# TABLE 11

Mar-04

## President's Fiscal Year 2005 Proposed Changes Affecting Mandatory Federal Student Loan Program Spending Estimated Relative to the March 2004 Baseline

( by fiscal year, in millions of dollars, assumes enactment before October 2004)

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2004-2009 Total | 2004-2014 Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ***NOTE: The program changes detailed below are EACH estimated separately from current law:*** | | | | | | | | | | | | | |
| **Extend the current borrower interest rates after July 2006.** | | | | | | | | | | | | | |
| **BA** | --- | --- | -140 | -380 | -410 | -415 | -425 | -435 | -445 | -455 | -470 | -1,345 | -3,575 |
| **OL** | --- | --- | -65 | -285 | -355 | -370 | -375 | -385 | -395 | -405 | -420 | -1,075 | -3,055 |
| **Raise subsidized loan limits for first-year undergraduate students to $3,000.** | | | | | | | | | | | | | |
| **BA** | --- | 60 | 110 | 120 | 120 | 130 | 135 | 135 | 140 | 145 | 150 | 540 | 1,245 |
| **OL** | --- | 35 | 85 | 105 | 110 | 115 | 115 | 120 | 125 | 130 | 135 | 450 | 1,075 |
| **Mandate a 1 percent guaranty agency insurance premium.** | | | | | | | | | | | | | |
| **BA** | 0 | -455 | -420 | -195 | 0 | 0 | 0 | -40 | -45 | -45 | -50 | -1,070 | -1,250 |
| **OL** | 0 | -455 | -420 | -195 | 0 | 0 | 0 | -40 | -45 | -45 | -50 | -1,070 | -1,250 |
| **Expand the teacher loan forgiveness program for math and science teachers.** | | | | | | | | | | | | | |
| **BA** | 195 | 50 | 50 | 50 | 55 | 55 | 60 | 60 | 65 | 65 | 65 | 455 | 770 |
| **OL** | 175 | 50 | 50 | 50 | 55 | 55 | 55 | 60 | 65 | 65 | 65 | 435 | 745 |
| **Allow student aid eligibility for those with drug convictions that occurred when the student was not enrolled in higher education.** | | | | | | | | | | | | | |
| **BA** | --- | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 10 | 10 | 10 | 25 | 65 |
| **OL** | --- | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 10 | 10 | 25 | 60 |
| **Change the lender yield for loans made with certain tax-exempt bond authority to be the same yield as other lenders yields.** | | | | | | | | | | | | | |
| **BA** | -320 | -290 | -245 | -230 | -215 | -205 | -190 | -170 | -135 | -100 | -65 | -1,505 | -2,165 |
| **OL** | -320 | -175 | -265 | -235 | -220 | -210 | -195 | -180 | -145 | -115 | -80 | -1,425 | -2,140 |
| **Provide extended-term repayment plans to borrowers outside of loan consolidation.** | | | | | | | | | | | | | |
| **BA** | --- | 305 | 325 | 390 | 460 | 480 | 495 | 515 | 535 | 560 | 570 | 1,960 | 4,635 |
| **OL** | --- | 260 | 285 | 345 | 415 | 425 | 440 | 455 | 475 | 495 | 515 | 1,730 | 4,110 |
| ***1./*** **Decrease the annual budget authority levels for loan administration under Section 458.** | | | | | | | | | | | | | |
| **BA** | --- | -600 | -600 | -600 | -600 | -600 | -600 | -600 | -600 | -600 | -600 | -3,000 | -6,000 |
| **OL** | --- | -301 | -498 | -570 | -600 | -600 | -600 | -600 | -600 | -600 | -600 | -2,569 | -5,569 |
| **Reinstate an expired provision allowing an exemption from the 30-day delay disbursement rule.** | | | | | | | | | | | | | |
| **BA** | --- | * | * | * | * | * | * | 3 | 3 | 3 | 3 | * | 12 |
| **OL** | --- | * | * | * | * | * | * | * | 3 | 3 | 3 | * | 9 |

# TABLE 11 (continued)

## President's Fiscal Year 2005 Proposed Changes Affecting Mandatory Federal Student Loan Program Spending Estimated Relative to the March 2004 Baseline

| ( by fiscal year, in millions of dollars, assumes enactment before October 2004) | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2004-2009 Total | 2004-2014 Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Reinstate an expired provision requiring multiple loan disbursement only on loans made for greater than a semester.** | | | | | | | | | | | | | |
| **BA** | **---** | **5** | **5** | **5** | **5** | **5** | **10** | **10** | **10** | **10** | **10** | **25** | **75** |
| **OL** | **---** | **5** | **5** | **5** | **5** | **5** | **5** | **5** | **10** | **10** | **10** | **25** | **65** |
| **Unspecified benefits.** | | | | | | | | | | | | | |
| **BA** | **---** | **251** | **379** | **415** | **275** | **325** | **309** | **372** | **338** | **337** | **327** | **1,645** | **3,328** |
| **OL** | **---** | **251** | **286** | **373** | **293** | **287** | **296** | **337** | **322** | **314** | **303** | **1,490** | **3,062** |
| **Require IRS verification of student aid applications.** | | | | | | | | | | | | | |
| **BA** | **---** | **-*** | **-*** | **-*** | **-*** | **-*** | **-*** | **-*** | **-*** | **-*** | **-*** | **-*** | **-*** |
| **OL** | **---** | **-*** | **-*** | **-*** | **-*** | **-*** | **-*** | **-*** | **-*** | **-*** | **-*** | **-*** | **-*** |
| **Net programmatic interactions among all program changes listed above.** | | | | | | | | | | | | | |
| **BA** | **0** | **-1** | **-19** | **-35** | **-30** | **-45** | **-54** | **-55** | **-56** | **-70** | **-70** | **-130** | **-435** |
| **OL** | **0** | **-1** | **-26** | **-13** | **-38** | **-37** | **-36** | **-37** | **-55** | **-57** | **-71** | **-115** | **-371** |
| **TOTAL CHANGES--Including Programmatic Interactions** | | | | | | | | | | | | | |
| **BA** | **-125** | **-670** | **-550** | **-455** | **-335** | **-265** | **-255** | **-200** | **-180** | **-140** | **-120** | **-2,400** | **-3,295** |
| **O** | **-145** | **-326** | **-558** | **-415** | **-330** | **-325** | **-290** | **-260** | **-235** | **-195** | **-180** | **-2,099** | **-3,259** |

*. Insignificant federal budget impact.

1./ NOTE: The President proposes to fund the reduction in mandatory loan administration funds with discretionary funds. The budget impacts of the President's proposals WITHOUT the loan administrative proposal is shown in the table below:

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2004-2009 Total | 2004-2014 Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BA | -125 | -70 | 50 | 145 | 265 | 335 | 345 | 400 | 420 | 460 | 480 | 600 | 2,705 |
| O | -145 | -25 | -60 | 155 | 270 | 275 | 310 | 340 | 365 | 405 | 420 | 470 | 2,310 |