

TABLE 35. RURAL HOUSING CREDIT ACTIVITIES (By fiscal year, in millions of dollars)

Credit Activity	1980 Actual	Administration Estimates	
		1981	1982
<hr/>			
New Direct Loan Obligations			
Limitation enacted	4,004	4,102	---
Limitation proposed	---	3,786	3,727
Obligations subject to limitation	3,755	3,786	3,727
Obligations exempt from limitation <u>a/</u>	<u>2,997</u>	<u>2,607</u>	<u>1,019</u>
Total obligations	6,751	6,393	4,746
<hr style="border-top: 1px dashed black;"/>			
New Loan Guarantee Commitments			
Limitation enacted	500	25	---
Limitation proposed	---	25	---
Commitments subject to limitation	19	25	---
Commitments exempt from limitation <u>b/</u>	<u>4,759</u>	<u>7,127</u>	<u>3,695</u>
Total commitments	4,778	7,152	3,695
<hr style="border-top: 1px dashed black;"/>			
Sale of Loan Assets to FFB			
New sales to FFB	4,681	7,067	3,645
Repurchases	-2,775	-2,000	-740
Outstanding FFB holdings	17,076	22,143	25,048

a/ The obligations exempt from limitation consist primarily of the repurchase of loan assets from the FFB.

b/ Guarantees of loan asset sales to the FFB and the public.

TABLE 36. NATIONAL CREDIT UNION ADMINISTRATION LENDING (By fiscal year, in millions of dollars)

Credit Activity	1980 Actual	Administration Estimates	
		1981	1982
New Direct Loan Obligations			
Central Liquidity Facility			
Limitation enacted	---	4,400	---
Limitation proposed	---	4,400	4,400
Obligations subject to limitation	---	2,208	3,650
Obligations subject to exemption	310	---	---
Share Insurance Fund			
Obligations exempt from limitation	16	19	21
Total obligations	326	2,227	3,671

New Loan Guarantee Commitments			
Exempt from Limitation	79	50	25

National Consumer Cooperative Bank

The National Consumer Cooperative Bank (NCCB), chartered by Public Law 95-351, is a mixed-ownership government corporation whose purpose is to provide credit at reasonable rates to consumer cooperative organizations. The Bank makes direct loans to cooperatives with a maximum term of 40 years at rates comparable to those privately available. The Bank may also guarantee loans by private lending institutions to cooperatives. The NCCB has an Office of Self-Help Development and Technical Assistance to provide assistance to cooperatives. This office may make capital investment advances to consumer cooperatives that are not eligible for regular loans by the bank.

In its 1981-1982 budget revisions, the Reagan Administration is proposing to terminate the National Consumer Cooperative Bank. Termination of the NCCB is based on the premise that credit-worthy cooperatives can obtain loans from private credit sources. In addition, the Administration asserts that much of the NCCB lending has been to housing cooperatives which can obtain credit from other federal housing programs.

For 1981 the Administration is proposing in rescission requests to reduce the new direct loan obligation ceiling for the bank itself from \$163 million to \$107 million, and for the self-help office from \$24 million to \$18 million. No further obligations are expected in 1982 for the bank, and only \$13 million for the self-help office. Table 37 summarizes the loan activities of the bank.

TABLE 37. NATIONAL CONSUMER COOPERATIVE BANK (NCCB)
LOANS AND GUARANTEES (By fiscal year, in millions of
dollars)

Credit Activity	1980 Actual	Administration Estimates	
		1981	1982
New Direct Loan Obligations			
NCCB			
Limitation enacted	---	163.4	---
Limitation proposed	---	57.0	---
Obligations subject to limitation	---	57.0	---
Obligations exempt from limitation	21.8	---	---
Self-Help Development Loans			
Limitation enacted	---	41.1	---
Limitation proposed	---	5.7	13.1
Obligations subject to limitation	---	5.7	13.1
Obligations exempt from limitation	0.6	---	---

Chrysler Corporation Loan Guarantees

The Chrysler Corporation Loan Guarantee Act of 1979 authorized the Secretary of the Treasury to guarantee up to \$1.5 billion of Chrysler's debt to assist the troubled automaker in its efforts to regain commercial viability. The act states that the loan guarantee authority could be granted only in amounts as provided by appropriations. The accompanying appropriation, Public Law 96-183, provided that all \$1.5 billion could be committed as needed. By 1982 the loan guarantee ceiling will be reached and no additional loan guarantee authority is requested. Table 38 summarizes the activity of the Chrysler guarantee program for fiscal years 1980-1982.

