,007	11,600	....

Status of Direct Loans (in millions of dollars)

Identification code 99–4200–0–3–371	1996 actual	1997 est.	1998 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	....	....	....
1131 Direct loan obligations exempt from limitation	796,853	800,000	800,000
1150 Total direct loan obligations	796,853	800,000	800,000
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	122,128	153,302	153,000
1231 Disbursements: Direct loan disbursements	796,853	800,000	800,000
1251 Repayments: Repayments and prepayments	–765,679	–800,302	–800,000
1290 Outstanding, end of year	153,302	153,000	153,000

The 12 Federal Home Loan Banks were chartered by the Federal Home Loan Bank Board under the authority of the Federal Home Loan Bank Act of 1932 (the Act). The

FHLBanks are under the supervision of the Federal Housing Finance Board. The common mission of the FHLBanks is to facilitate the extension of credit through their members in order to provide access to housing for all Americans and to improve the quality of their communities. To accomplish this mission, the FHLBanks make loans, called advances, and provide other credit products and services to their nearly 6,000 member commercial banks, savings associations, insurance companies, and credit unions. Advances and letters of credit must be fully secured by eligible collateral and long-term advances may be made only for the purpose of providing funds for residential housing finance. Additionally, specialized advance programs provide funds for community reinvestment and affordable housing programs. All regulated financial depositories and insurance companies engaged in residential housing finance are eligible for membership. Each FHLBank operates in a geographic district designated by the Board and together the FHLBanks cover all of the United States as well as the District of Columbia, Puerto Rico, the Virgin Islands, and Guam.

Advances outstanding on September 30, 1996 totaled approximately $153.3 billion, a net increase of approximately $31.2 billion from the September 30, 1995 level of $122.1 billion.

The principal source of funds for the lending operation is the sale of consolidated obligations to the public. On September 30, 1996, $243.5 billion of these obligations were outstanding. The consolidated obligations are not guaranteed by the U.S. Government as to principal or interest. Other sources of lendable funds include members' deposits and capital. Deposits totaled $15.4 billion and total capital amounted to $16.5 billion as of September 30, 1996. Funds not immediately needed for advances to members are invested.

The capital stock of the Federal Home Loan Banks is owned entirely by the members. Initially the U.S. Government purchased stock of the banks in the amount of $125 million. The banks had repurchased the Government's investment in full by mid-1951.

The operating expenses of the FHLBanks are paid from their own income and are not included in the budget of the United States. Included in these expenses are the assessments by the Finance Board to cover its administrative and other costs. The Finance Board's budget and expenditures, however, are included in the budget of the United States.

The Act, as amended in 1989, requires each FHLBank to operate an Affordable Housing Program (AHP). Each FHLBank provides subsidies in the form of direct grants or below-market rate advances for members that use the funds for qualifying affordable housing projects. The FHLBank system sets aside for its AHPs a minimum of $100 million annually. The Act also requires that the FHLBanks contribute $300 million annually to assist in the payment of interest on bonds issued by the Resolution Funding Corportion.

The forecast data for 1997 and 1998 contained in this material represents estimates and should not be construed as an official forecast of the FHLBanks System's future position.

Statement of Operations (in millions of dollars)

Identification code 99–4200–0–3–371		1995 actual	1996 actual	1997 est.	1998 est.
0101	Revenue	14,568	15,712	15,100	15,100
0102	Expense (excludes payments to REFCORP)	–13,370	–14,364	–13,843	–13,843
0109	Net income	1,198	1,348	1,257	1,257

Balance Sheet (in millions of dollars)

Identification code 99–4200–0–3–371		1995 actual	1996 actual	1997 est.	1998 est.
	ASSETS:				
	Investments in US securities:				
1102	Federal assets: Treasury securities, net	2,630	1,695	1,700	1,700
	Non-Federal assets:				
1201	Investments in non-Federal securities, net	134,990	121,996	135,300	135,300
1206	Accounts receivable	3,532	3,883	3,800	3,800
1401	Net value of assets related to direct loans receivable: Direct loans receivable, gross	122,128	153,302	153,000	153,000
	Other Federal assets:				
1801	Cash and other monetary assets	449	358	300	300
1803	Property, plant and equipment, net	157	156	160	160
1901	Other assets	941	339	300	300
1999	Total assets	264,828	281,728	294,560	294,560
	LIABILITIES:				
2101	Federal liabilities: REFCORP and AHP	347	388	390	390
	Non-Federal liabilities:				
2201	Accounts payable	185	234	200	200
2202	Interest payable	3,946	4,259	4,200	3,000
2203	Debt	226,406	243,533	255,000	255,000
	Other:				
2207	Deposit funds and other borrowings	18,437	16,038	16,000	16,000
2207	Other	832	820	647	190
2999	Total liabilities	250,154	265,272	276,437	274,780
	NET POSITION:				
3200	Invested capital	14,674	16,456	18,123	19,780
3999	Total net position	14,674	16,456	18,123	19,780
4999	Total liabilities and net position	264,828	281,728	294,560	294,560

