

114TH CONGRESS
1ST SESSION

S. 399

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

IN THE SENATE OF THE UNITED STATES

FEBRUARY 5, 2015

Mrs. FISCHER introduced the following bill; which was read twice and referred to the Committee on the Budget

A BILL

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

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Budget and Account-
5 ing Transparency Act of 2015”.

1 **TITLE I—FAIR VALUE**
 2 **ESTIMATES**

3 **SEC. 101. CREDIT REFORM.**

4 (a) IN GENERAL.—Title V of the Congressional
 5 Budget Act of 1974 (2 U.S.C. 661 et seq.) is amended
 6 to read as follows:

7 **“TITLE V—FAIR VALUE**

8 **“SEC. 500. SHORT TITLE.**

9 “‘This title may be cited as the ‘Federal Credit Re-
 10 form Act of 1990’ or the ‘Fair Value Accounting Act’.

11 **“SEC. 501. PURPOSES.**

12 “‘The purposes of this title are to—

13 “(1) measure more accurately the costs of Fed-
 14 eral credit programs by accounting for them on a
 15 fair value basis;

16 “(2) place the cost of credit programs on a
 17 budgetary basis equivalent to other Federal spend-
 18 ing;

19 “(3) encourage the delivery of benefits in the
 20 form most appropriate to the needs of beneficiaries;
 21 and

22 “(4) improve the allocation of resources among
 23 Federal programs.

24 **“SEC. 502. DEFINITIONS.**

25 “‘For purposes of this title:

1 “(1) The term ‘direct loan’—

2 “(A) means a disbursement of funds by
3 the Government to a non-Federal borrower
4 under a contract that requires the repayment of
5 such funds with or without interest;

6 “(B) includes the purchase of, or participa-
7 tion in, a loan made by another lender and fi-
8 nancing arrangements that defer payment for
9 more than 90 days, including the sale of a Gov-
10 ernment asset on credit terms; and

11 “(C) does not include the acquisition of a
12 federally guaranteed loan in satisfaction of de-
13 fault claims or the price support loans of the
14 Commodity Credit Corporation.

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

19 “(3) The term ‘loan guarantee’—

20 “(A) means any guarantee, insurance, or
21 other pledge with respect to the payment of all
22 or a part of the principal or interest on any
23 debt obligation of a non-Federal borrower to a
24 non-Federal lender; and

1 “(B) does not include the insurance of de-
2 posits, shares, or other withdrawable accounts
3 in financial institutions.

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

9 “(5)(A) The term ‘cost’ means the sum of the
10 Treasury discounting component and the risk com-
11 ponent of a direct loan or loan guarantee, or a modi-
12 fication thereof.

13 “(B)(i) The Treasury discounting component
14 shall be the estimated long-term cost to the Govern-
15 ment of a direct loan or loan guarantee, or modifica-
16 tion thereof, calculated on a net present value basis,
17 excluding administrative costs and any incidental ef-
18 fects on governmental receipts or outlays.

19 “(ii) The Treasury discounting component of a
20 direct loan shall be the net present value, at the time
21 when the direct loan is disbursed, of the following
22 estimated cash flows:

23 “(I) Loan disbursements.

24 “(II) Repayments of principal.

1 “(III) Essential preservation expenses,
2 payments of interest and other payments by or
3 to the Government over the life of the loan
4 after adjusting for estimated defaults, prepay-
5 ments, fees, penalties, and other recoveries, in-
6 cluding the effects of changes in loan terms re-
7 sulting from the exercise by the borrower of an
8 option included in the loan contract.

9 “(iii) The Treasury discounting component of a
10 loan guarantee shall be the net present value, at the
11 time when the guaranteed loan is disbursed, of the
12 following estimated cash flows:

13 “(I) Payments by the Government to cover
14 defaults and delinquencies, interest subsidies,
15 essential preservation expenses, or other pay-
16 ments.