TABLE 38. CHRYSLER LOAN GUARANTEES (By fiscal year, in millions of dollars)

Credit Activity	1980 Actual	Administration Estimates	
		1981	1982
New Loan Guarantee Commitments	800	700	---
New Loans Guaranteed	800	700	---
Guaranteed Loans Outstanding	800	1,500	1,500

Small Business Activities

The Small Business Administration (SBA) provides credit to small businesses in the form of direct loans, loan guarantees, guarantees of surety bonds, lease contracts, and pollution control equipment contracts. The SBA also provides disaster loans, assigned to function 450. The Administration expects new SBA direct loan obligations in function 370 show a slight decline from 1980 through 1982. Most of the component programs are being held to 1980 levels, though a few, such as the surety bond guarantee program, will decrease. The total loan guarantee estimate reflects an approximately 25 percent reduction from the \$5.9 billion total proposed in the January budget. Table 39 summarizes new direct loan obligations and new loan guarantee commitments for 1980-1982.

Business Loan and Investment Fund. This fund accounts for most of the credit assistance for small businesses. Through it are funded direct loans to individual businesses and to small business development companies. This fund also administers guarantees for business loans, loans to the handicapped, economic opportunity loans, energy loans, and small business development company and investment company debt. For 1982 the Administration is proposing consolidating the business loan programs into a single program. A similar proposal was made during 1981 but was not enacted into law. The Administration also proposes raising interest rates on direct loans to the rates charged on guaranteed loans.

Direct loan and loan guarantee activity of the Business Loan and Investment Fund is summarized in Table 40. For 1982 the Administration is proposing a limitation of \$260 million for new direct loan obligations. New direct loan obligations exempt from limitation are expected to equal \$499 million. Most of that amount will be used to cover defaults of SBA guaranteed loans. In cases of default, the SBA pays the holder of the guaranteed loans, and then converts the guarantee into a direct loan. The

Administration proposes a limitation of \$3.2 billion for new 1982 loan guarantee commitments, the same as in 1980.

TABLE 39. SMALL BUSINESS ASSISTANCE CREDIT ACTIVITIES (By fiscal year, in millions of dollars)

Credit Activity	New Direct Loan Obligations			New Loan Guarantee Commitments		
	1980	1981 <u>a/</u>	1982 <u>a/</u>	1980	1981 <u>a/</u>	1982 <u>a/</u>
Business Loan and Investment Fund	761	744	759	3,176	3,388	3,150
Surety Bond Guarantees	---	---	---	1,534	1,400	1,200
Pollution Control Equipment Guarantees	---	---	---	99	100	95
Total	761	744	759	4,809	4,888	4,445

a/ Administration estimates.

In the past the FFB has purchased loan assets sold by the SBA. No new asset sales are contemplated for 1982, and the FFB holding will decline as repayments are made. The FFB also makes direct loans guaranteed by the SBA to small business investment companies (SBICs) to finance their provision of equity capital for small businesses. For 1982 the Administration estimates that new loans by the FFB will total \$295 million. At the end of 1982 FFB holdings of guaranteed direct loans to SBICs and SBA loan assets will total \$1.09 billion.

Deposit Insurance Programs

Federal Savings and Loan Insurance Corporation. The Federal Savings and Loan Corporation (FSLIC) insures deposits in federally chartered and qualified state-chartered savings and loan associations. The FSLIC, which functions under the direction of the Federal Home Loan Bank Board, derives its authority to provide this insurance from Title IV of the National Housing Act.

As part of its protection offered to prevent default by an institution, the FSLIC is authorized to make loans to institutions experiencing financial difficulties. The FSLIC was excluded from a limitation requirement because

TABLE 40. BUSINESS LOAN AND INVESTMENT FUND, LOANS AND LOAN GUARANTEES (By fiscal year, in millions of dollars)

Credit Activity	1980 Actual	Administration Estimates	
		1981	1982
New Direct Loan Obligations			
Limitation enacted	---	---	---
Limitation proposed	---	---	260
Obligations subject to limitation	---	---	260
Obligations exempt from limitation <u>a/</u>	<u>761</u>	<u>789</u>	<u>499</u>
Total obligations	761	789	759
<hr/>			
New Loan Guarantee Commitments			
Limitation proposed	---	4,000	3,150
Obligations subject to limitation	---	---	3,150
Obligations exempt from limitation	3,176	3,388	---
<hr/>			
FFB Lending <u>b/</u>			
New FFB loans	149	293	295
Repayments	-22	-30	-39
Outstanding FFB holdings	568	831	1,087

a/ Includes disbursements for loan guarantee default claims.

b/ Includes loan asset sales and loan guarantee originations.

its credit activities support its insurance activities, and an annual limitation would impede its ability to function effectively.

