

108TH CONGRESS
1ST SESSION

H. R. 3533

To amend the Federal Credit Reform Act of 1990 to require appropriations to cover the estimated subsidy costs of monetary resources provided by the United States Government to the International Monetary Fund, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 19, 2003

Mr. SAXTON introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Federal Credit Reform Act of 1990 to require appropriations to cover the estimated subsidy costs of monetary resources provided by the United States Government to the International Monetary Fund, and for other purposes.

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

3 **SECTION 1. FINDINGS AND PURPOSE.**

4 (a) FINDINGS.—With regard to the treatment of ex-
5 penses incurred by the United States through its partici-

1 pation in the International Monetary Fund, the Congress
2 finds that—

3 (1) the Government provides monetary re-
4 sources to the International Monetary Fund directly,
5 and also to its member nations through the SDR
6 Department of the International Monetary Fund;

7 (2) these resources, along with those provided
8 by other donor countries, are used by the Inter-
9 national Monetary Fund to provide credit to bor-
10 rowing nations at interest rates below the cost to the
11 Government after appropriate adjustments for matu-
12 rity and credit risk; and

13 (3) the International Monetary Fund's lending
14 at interest rates below the cost to the Government
15 constitutes a provision of loan subsidies by the
16 United States to the International Monetary Fund
17 and its borrowing nations.

18 (b) PURPOSE.—It is the purpose of this Act to re-
19 quire that the cost of providing these loan subsidies should
20 be included as an expenditure in the budget of the United
21 States and be subject to annual appropriation.

1 **SEC. 2. APPROPRIATIONS REQUIRED FOR U.S. SHARE OF**
2 **IMF SUBSIDY COSTS.**

3 Section 504 of the Federal Credit Reform Act of
4 1990 is amended by adding at the end the following new
5 subsection:

6 “(h) APPROPRIATIONS REQUIRED FOR IMF SUBSIDY
7 COSTS.—Beginning with fiscal year 2005, no appropria-
8 tion may be made for an increase in the quota of the
9 United States in the International Monetary Fund unless
10 that appropriation includes new budget authority suffi-
11 cient to cover the estimated costs to the United States
12 of providing credit to International Monetary Fund bor-
13 rowing nations at interest rates below the cost to the Gov-
14 ernment after appropriate adjustments for maturity and
15 credit risk.”.

16 **SEC. 3. TREATMENT IN PRESIDENT’S BUDGET.**

17 Section 504 of the Federal Credit Reform Act of
18 1990 is further amended by adding at the end the fol-
19 lowing new subsection:

20 “(i) TREATMENT OF IMF SUBSIDY COSTS IN PRESI-
21 DENT’S BUDGET.—Beginning with fiscal year 2005, the
22 expenditures in the President’s budget shall reflect the
23 costs to the Government of providing credit to Inter-
24 national Monetary Fund borrowing nations at interest
25 rates below the cost to the Government after appropriate
26 adjustments for maturity and credit risk.”.

1 **SEC. 4. DEFINITION.**

2 Paragraph (5) of section 502 of the Federal Credit
3 Reform Act of 1990 is amended by adding at the end the
4 following new subparagraph:

5 “(G) The term ‘cost’ when applied to sub-
6 sections (h) and (i) of section 504 means the esti-
7 mated cost to the Government of providing funds of
8 the same maturity and adjusted for credit risk for
9 its share of direct loans, loan guarantees, other fi-
10 nancing mechanisms, and modifications thereof
11 made by or through the International Monetary
12 Fund.”.

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