17 “(II) Payments to the Government includ-
18 ing origination and other fees, penalties, and re-
19 coveries, including the effects of changes in loan
20 terms resulting from the exercise by the guar-
21 anteed lender of an option included in the loan
22 guarantee contract, or by the borrower of an
23 option included in the guaranteed loan contract.

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

1 “(i) the estimated long-term cost to the
2 Government of a direct loan or loan guarantee,
3 or modification thereof, estimated on a fair
4 value basis, applying the guidelines set forth by
5 the Financial Accounting Standards Board in
6 Financial Accounting Standards #157, or a
7 successor thereto, excluding administrative
8 costs and any incidental effects on govern-
9 mental receipts or outlays; and

10 “(ii) the Treasury discounting component
11 of such direct loan or loan guarantee, or modi-
12 fication thereof.

13 “(D) The cost of a modification is the sum of—

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

21 “(ii) the difference between the current es-
22 timate of the risk component of the remaining
23 cash flows under the terms of a direct loan or
24 loan guarantee and the current estimate of the

1 risk component of the remaining cash flows
2 under the terms of the contract as modified.

3 “(E) In estimating Treasury discounting com-
4 ponents, the discount rate shall be the average inter-
5 est rate on marketable Treasury securities of similar
6 duration to the cash flows of the direct loan or loan
7 guarantee for which the estimate is being made.

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

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

18 “(7) The term ‘financing account’—

19 “(A) means the nonbudget account or ac-
20 counts associated with each program account
21 which holds balances, receives the cost payment
22 from the program account; and

23 “(B) includes all other cash flows to and
24 from the Government resulting from direct loan

1 obligations or loan guarantee commitments
2 made on or after October 1, 1991.

3 “(8) The term ‘liquidating account’ means the
4 budget account that includes all cash flows to and
5 from the Government resulting from direct loan obli-
6 gations or loan guarantee commitments made prior
7 to October 1, 1991. These accounts shall be shown
8 in the budget on a cash basis.

9 “(9) The term ‘modification’ means any Gov-
10 ernment action that alters the estimated cost of an
11 outstanding direct loan (or direct loan obligation) or
12 an outstanding loan guarantee (or loan guarantee
13 commitment) from the current estimate of cash
14 flows. This includes the sale of loan assets, with or
15 without recourse, the purchase of guaranteed loans
16 (or direct loan obligations) or loan guarantees (or
17 loan guarantee commitments), a change in collection
18 procedures.

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

22 “(11) The term ‘Director’ means the Director
23 of the Office of Management and Budget.

24 “(12) The term ‘administrative costs’—

1 “(A) means costs related to program man-
2 agement activities; and

3 “(B) does not include essential preserva-
4 tion expenses.

5 “(13) The term ‘essential preservation ex-
6 penses’ means servicing and other costs that are es-
7 sential to preserve the value of loan assets or collat-
8 eral.

9 **“SEC. 503. OMB AND CBO ANALYSIS, COORDINATION, AND**
10 **REVIEW.**

11 “(a) IN GENERAL.—For the executive branch, the
12 Director shall be responsible for coordinating the esti-
13 mates required by this title. The Director shall consult
14 with the agencies that administer direct loan or loan guar-
15 antee programs.

16 “(b) DELEGATION.—The Director may delegate to
17 agencies authority to make estimates of costs. The delega-
18 tion of authority shall be based upon written guidelines,
19 regulations, or criteria consistent with the definitions in
20 this title.

21 “(c) COORDINATION WITH THE CONGRESSIONAL
22 BUDGET OFFICE.—In developing estimation guidelines,
23 regulations, or criteria to be used by Federal agencies, the
24 Director shall consult with the Director of the Congres-
25 sional Budget Office.