For 1982 the Administration estimates that new direct loan obligations will equal \$190 million. FSLIC loans are highly sensitive to economic conditions facing savings and loans, and, in particular, variations in interest rates and demand for housing. The Administration's low estimate for new direct loan obligations for 1982, following over \$1 billion in obligations made in 1981, reflects its belief that economic conditions will improve in the coming year.

Federal Deposit Insurance Corporation. The Federal Deposit Insurance Corporation, which provides protection for bank depositors, was established by the Banking Act of 1933. The Corporation makes and enforces rules that promote sound banking practices. The Administration is not requesting new direct loan obligations for 1981 or 1982. Table 41 summarizes the new direct loan obligations of the FSLIC and the FDIC for 1980-1982.

TABLE 41. DEPOSIT INSURANCE PROGRAMS (By fiscal year, in millions of dollars)

Credit Activity	1980 Actual	<u>Administration Estimates</u>	
		1981	1982
New Direct Loan Obligations Exempt from Limitation			
Federal Savings and Loan Insurance Corporation	588.9	1,055.3	190.0
Federal Deposit Insurance Corporation	325.0	---	---

Federal Ship Financing Fund--Fishing Vessels

Additional credit assistance is provided by the Federal Ship Financing Fund--Fishing Vessels. The fishing vessels financing program is subject to the proposed limitations of the control system. For 1982 the Administration is proposing a limitation of \$75 million on new loan guarantee commitments, slightly below the expected 1981 activity level. Table 42 summarizes the loan guarantee activity of the Federal Ship Financing Fund for 1980-1982.

TABLE 42. FEDERAL SHIP FINANCING FUND--FISHING VESSELS (By fiscal year, in millions of dollars)

Credit Activity	1980 Actual	<u>Administration Estimates</u>	
		1981	1982
New Loan Guarantee Commitments			
Limitation enacted	---	---	---
Limitation proposed	---	---	75.0
Commitments subject to limitation	---	---	75.0
Commitments exempt from limitation	73.8	88.0	---

TRANSPORTATION (FUNCTION 400)

Function 400 includes credit programs of the Department of Transportation (DOT) and the Maritime Administration of the Department of Commerce that provide financial assistance for rail, air, and sea transportation projects. Table 43 summarizes new direct loan obligations and new loan guarantee commitments for programs in function 400 for 1980-1982.

TABLE 43. TRANSPORTATION--SUMMARY OF CREDIT ACTIVITY (By fiscal year, in millions of dollars)

Program	New Direct Loan Obligations			New Loan Guarantee Commitments		
	1980	1981 <u>a/</u>	1982 <u>a/</u>	1980	1981 <u>a/</u>	1982 <u>a/</u>
Credit Assistance for Railroads						
Railroad rehabilitation <u>b/</u>	128.7	106.0	113.0	277.5	395.0	354.0
Regional rail reorganization	19.2	6.8	1.0	---	---	---
Emergency rail	<u>1.9</u>	<u>2.0</u>	<u>2.2</u>	---	---	---
Subtotal	149.8	114.8	116.2	277.5	395.0	354.0
Aircraft Loan Guarantees	---	---	---	247.0	300.0	100.0
Federal Credit for Ship Financing	11.0	15.0	15.0	1,222.6	900.0	1,050.0
Federal Highway Loans	<u>23.3</u>	<u>13.5</u>	<u>19.0</u>	---	---	---
Total	184.1	143.3	150.2	1,747.1	1,595.0	1,504.0

a/ Administration estimates.

b/ Includes rail service assistance.

Railroad assistance accounts for over three fourths of all new direct loan obligations for 1982. Loan guarantee assistance in function 400 is dominated by the ship financing guarantees of the Maritime Administration,

though aid to railroads and aircraft purchase loan guarantees are sizable programs.

The Administration proposes no limitations on direct loan obligations for 1982, but does propose limitations on all new loan guarantee commitments, except for a portion of rail assistance. The following sections highlight the credit activity for each program.

