



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

June 9, 2015

**S. 1001**  
**Small Business Lending Reauthorization Act of 2015**

*As ordered reported by the Senate Committee on Small Business and Entrepreneurship  
on April 23, 2015*

S. 1001 would set the maximum amount of debt that the Small Business Administration (SBA) can guarantee under the agency's general business loan program, also known as the 7(a) program, at \$20.5 billion for fiscal year 2015 and \$23.5 billion for fiscal year 2016. The agency's 2015 authorization level for loan guarantees under the 7(a) program is currently \$18.8 billion.

Under current law, businesses participating in the 7(a) program are required to pay various fees that are sufficient to offset the program's estimated subsidy cost, that is, the estimated long-term cost to the government of a loan guarantee, calculated on a net-present-value basis. Based on information from the SBA, CBO expects that increasing the loan levels for the program would not affect the estimated subsidy cost, nor would the changes increase the cost to administer the program, which is recorded on a cash basis. Therefore, CBO estimates that implementing S. 1001 would not affect discretionary spending. Enacting S. 1001 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

S. 1001 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Susan Willie. The estimate was approved by Theresa Gullo, Assistant Director for Budget Analysis.