1 “(d) IMPROVING COST ESTIMATES.—The Director
2 and the Director of the Congressional Budget Office shall
3 coordinate the development of more accurate data on his-
4 torical performance and prospective risk of direct loan and
5 loan guarantee programs. They shall annually review the
6 performance of outstanding direct loans and loan guaran-
7 tees to improve estimates of costs. The Office of Manage-
8 ment and Budget and the Congressional Budget Office
9 shall have access to all agency data that may facilitate
10 the development and improvement of estimates of costs.

11 “(e) HISTORICAL CREDIT PROGRAMS COSTS.—The
12 Director shall review, to the extent possible, historical data
13 and develop the best possible estimates of adjustments
14 that would convert aggregate historical budget data to
15 credit reform accounting.

16 **“SEC. 504. BUDGETARY TREATMENT.**

17 “(a) PRESIDENT’S BUDGET.—Beginning with fiscal
18 year 2017, the President’s budget shall reflect the costs
19 of direct loan and loan guarantee programs. The budget
20 shall also include the planned level of new direct loan obli-
21 gations or loan guarantee commitments associated with
22 each appropriations request. For each fiscal year within
23 the five-fiscal year period beginning with fiscal year 2017,
24 such budget shall include, on an agency-by-agency basis,

1 subsidy estimates and costs of direct loan and loan guar-
2 antee programs with and without the risk component.

3 “(b) APPROPRIATIONS REQUIRED.—Notwithstanding
4 any other provision of law, new direct loan obligations may
5 be incurred and new loan guarantee commitments may be
6 made for fiscal year 2017 and thereafter only to the extent
7 that—

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

10 “(2) a limitation on the use of funds otherwise
11 available for the cost of a direct loan or loan guar-
12 antee program has been provided in advance in an
13 appropriation Act; or

14 “(3) authority is otherwise provided in appro-
15 priation Acts.

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

18 “(1) any direct loan or loan guarantee program
19 that constitutes an entitlement (such as the guaran-
20 teed student loan program or the veteran’s home
21 loan guaranty program);

22 “(2) the credit programs of the Commodity
23 Credit Corporation existing on November 5, 1990;
24 or

1 “(3) any direct loan (or direct loan obligation)
2 or loan guarantee (or loan guarantee commitment)
3 made by the Federal National Mortgage Association
4 or the Federal Home Loan Mortgage Corporation.

5 “(d) BUDGET ACCOUNTING.—

6 “(1) IN GENERAL.—The authority to incur new
7 direct loan obligations, make new loan guarantee
8 commitments, or modify outstanding direct loans (or
9 direct loan obligations) or loan guarantees (or loan
10 guarantee commitments) shall constitute new budget
11 authority in an amount equal to the cost of the di-
12 rect loan or loan guarantee in the fiscal year in
13 which definite authority becomes available or indefi-
14 nite authority is used. Such budget authority shall
15 constitute an obligation of the program account to
16 pay to the financing account.

17 “(2) OUTLAYS.—The outlays resulting from
18 new budget authority for the cost of direct loans or
19 loan guarantees described in paragraph (1) shall be
20 paid from the program account into the financing
21 account and recorded in the fiscal year in which the
22 direct loan or the guaranteed loan is disbursed or its
23 costs altered.

1 “(3) COLLECTIONS AND PAYMENTS.—All collec-
2 tions and payments of the financing accounts shall
3 be a means of financing.

4 “(e) MODIFICATIONS.—An outstanding direct loan
5 (or direct loan obligation) or loan guarantee (or loan guar-
6 antee commitment) shall not be modified in a manner that
7 increases its costs unless budget authority for the addi-
8 tional cost has been provided in advance in an appropria-
9 tion Act.

10 “(f) REESTIMATES.—When the estimated cost for a
11 group of direct loans or loan guarantees for a given pro-
12 gram made in a single fiscal year is reestimated in a sub-
13 sequent year, the difference between the reestimated cost
14 and the previous cost estimate shall be displayed as a dis-
15 tinct and separately identified subaccount in the program
16 account as a change in program costs and a change in
17 net interest. There is hereby provided permanent indefi-
18 nite authority for these reestimates.