Credit Assistance for Railroads

The federal government provides direct loans and loan guarantees through four programs to help railroads finance capital improvements. Total new direct loan obligations for rail assistance are expected to decrease by 22 percent between 1980 and 1982. During the same period, loan guarantee commitments will increase by 28 percent.

Railroad Rehabilitation and Restructuring Credit. ^{2/} The Federal Railroad Administration (FRA), under the authority of the Railroad Revitalization and Regulatory Reform Act of 1976 (the "4R Act"), makes direct loans to railroads by purchasing redeemable preference shares. The funds from sale of these shares are used for capital expenditures for rail freight services.

The "4R Act" also authorizes FRA to guarantee long-term debt obligations issued by railroads to finance new facilities and rehabilitation of existing equipment. Some FRA guarantees have been issued to railroads under bankruptcy reorganization proceedings. The Administration estimates that new guarantees of railroad obligations will increase from \$278 million in 1980 to \$354 million in 1982. All new FRA guaranteed loans have been originated by the FFB, a practice the Administration expects to continue in 1982. Thus, the guarantee program functions as an off-budget direct loan program. For fiscal year 1981, the Congress chose not to place a limitation on new guarantee commitments but instead to limit the total amount of guarantee commitments that could be outstanding to \$770 million. These credit activities are summarized in Table 44.

^{2/} This program is presented in the 1982 budget document under two account titles: Rail Service Assistance and Railroad Rehabilitation and Improvement. The division into two accounts is erroneous. The combined program is shown here.

TABLE 44. RAILROAD REHABILITATION AND RESTRUCTURING LOANS AND LOAN GUARANTEES (By fiscal year, in millions of dollars)

Credit Activity	1980 Actual	Administration Estimates	
		1981	1982
New Direct Loan Obligations Exempt from Limitation	128.7	106.0	113.0

New Loan Guarantee Commitments			
Limitation enacted	---	20.0	---
Limitation proposed	---	20.0	322.6
Commitments subject to limitation	---	20.0	322.6
Commitments exempt from limitation <u>a/</u>	<u>277.5</u>	<u>375.0</u>	<u>31.4</u>
Total commitments	277.5	395.0	354.0

Guarantees of FFB Loans			
New FFB loans	222.7	308.9	269.0
Repayments	-24.1	-335.0	-6.7
Outstanding FFB holdings	783.6	757.3	1,026.3

a/ Includes DOT commitments to guarantee U.S. Railroad Association debt.

Guarantees of Amtrak Debt. The National Railroad Passenger Corporation (Amtrak) was originally financed through FFB purchases of its debt. Because of its lack of profits, it has not been able to pay back that debt, nor is it expected to in the future. It has, however, been required to pay interest to the FFB. To reduce its debt service expenses, Amtrak has engaged in an unusual practice: its appropriated grants for capital improvements have been placed on deposit with the FFB, temporarily reducing the balance of FFB holdings on which interest is charged. These grants have remained on deposit during the period of up to five years between the appropriation and actual expenditure. In 1980 Public Law 96-254 ended this practice and Amtrak is now withdrawing its FFB deposits as it uses the funds to pay for delivered equipment. The Department of Transportation guarantees these FFB transactions. By the end of 1982, Amtrak will come within \$25 million of its \$850 million ceiling on total indebtedness (see Table 45).

TABLE 45. LOAN GUARANTEES FOR AMTRAK (By fiscal year, in millions of dollars)

Credit Activity	1980 Actual	Administration Estimates	
		1981	1982
Loans Guaranteed			
Net loans guaranteed <u>a/</u>	63.6	235.2	54.5
Guaranteed loans outstanding	535.3	770.5	825.0

Guarantees of FFB Loans			
Repayments	-65.9	-236.6	-55.7
Outstanding FFB holdings	461.4	698.0	753.7

a/ Includes guarantees of Amtrak debt and lease purchases.

Regional Rail Reorganization Program. The U.S. Railway Association (USRA) was established in 1975 to develop and implement plans for restructuring and rehabilitating bankrupt railroads in the Northeast and Midwest.