Object Classification (in millions of dollars)

Identification code 99–4200–0–3–371		1996 actual	1997 est.	1998 est.
11.1	Personnel compensation: Full-time permanent	98	80	80
12.1	Civilian personnel benefits	25	26	26
21.0	Travel and transportation of persons	6	6	6
23.3	Communications, utilities, and other rent	21	22	22
24.0	Printing and reproduction	7	7	7
25.2	Other services	76	75	75
31.0	Equipment	7	7	7
32.0	Land and structures	9	15	9
	Investments and loans:			
33.0	Net increase in advances	31,174	....	....
33.0	Net increase in investments	....	13,304	....
41.0	Subsidies (Affordable Housing Program)	115	120	120
	Interest and dividends:			
43.0	Interest and cash dividends	14,565	14,050	14,050
43.0	REFCORP interest	300	300	300
92.0	Repurchase of capital stock (gross)	1,204	1,250	1,250
99.9	Total obligations	47,607	29,262	15,952

FINANCING CORPORATION

The Financing Corporation (FICO) is a mixed-ownership government corporation, chartered by the Federal Home Loan Bank Board pursuant to the Federal Savings and Loan Insurance Corporation Recapitalization Act of 1987, as amended (the "Act"). FICO's sole purpose was to function as a financing vehicle for the FSLIC Resolution Fund, formerly the Federal Savings and Loan Insurance Corporation (FSLIC). FICO operates under the supervision and control of the Federal Housing Finance Board (the "Finance Board"). Pursuant to the Act, FICO was authorized to issue debentures, bonds and other obligations subject to limitations contained in the Act, the net proceeds of which were to be used solely to purchase capital certificates issued by the FSLIC Resolution Fund, or to refund any previously issued obligations. The Resolution Trust Corporation Refinancing, Restructuring, and Improvement Act of 1991 terminated the FICO's borrowing authority.

The Act provided formulas pursuant to which the Federal Home Loan Banks made capital contributions to FICO at

FINANCING CORPORATION—Continued

the direction of the Finance Board for the purchase of FICO capital stock. FICO used the proceeds received from the sales of such capital stock to purchase non-interest bearing securities for deposit in a segregated account as required by the Act. The non-interest bearing securities held in the segregated account will be the primary source of repayment of the principal of the FICO obligations. Securities in the segregated account are kept separate from other FICO accounts and funds but are not specifically pledged as collateral for the payment of obligations. The primary source of payment of interest on the obligations is the receipt of assessments imposed on and collected from institutions' accounts which are insured by the Bank Insurance Fund (the "BIF") and the Savings Association Insurance Fund (the "SAIF").

Statement of Operations (in millions of dollars)

Identification code 99–4033–0–3–373		1995 actual	1996 actual	1997 est.	1998 est.
0101	Revenue	897	906	915	926
0102	Expense	–795	–795	–795	–795
0109	Net income	102	111	120	131

Balance Sheet (in millions of dollars)

Identification code 99–4033–0–3–373		1995 actual	1996 actual	1997 est.	1998 est.
	ASSETS:				
	Investments in US securities:				
1102	Federal assets: Segregated accounts investment, net	1,244	1,355	1,475	1,606
	Other Federal assets:				
1801	Cash, cash equivalents, and interest receivable	279	281	281	281
1901	Other assets	13	12	12	11
1999	Total assets	1,536	1,648	1,768	1,898
	LIABILITIES:				
	Non-Federal liabilities:				
2202	Interest payable	236	236	236	236
2203	Debt	8,141	8,142	8,144	8,145
2207	Other	85	85	83	81
2999	Total liabilities	8,462	8,463	8,463	8,462
	NET POSITION:				
3100	FICO capital stock purchased by FHLBanks	680	680	680	680
	Invested capital:				
3200	FSLIC capital certificates	–7,568	–7,568	–7,568	–7,568
3200	FSLIC nonvoting capital stock	–603	–603	–603	–603
3300	Cumulative results of operations	565	675	796	927
3999	Total net position	–6,926	–6,816	–6,695	–6,564
4999	Total liabilities and net position	1,536	1,647	1,768	1,898