19 “(g) ADMINISTRATIVE EXPENSES.—All funding for
20 an agency’s administrative costs associated with a direct
21 loan or loan guarantee program shall be displayed as dis-
22 tinct and separately identified subaccounts within the
23 same budget account as the program’s cost.

1 **“SEC. 505. AUTHORIZATIONS.**

2 “(a) AUTHORIZATION FOR FINANCING ACCOUNTS.—

3 In order to implement the accounting required by this
4 title, the President is authorized to establish such non-
5 budgetary accounts as may be appropriate.

6 “(b) TREASURY TRANSACTIONS WITH THE FINANC-
7 ING ACCOUNTS.—

8 “(1) IN GENERAL.—The Secretary of the
9 Treasury shall borrow from, receive from, lend to, or
10 pay to the financing accounts such amounts as may
11 be appropriate. The Secretary of the Treasury may
12 prescribe forms and denominations, maturities, and
13 terms and conditions for the transactions described
14 in the preceding sentence, except that the rate of in-
15 terest charged by the Secretary on lending to financ-
16 ing accounts (including amounts treated as lending
17 to financing accounts by the Federal Financing
18 Bank (hereinafter in this subsection referred to as
19 the ‘Bank’) pursuant to section 405(b)) and the rate
20 of interest paid to financing accounts on uninvested
21 balances in financing accounts shall be the same as
22 the rate determined pursuant to section 502(5)(E).

23 “(2) LOANS.—For guaranteed loans financed
24 by the Bank and treated as direct loans by a Fed-
25 eral agency pursuant to section 405(b), any fee or
26 interest surcharge (the amount by which the interest

1 rate charged exceeds the rate determined pursuant
2 to section 502(5)(E) that the Bank charges to a pri-
3 vate borrower pursuant to section 6(c) of the Fed-
4 eral Financing Bank Act of 1973 shall be considered
5 a cash flow to the Government for the purposes of
6 determining the cost of the direct loan pursuant to
7 section 502(5). All such amounts shall be credited to
8 the appropriate financing account.

9 “(3) REIMBURSEMENT.—The Bank is author-
10 ized to require reimbursement from a Federal agen-
11 cy to cover the administrative expenses of the Bank
12 that are attributable to the direct loans financed for
13 that agency. All such payments by an agency shall
14 be considered administrative expenses subject to sec-
15 tion 504(g). This subsection shall apply to trans-
16 actions related to direct loan obligations or loan
17 guarantee commitments made on or after October 1,
18 1991.

19 “(4) AUTHORITY.—The authorities provided in
20 this subsection shall not be construed to supersede
21 or override the authority of the head of a Federal
22 agency to administer and operate a direct loan or
23 loan guarantee program.

24 “(5) TITLE 31.—All of the transactions pro-
25 vided in this subsection shall be subject to the provi-

sions of subchapter II of chapter 15 of title 31,
United States Code.

“(6) TREATMENT OF CASH BALANCES.—Cash
balances of the financing accounts in excess of cur-
rent requirements shall be maintained in a form of
uninvested funds and the Secretary of the Treasury
shall pay interest on these funds. The Secretary of
the Treasury shall charge (or pay if the amount is
negative) financing accounts an amount equal to the
risk component for a direct loan or loan guarantee,
or modification thereof. Such amount received by the
Secretary of the Treasury shall be a means of fi-
nancing and shall not be considered a cash flow of
the Government for the purposes of section 502(5).