USRA provides loans to Conrail's predecessor railroads to cover debts incurred by these companies prior to the conveyance of their rail properties to Conrail. Most of the loan funds flow through Conrail to the other companies and are included in the credit control system. Loans made directly by the USRA to other firms are excluded from credit budget control. The Administration estimates that loan obligations will be \$1 million in 1982, down from \$19.2 million in 1980. Repayments in 1981 will be \$241 million, much larger than in other years. The repayments result from the settlement of Penn Central claims litigation. Some of the claims settlement funds received from the government will be used by railroads to pay off their outstanding federal loans.

Emergency Rail Facilities Restoration Program. The Emergency Rail Facilities Restoration Act, Public Law 92-591, authorized the Secretary of Transportation to make loans to restore railroad facilities damaged by natural disasters during June 1972 (hurricane Agnes). This program was terminated in 1974. New direct loan obligations made since 1974 cover deferred interest payments.

Table 46 summarizes the credit activity of the regional reorganization and emergency facilities restoration programs.

TABLE 46. OTHER RAILROAD ASSISTANCE LOANS (By fiscal year, in millions of dollars)

Credit Activity	1980 Actual	Administration Estimates	
		1981	1982
New Direct Loan Obligations Exempt from Limitation			
Regional rail reorganization	19.2	6.8	1.0
Emergency rail facilities	1.9	2.0	2.2
Net Direct Loan Outlays	-1.2	-232.2 a/	2.2
Direct Loans Outstanding	421.3	189.1	192.3

a/ Includes receipts from settlement of Penn Central litigation.

Aircraft Loan Guarantees

The Federal Aviation Administration (FAA) is authorized to guarantee 90 percent of principal and 100 percent of interest on loans up to \$100 million per carrier for the purchase of aircraft and equipment by private airlines. Of the \$350 million total, at least \$100 million is targeted for commuter carriers serving small communities. This authority will terminate October 24, 1983.

For the past two years, new loan guarantee commitments have been substantially lower than the limitation set. For 1981 actual commitments are estimated to be 25 percent less than the limitation enacted. To insure that commitments do not increase, the Administration is requesting a reduction of the enacted limitation, to \$300 million. The program is scheduled to be sharply reduced in 1982, with estimated new guarantee commitments only one-third as high as commitments in 1981. Table 47 summarizes aircraft loan guarantee credit activity for 1980-1982.

Federal Credit for Ship Financing

Under Title XI of the Merchant Marine Act of 1936, as amended, the Maritime Administration (MarAd) of the Department of Commerce is authorized to guarantee construction loans and mortgages on U.S.-flag vessels built in the United States. Guarantees for loans under Title XI have no proof-of-need requirement. Guaranteed loans may have a maximum term of 25 years and may cover up to 87.5 percent of the cost of the vessel. There is no dollar maximum on the size of loans that may be guaranteed. Outstanding guaranteed loan principal may not exceed \$10 billion dollars.

TABLE 47. AIRCRAFT PURCHASE LOAN GUARANTEES (By fiscal year, in millions of dollars)

Credit Activity	1980 Actual	Administration Estimates	
		1981	1982
New Loan Guarantee Commitments			
Limitation enacted	650.0	400.0	---
Limitation proposed	---	300.0	100.0
Commitments subject to limitation	247.0	300.0	100.0

MarAd may also make direct loans in the form of advances to operators of vessels built under Title XI guarantees to forestall possible defaults and to satisfy claims on defaulted loans. Table 48 summarizes activity levels for 1980-1982.

This program is scheduled to remain below the 1980 level in both 1981 and 1982. The Administration is proposing a limitation of \$1.1 billion on new commitments for loan guarantees in 1982. It considers the limitation on annual activity a supplement to the ceiling on total indebtedness.

Federal Highway Loans

The Highway Act of 1968 authorized \$300 million for the establishment of a right-of-way revolving fund and a federal aid to highways loan program. The funds are used to make interest free direct loans to the states. The first fund is for the purchase of right-of-way parcels in advance of highway construction to prevent inflation of land prices from increasing construction costs.

The initial legislation required the states to pay back the loans within seven years from the date of the advance. Subsequent legislation extended the time limit for repayment indefinitely, and no repayments are expected from 1980 through 1982. Table 49 summarizes the two programs' activities.

TABLE 48. FEDERAL CREDIT FOR SHIP FINANCING (By fiscal year, in millions of dollars)

Credit Activity	1980 Actual	Administration Estimates	
		1981	1982
New Direct Loan Obligations Exempt from Limitation <u>a/</u>	11.0	15.0	15.0
Net Direct Loan Outlays	6.1	5.3	3.5
Direct Loans Outstanding	129.9	135.2	138.7

New Loan Guarantee Commitments			
Limitations enacted	---	---	---
Limitation proposed	---	---	1,050.0
Commitments subject to limitation	---	---	1,050.0
Commitments exempt from limitation	1,222.6	900.0	---

a/ Disbursements for loan guarantee default claims.

