



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

May 28, 2015

S. 957

Veterans Entrepreneurship Act

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

Under current law, the Small Business Administration (SBA) waives payment of a guarantee fee for certain loans made under the agency's 7(a) loan guarantee program to veterans, military reservists, and their spouses that operate small businesses. S. 957 would make this pilot program permanent. The bill also would direct the agency to provide three reports to the Congress on matters related to the SBA's services to veterans and military reservists.

In fiscal year 2015, the subsidy cost for the SBA's 7(a) program, that is, the estimated long-term cost to the government for loan guarantees calculated on a net-present-value basis, is zero. Based on information from the SBA, CBO expects that extending the program to waive fees for certain 7(a) loans to veterans would not affect the program's subsidy cost because the agency has discretion to adjust other fees authorized under the program to maintain an overall subsidy rate for the program of zero. CBO estimates that implementing S. 957 would have an insignificant effect on discretionary costs to meet the reporting requirements under the bill. Enacting S. 957 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

S. 957 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.