“(c) AUTHORIZATION FOR LIQUIDATING AC-
COUNTS.—

“(1) IN GENERAL.—Amounts in liquidating ac-
counts shall be available only for payments resulting
from direct loan obligations or loan guarantee com-
mitments made prior to October 1, 1991, for—

“(A) interest payments and principal re-
payments to the Treasury or the Federal Fi-
nancing Bank for amounts borrowed;

“(B) disbursements of loans;

1 “(C) default and other guarantee claim
2 payments;

3 “(D) interest supplement payments;

4 “(E) payments for the costs of foreclosing,
5 managing, and selling collateral that are cap-
6 italized or routinely deducted from the proceeds
7 of sales;

8 “(F) payments to financing accounts when
9 required for modifications;

10 “(G) administrative costs and essential
11 preservation expenses, if—

12 “(i) amounts credited to the liqui-
13 dating account would have been available
14 for administrative costs and essential pres-
15 ervation expenses under a provision of law
16 in effect prior to October 1, 1991; and

17 “(ii) no direct loan obligation or loan
18 guarantee commitment has been made, or
19 any modification of a direct loan or loan
20 guarantee has been made, since September
21 30, 1991; or

22 “(H) such other payments as are necessary
23 for the liquidation of such direct loan obliga-
24 tions and loan guarantee commitments.

1 “(2) AMOUNTS CREDITED.—Amounts credited
2 to liquidating accounts in any year shall be available
3 only for payments required in that year. Any unobli-
4 gated balances in liquidating accounts at the end of
5 a fiscal year shall be transferred to miscellaneous re-
6 ceipts as soon as practicable after the end of the fis-
7 cal year.

8 “(3) INSUFFICIENT FUNDS.—If funds in liqui-
9 dating accounts are insufficient to satisfy obligations
10 and commitments of such accounts, there is hereby
11 provided permanent, indefinite authority to make
12 any payments required to be made on such obliga-
13 tions and commitments.

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

21 “(e) ELIGIBILITY AND ASSISTANCE.—Nothing in this
22 title shall be construed to change the authority or the re-
23 sponsibility of a Federal agency to determine the terms
24 and conditions of eligibility for, or the amount of assist-
25 ance provided by a direct loan or a loan guarantee.

1 **“SEC. 506. TREATMENT OF DEPOSIT INSURANCE AND AGEN-**
 2 **CIES AND OTHER INSURANCE PROGRAMS.**

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

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

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

16 “(b) CREDITING OF COLLECTIONS.—Collections re-
 17 sulting from direct loans obligated or loan guarantees
 18 committed prior to October 1, 1991, shall be credited to
 19 the liquidating accounts of Federal agencies. Amounts so
 20 credited shall be available, to the same extent that they
 21 were available prior to November 5, 1990, to liquidate ob-
 22 ligations arising from such direct loans obligated or loan
 23 guarantees committed prior to October 1, 1991, including
 24 repayment of any obligations held by the Secretary of the
 25 Treasury or the Federal Financing Bank. The unobligated
 26 balances of such accounts that are in excess of current

1 needs shall be transferred to the general fund of the
 2 Treasury. Such transfers shall be made from time to time
 3 but, at least once each year.”.

4 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

5 (1) The table of contents set forth in section
 6 1(b) of the Congressional Budget and Impoundment
 7 Control Act of 1974 is amended by striking the
 8 items relating to title V and inserting the following:

“TITLE V—FAIR VALUE

“Sec. 500. Short title.

“Sec. 501. Purposes.

“Sec. 502. Definitions.

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

“Sec. 504. Budgetary treatment.

“Sec. 505. Authorizations.

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

“Sec. 507. Effect on other laws.”.

9 (2) Section 237(d)(2) of the Foreign Assistance
 10 Act of 1961 (22 U.S.C. 2197(d)(2)) is amended by
 11 striking “section 505(b)” and inserting “section
 12 505(a)”.

13 (3) Section 412(a)(3) of the Energy Policy Act
 14 of 2005 (42 U.S.C. 14972(a)(3)) is amended by
 15 striking “The term ‘cost of a direct loan’ has the
 16 meaning given the term in section 502(5)(B) of the
 17 Federal Credit Reform Act of 1990 (2 U.S.C.
 18 661a(5)(B))” and inserting “The term ‘cost of a di-
 19 rect loan’ means the cost of a direct loan (as those

1 terms are defined in section 502 of the Federal
 2 Credit Reform Act of 1990 (2 U.S.C. 661a))”.