TABLE 49. FEDERAL HIGHWAY LOANS (By fiscal year, in millions of dollars)

Credit Activity	1980 Actual	Administration Estimates	
		1981	1982
New Direct Loan Obligations Exempt from Limitation	23.3	13.5	19.0
New Direct Loans	29.3	54.8	64.0
Net Direct Loan Outlays	29.3	54.8	64.0
Direct Loans Outstanding	190.2	245.0	309.1

COMMUNITY AND REGIONAL DEVELOPMENT (FUNCTION 450)

This function contains credit assistance programs for community development in the Department of Housing and Urban Development, for area and regional development in the Departments of Commerce and Agriculture and smaller agencies, disaster loans of the Small Business Administration, and assistance to Indian tribes in the Department of Interior.

New direct loan obligations in function 450 are estimated to total \$846 million in 1982, down 74 percent from 1980, and 79 percent from the 1981 estimate. New loan guarantee commitments are expected to decrease to \$1.3 billion in 1982. This is a decrease of 54 percent from the 1981 estimate. Table 50 summarizes new credit activity for the major programs in function 450.

Community Development Loan Guarantees

Title I of the Housing and Community Development Act of 1974, as amended, established the Community Development Block Grant Program. Under the program, HUD makes annual grants to state and local governments for community development programs. Section 108 of that act provides that the Secretary may guarantee debt certificates issued by grant recipients in amounts equal to three times their grant award to enable them to finance acquisition of real property and rehabilitation of publicly owned property. The recipients pledge their grants as security for the guaranteed loan.

Section 108 guarantees were first issued in 1979. In that year \$5.4 million of the \$11.8 million of loans guaranteed were originated by the Federal Financing Bank. The Administration's estimates assumes that all loans guaranteed in fiscal year 1982 will be originated by the FFB. In effect, the Section 108 guarantee program has been converted to an off-budget program of direct loans to local governments, in which the loans are secured by federal grant payments.

For 1982 the Administration estimates no increase in new commitments from the 1981 level. The level for new commitments for fiscal year 1982 is \$250 million. Table 51 summarizes new activity for 1980-1982.

New Communities Fund

The New Communities Fund is authorized by the Housing and Urban Development Act of 1968, as amended, and Title VII of the Housing and Urban Development Act of 1970, as amended. It is administered by the New Community Development Corporation. The fund provided assistance to

private and public developers of new communities by guaranteeing their bonds, debentures, notes, and other obligations. Of the 13 new community projects that were guaranteed, nine defaulted on their loans. The \$25 million requested for fiscal year 1981 was to cover these defaults. The Administration anticipates no new direct loan obligations or loan guarantee commitments in fiscal year 1982 for the New Communities Fund, as shown in Table 52.

TABLE 50. COMMUNITY AND REGIONAL DEVELOPMENT--SUMMARY OF CREDIT ACTIVITY (By fiscal year, in millions of dollars)

Program	New Direct Loan Obligations			New Loan Guarantee Commitments		
	1980	1981 <u>a/</u>	1982 <u>a/</u>	1980	1981 <u>a/</u>	1982 <u>a/</u>
Housing and Urban Development						
Community development	---	---	---	157	250	250
Rehabilitation loans	203	45	---	---	---	---
New communities	10	25	---	---	---	---
Commerce						
Economic Development Administration						
Administration	116	66	---	48	163	---
Coastal energy impact loans	33	7	---	---	---	---
Agriculture						
Rural development insurance fund						
insurance fund	1,423	1,507	196	2,509	2,338	1,000
Rural Electrification Administration						
Administration	210	201	185	24	3	---
Other Agencies						
SBA disaster loans	1,237	2,070	440	2	---	---
CSA programs	25	9	8	---	2	2
Interior credit programs	19	15	16	b/	2	28
Total	3,277	3,945	846	2,740	2,758	1,280

a/ Administration estimates.

b/ Less than \$50,000.