RESOLUTION FUNDING CORPORATION

The Resolution Funding Corporation (the "REFCORP") is a mixed-ownership government corporation established by Title V of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). The sole purpose of REFCORP was to provide financing for the Resolution Trust Corporation (the "RTC"). Pursuant to FIRREA, REFCORP was authorized to issue debentures, bonds, and other obligations, subject to limitations contained in the Act and regulations established by the Thrift Depositor Protection Oversight Board. The proceeds of the debt (less any discount, plus any premium, net of issuance cost) were used solely to purchase nonredeemable capital certificates of the RTC or to refund any previously issued obligations.

REFCORP is subject to the general oversight and direction of the Thrift Depositor Protection Oversight Board. The day-to-day operations of REFCORP are under the management of a three-member Directorate comprised of the Director of the Office of Finance of the Federal Home Loan Banks and two members selected by the Oversight Board from among the presidents of the twelve Federal Home Loan Banks ("the FHLBanks"). Members of the Directorate serve without compensation, and REFCORP is not permitted to have any paid employees. REFCORP and its Directorate are subject to regulations, orders and directions of the Thrift Depositor Protection Oversight Board.

FIRREA and the regulations adopted by the Thrift Depositor Protection Oversight Board provide formulas pursuant to which the Federal Home Loan Banks made capital contributions to REFCORP's Principal Fund and continue to make interest payments on outstanding REFCORP obligations. FIRREA also provides that the U.S. Treasury cover any interest shortfall. Funds designated for the Principal Funds were used to purchase zero-coupon bonds. The zero-coupon bonds will be held in the Principal Fund and are the primary source of repayment of the principal of the obligations at maturity.

Statement of Operations (in millions of dollars)

Identification code 99–4029–0–3–373		1995 actual	1996 actual	1997 est.	1998 est.
0101	Revenue	2,895	2,925	2,942	2,967
0102	Expense	–2,626	–2,633	–2,626	–2,626
0109	Net income	269	292	316	341

Balance Sheet (in millions of dollars)

Identification code 99–4029–0–3–373		1995 actual	1996 actual	1997 est.	1998 est.
	ASSETS:				
	Investments in US securities:				
1102	Federal assets: Principal fund account investment, net	3,567	3,856	4,168	4,504
1206	Non-Federal assets: Assessments receivable for interest expense	881	888	881	881
1901	Other Federal assets: Other assets	1	1		
1999	Total assets	4,449	4,745	5,049	5,385
	LIABILITIES:				
	Non-Federal liabilities:				
2202	Accrued interest payable on long-term obligations	881	888	881	881
2203	Debt	30,076	30,074	30,072	30,069
2999	Total liabilities	30,957	30,962	30,953	30,950
	NET POSITION:				
3100	Nonvoting capital stock issued to FHLBanks	2,513	2,513	2,513	2,513
	Invested capital:				
3200	RTC nonredeemable capital certificates	–31,286	–31,286	–31,286	–31,286
3200	Contributed capital—principal fund assessments	1,057	1,057	1,057	1,057
3300	Cumulative results of operations	1,208	1,499	1,813	2,152
3999	Total net position	–26,508	–26,217	–25,903	–25,564
4999	Total liabilities and net position	4,449	4,745	5,050	5,386

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Program and Financing (in millions of dollars)

Identification code 99–4450–0–3–803		1995 actual	1996 est.	1997 est.
	Obligations by program activity:			
	Board operating expenses:			
00.01	Monetary and economic policy	72	73	76
00.02	Services to financial institutions and the public	3	3	4
00.03	Supervision and regulation of financial institutions	65	66	68
00.04	System policy direction and oversight	32	33	34
00.91	Subtotal: Board operating expenses	172	175	182
01.01	Office of Inspector General operating expenses	3	3	3
10.00	Total obligations	175	178	185