3 (4) Section 638(b)(2)(A) of the Energy Policy
 4 Act of 2005 (42 U.S.C. 16014(b)(2)(A)) is amended
 5 by striking “has the meaning given the term ‘cost of
 6 a loan guarantee’ under section 502(5)(C) of the
 7 Federal Credit Reform Act of 1990 (2 U.S.C.
 8 661a(5)(C))” and inserting “means the cost of a
 9 loan guarantee (as those terms are defined in section
 10 502 of the Federal Credit Reform Act of 1990 (2
 11 U.S.C. 661a))”.

12 (5) Section 1701(2) of the Energy Policy Act of
 13 2005 (42 U.S.C. 16511(2)) is amended by striking
 14 “has the meaning given the term ‘cost of a loan
 15 guarantee’ within the meaning of section 502(5)(C)
 16 of the Federal Credit Reform Act of 1990 (2 U.S.C.
 17 661a(5)(C))” and inserting “means the cost of a
 18 loan guarantee (as those terms are defined in section
 19 502 of the Federal Credit Reform Act of 1990 (2
 20 U.S.C. 661a))”.

21 **SEC. 102. BUDGETARY ADJUSTMENT.**

22 (a) IN GENERAL.—Section 251(b)(1) of the Balanced
 23 Budget and Emergency Deficit Control Act of 1985 (2
 24 U.S.C. 901(b)(1)) is amended by adding at the end the
 25 following: “A change in discretionary spending solely as

1 a result of the amendment to title V of the Congressional
2 Budget Act of 1974 made by the Budget and Accounting
3 Transparency Act of 2015 shall be treated as a change
4 of concept under this paragraph.”.

5 (b) REPORT.—Before adjusting the discretionary
6 caps pursuant to the authority provided under the amend-
7 ment made by subsection (a), the Office of Management
8 and Budget shall submit to the Committee on the Budget
9 of the Senate and the Committee on the Budget of the
10 House of Representatives a report on the amount of the
11 adjustment, the methodology used in determining the size
12 of the adjustment, and a program-by-program itemization
13 of the components of the adjustment.

14 (c) SCHEDULE.—The Office of Management and
15 Budget may not make an adjustment pursuant to the au-
16 thority provided under the amendment made by subsection
17 (a) before the date that is 60 days after the date on which
18 the Office of Management and Budget submits the report
19 required in subsection (b).

20 **SEC. 103. EFFECTIVE DATE.**

21 The amendments made by section 101 shall take ef-
22 fect beginning with fiscal year 2017.

TITLE II—BUDGETARY TREATMENT

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

Not later than 1 year after the date of enactment of this Act, the Director of the Congressional Budget Office and the Director of the Office of Management and Budget shall each prepare a study and make recommendations to the Committee on the Budget of the Senate and the Committee on the Budget of the House of Representatives as to the feasibility of applying fair value concepts to budgeting for the costs of Federal insurance programs.

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

Notwithstanding any other provision of law, the receipts and disbursements, including the administrative expenses, of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation shall be counted as new budget authority, outlays, receipts, or deficit or surplus for purposes of—

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

(2) the congressional budget; and

1 (3) the Balanced Budget and Emergency Def-
2 icit Control Act of 1985.

3 **SEC. 203. EFFECTIVE DATE.**

4 Section 202 shall not apply with respect to an enter-
5 prise (as such term is defined in section 1303 of the Fed-
6 eral Housing Enterprises Financial Safety and Soundness
7 Act of 1992 (12 U.S.C. 4502)) after the date that all of
8 the following have occurred:

9 (1) The conservatorship for such enterprise
10 under section 1367 of such Act (12 U.S.C. 4617)
11 has been terminated.