TABLE 51. COMMUNITY DEVELOPMENT BLOCK GRANT LOAN GUARANTEES (By fiscal year, in millions of dollars)

Credit Activity	1980 Actual	Administration Estimates	
		1981	1982
New Loan Guarantee Commitments			
Limitation enacted	---	250.0	---
Limitation proposed	---	250.0	250.0
Commitments subject to limitation	---	250.0	250.0
Commitments exempt from limitation	156.9	---	---
New Loans Guaranteed	45.0	270.0	270.0
Guaranteed Loans Outstanding	46.2	305.5	537.5

Guarantees of FFB Loans			
New FFB loans	45.5	127.0	180.0
Repayments	-11.0	-11.0	-38.0
Outstanding FFB holdings	46.3	162.3	342.3

TABLE 52. NEW COMMUNITIES FUND LOANS (By fiscal year, in millions of dollars)

Credit Activity	1980 Actual	Administration Estimates	
		1981	1982
New Direct Loan Obligations			
Exempt from Limitation	10.0	25.0	---
Net Direct Loan Outlays	9.9	25.0	---
Direct Loans Outstanding	129.5	154.5	154.5

Guarantees of FFB Loans			
Repayments	-5.0	---	---
Outstanding FFB holdings	33.5	33.5	33.5

Housing Rehabilitation Loans

Section 312 of the Housing Act of 1964, as amended, authorizes direct loans for the rehabilitation of residential and commercial properties. These loans may be used in areas undergoing federally assisted development provided for in the programs for urban renewal, code enforcement, community development block grant, and urban homesteading.

The Administration has proposed the termination of the Rehabilitation Loan Fund. It contends that the fund's functions are accomplished by other programs, notably the Community Development Block Grant Program. For 1981 the Administration is proposing a rescission to reduce the new direct loan obligation ceiling from \$197 million to \$45 million. For 1982 no further obligations are anticipated. Table 53 details rehabilitation loan activity for fiscal years 1980-1982.

TABLE 53. REHABILITATION LOANS (By fiscal year, in millions of dollars)

Credit Activity	1980 Actual	<u>Administration Estimates</u>	
		1981	1982
New Direct Loan Obligations			
Limitation enacted	---	197.0	---
Limitation proposed	---	45.0	---
Obligations subject to limitation	---	45.0	---
Obligations exempt from limitation	203.3	---	---

Economic Development Administration

The Economic Development Administration (EDA) of the Department of Commerce provides business development loans and loan guarantees in economically distressed areas to encourage private credit and investment that, it is hoped, will create new jobs. These assistance programs are authorized by the Public Works and Economic Development Act of 1965, as amended, and Title II of the Trade Act of 1974. EDA's direct loan program makes credit available for retaining, constructing, expanding, or improving facilities in manufacturing or service industries. EDA's loan guarantee program assists firms that have difficulty in obtaining private financing for fixed asset and working capital expansions. In 1978 and 1979 portions of the EDA revolving fund were set aside as reserves for a program of loan

guarantees to assist steel firms. The guarantees were to enable the firms to overcome problems of foreign competition and to invest in needed modernization and pollution control equipment, thereby saving jobs.

The Administration is proposing to eliminate funding for the Economic Development Administration. The Administration asserts that EDA programs are not effective, and that other means will be used to stimulate economic expansion and employment opportunities in distressed areas. The Administration proposes that development assistance to rural areas be provided by the FmHA.

For 1981 the Administration is proposing a rescission to reduce the limitation on new direct loan obligations from \$116.4 million to \$66 million. No further obligations are expected in 1982. The Administration is also requesting that the limitation for new loan guarantee commitments be reduced to \$163 million for 1981. No new loan guarantee commitments are contemplated for 1982. Table 54 details activity for EDA credit programs.

TABLE 54. ECONOMIC DEVELOPMENT CREDIT ASSISTANCE (By fiscal year, in millions of dollars)

Credit Activity	1980 Actual	Administration Estimates	
		1981	1982
<hr/>			
New Direct Loan Obligations			
Limitation enacted	61.8	116.4	---
Limitation proposed	---	66.0	---
Obligations subject to limitation	61.8	66.0	---
Obligations exempt from limitation <u>a/</u>	54.6	---	---
<hr style="border-top: 1px dashed black;"/>			
New Loan Guarantee Commitments			
Limitation enacted	---	425.0	---
Limitation proposed	---	163.0	---
Commitments subject to limitation	---	163.0	---
Commitments exempt from limitation	48.3	---	---

a/ Direct loan to cover the default of Wisconsin Steel loan guarantee.