	Budgetary resources available for obligation:			
21.40	Unobligated balance available, start of year: Uninvested balance	–3	–2	–8
22.00	New budget authority (gross)	176	172	185
23.90	Total budgetary resources available for obligation	173	170	177
23.95	New obligations	–175	–178	–185
24.40	Unobligated balance available, end of year: Uninvested balance	–2	–8	–8
	New budget authority (gross), detail:			
68.00	Spending authority from offsetting collections (gross): Offsetting collections (cash)	176	172	185
	Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance: Appropriation	18	18	18
73.10	New obligations	175	178	185
73.20	Total outlays (gross)	–175	–178	–185
74.40	Unpaid obligations, end of year: Obligated balance: Appropriation	18	18	18
	Outlays (gross), detail:			
86.97	Outlays from new permanent authority	160	162	175
86.98	Outlays from permanent balances	15	16	10
87.00	Total outlays (gross)	175	178	185
	Offsets:			
	Against gross budget authority and outlays:			
88.40	Offsetting collections (cash) from: Non-Federal sources	–176	–172	–185
	Net budget authority and outlays:			
89.00	Budget authority	....	....	....
90.00	Outlays	–1	6	....

The figures presented may differ from other Board financial material because they are prepared in accordance with OMB guidelines which vary from the Board's budget and accounting procedures.

The Federal Reserve System operates under the provisions of the Federal Reserve Act of 1913, as amended, and other acts of Congress.

Program.—To carry out its responsibilities under the Act, the Board determines general monetary, credit, and operating policies for the System as a whole and formulates the rules and regulations necessary to carry out the purposes of the Federal Reserve Act. The Board's principal duties consist of exerting an influence over credit conditions and supervising the Federal Reserve banks and member banks.

Financing.—Under the provisions of section 10 of the Federal Reserve Act, the Board of Governors levies upon the Federal Reserve banks, in proportion to their capital and surplus, an assessment sufficient to pay its estimated expenses. The Board, under the Act, determines and prescribes the manner in which its obligations are incurred and its expenses paid. Funds derived from assessments are deposited in the Federal Reserve Bank of Richmond, and the Act provides that such funds "shall not be construed to be Government funds or appropriated moneys." No Government appropriation is required to support operations of the Board.

The information presented pertains to Board operations only. Expenditures made on behalf of the Federal Reserve banks for production, issuance, retirement, and shipment of Federal Reserve notes are not included, since they are reimbursed in full by the Federal Reserve banks.

Statement of Operations (in millions of dollars)

Identification code 99–4450–0–3–803		1995 actual	1996 est.	1997 est.
0101	Revenue	171	176	172
0102	Expense	–174	–175	–178
0109	Net income or loss (–)	–3	1	–6

Balance Sheet (in millions of dollars)

Identification code 99–4450–0–3–803		1995 actual	1996 est.	1997 est.
	ASSETS:			
1206	Non-Federal assets: Receivables, net	3	3	3
	Other Federal assets:			
1801	Cash in bank	15	16	10
1803	Property, plant and equipment, net	125	119	129
1999	Total assets	143	138	142
	LIABILITIES:			
2201	Non-Federal liabilities: Accounts payable and accrued liabilities	24	21	21
2999	Total liabilities	24	21	21
	NET POSITION:			
3100	Appropriated capital	–6	–2	–8
3200	Invested capital	125	119	129
3999	Total net position	119	117	121
4999	Total liabilities and net position	143	138	142

Object Classification (in millions of dollars)

Identification code 99–4450–0–3–803		1995 actual	1996 est.	1997 est.
	Reimbursable obligations:			
	Personnel compensation:			
11.1	Full-time permanent	95	100	104
11.3	Other than full-time permanent	1	1	1
11.5	Other personnel compensation	2	2	2
11.9	Total personnel compensation	98	103	107
12.1	Civilian personnel benefits	16	17	17
21.0	Travel and transportation of persons	5	5	5
23.3	Communications, utilities, and miscellaneous charges	9	10	10
24.0	Printing and reproduction	3	3	3
25.1	Advisory and assistance services	1	2	2
25.2	Other services	18	17	18
26.0	Supplies and materials	5	6	6
31.0	Equipment	17	12	14
99.0	Subtotal, reimbursable obligations	172	175	182
25.2	Allocation Account: Other services	3	3	3
99.9	Total obligations	175	178	185

Personnel Summary

Identification code 99–4450–0–3–803		1995 actual	1996 est.	1997 est.
	Total compensable workyears:			
2005	Full-time equivalent of overtime and holiday hours	38	38	38
2011	Exempt Full-time equivalent employment	1,661	1,683	1,733

[1] Includes 32, 32, and 32 positions respectively for the Office of Inspector General.