12 (2) The Director of the Federal Housing Fi-
13 nance Agency has certified in writing that such en-
14 terprise has repaid to the Federal Government the
15 maximum amount consistent with minimizing total
16 cost to the Federal Government of the financial as-
17 sistance provided to the enterprise by the Federal
18 Government pursuant to the amendments made by
19 section 1117 of the Housing and Economic Recovery
20 Act of 2008 (Public Law 110–289; 122 Stat. 2683)
21 or otherwise.

22 (3) The charter for the enterprise has been re-
23 voked, annulled, or terminated and the authorizing
24 statute (as such term is defined in such section

1 1303) with respect to the enterprise has been re-
2 pealed.

3 **TITLE III—BUDGET REVIEW AND**
4 **ANALYSIS**

5 **SEC. 301. CBO AND OMB REVIEW AND RECOMMENDATIONS**
6 **RESPECTING RECEIPTS AND COLLECTIONS.**

7 Not later than 1 year after the date of enactment
8 of this Act, the Director of the Office of Management and
9 Budget shall prepare a study of the history of offsetting
10 collections against expenditures and the amount of re-
11 ceipts collected annually, the historical application of the
12 budgetary terms “revenue”, “offsetting collections”, and
13 “offsetting receipts”, and review the application of those
14 terms and make recommendations to the Committee on
15 the Budget of the Senate and the Committee on the Budg-
16 et of the House of Representatives of whether such usage
17 should be continued or modified. The Director of the Con-
18 gressional Budget Office shall review the history and rec-
19 ommendations prepared by the Director of the Office of
20 Management and Budget and shall submit comments and
21 recommendations to the Committee on the Budget of the
22 Senate and the Committee on the Budget of the House
23 of Representatives.

1 **SEC. 302. AGENCY BUDGET JUSTIFICATIONS.**

2 Section 1108 of title 31, United States Code, is
3 amended by adding at the end the following:

4 “(h)(1) On the day on which an agency submits writ-
5 ten budget justification materials for any committee of the
6 Senate or the House of Representatives—

7 “(A) such agency shall post such budget jus-
8 tification on the same day of such submission on the
9 home page of the public website of the agency; and

10 “(B) the Office of Management and Budget
11 shall post such budget justification in a centralized
12 location on its website, in the format developed
13 under paragraph (3).

14 “(2) Each agency shall include with its written budg-
15 et justification the process and methodology the agency
16 is using to comply with the Fair Value Accounting Act.

17 “(3) The Office of Management and Budget, in con-
18 sultation with the Congressional Budget Office and the
19 Government Accountability Office, shall develop and notify
20 each agency of the format in which to post a budget jus-
21 tification under paragraph (1). Such format shall be de-
22 signed to ensure that posted budget justifications for all
23 agencies—

24 “(A) are searchable, sortable, and downloadable
25 by the public;

1 “(B) are consistent with generally accepted
2 standards and practices for machine-discoverability;

3 “(C) are organized uniformly, in a logical man-
4 ner that makes clear the contents of a budget jus-
5 tification and relationships between data elements
6 within the budget justification and among similar
7 documents; and

8 “(D) use uniform identifiers, including for
9 agencies, bureaus, programs, and projects.

10 “(i)(1) Not later than the day that the Office of Man-
11 agement and Budget issues guidelines, regulations, or cri-
12 teria to agencies on how to calculate the risk component
13 under the Fair Value Accounting Act, it shall submit a
14 written report to the Committee on the Budget of the Sen-
15 ate and the Committee on the Budget of the House of
16 Representatives containing all such guidelines, regula-
17 tions, or criteria.

18 “(2) For fiscal year 2017 and each of the next 4 fis-
19 cal years thereafter, the Comptroller General shall submit
20 an annual report to the Committee on the Budget of the
21 Senate and the Committee on the Budget of the House
22 of Representatives reviewing and evaluating the progress
23 of agencies in the implementation of the Fair Value Ac-
24 counting Act.

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

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