

private sector for use to comply with any Federal private sector mandate, and would not eliminate or reduce duties established by the Federal mandate by a corresponding amount; or

(2) would result in a net increase in the aggregate amount of direct costs of Federal intergovernmental mandates or Federal private sector mandates other than as described in paragraph (1).

**(b) Direct costs**

**(1) In general**

For purposes of this part, the direct cost of the Federal mandates in a bill, joint resolution, amendment, motion, or conference report that reauthorizes appropriations, or that amends existing authorizations of appropriations, to carry out a statute, or that otherwise amends any statute, means the net increase, resulting from enactment of the bill, joint resolution, amendment, motion, or conference report, in the amount described under paragraph (2)(A) over the amount described under paragraph (2)(B).

**(2) Amounts**

The amounts referred to under paragraph (1) are—

(A) the aggregate amount of direct costs of Federal mandates that would result under the statute if the bill, joint resolution, amendment, motion, or conference report is enacted; and

(B) the aggregate amount of direct costs of Federal mandates that would result under the statute if the bill, joint resolution, amendment, motion, or conference report were not enacted.

**(3) Extension of authorization of appropriations**

For purposes of this section, in the case of legislation to extend authorization of appropriations, the authorization level that would be provided by the extension shall be compared to the authorization level for the last year in which authorization of appropriations is already provided.

(Pub. L. 93-344, title IV, § 428, as added Pub. L. 104-4, title I, § 101(a)(2), Mar. 22, 1995, 109 Stat. 59.)

SUBCHAPTER III—CREDIT REFORM

**§ 661. Purposes**

The purposes of this subchapter are to—

(1) measure more accurately the costs of Federal credit programs;

(2) place the cost of credit programs on a budgetary basis equivalent to other Federal spending;

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

(4) improve the allocation of resources among credit programs and between credit and other spending programs.

(Pub. L. 93-344, title V, § 501, as added Pub. L. 101-508, title XIII, § 13201(a), Nov. 5, 1990, 104 Stat. 1388-610.)

PRIOR PROVISIONS

A prior section 661, Pub. L. 93-344, title VI, § 606, July 12, 1974, 88 Stat. 325, directed that Budget Committees of House and Senate study, on a continuing basis, any provisions of law which exempt agencies or programs from inclusion in the budget and make recommendations from time to time with regard to terminating or modifying such provisions, prior to repeal by Pub. L. 99-177, title II, §§ 223, 275(a)(1), Dec. 12, 1985, 99 Stat. 1060, 1100, effective Dec. 12, 1985, and applicable with respect to fiscal years beginning after Sept. 30, 1985.

A prior section 501 of Pub. L. 93-344, title V, July 12, 1974, 88 Stat. 321, was classified to section 1020 of former Title 31, prior to repeal and reenactment as section 1102 of Title 31, Money and Finance, by Pub. L. 97-258, § 5(b), Sept. 13, 1982, 96 Stat. 1068, the first section of which enacted Title 31.

SHORT TITLE

For short title of title V of Pub. L. 93-344, which enacted this subchapter, as the “Federal Credit Reform Act of 1990”, see section 500 of Pub. L. 93-344, set out as a note under section 621 of this title.

**§ 661a. Definitions**

For purposes of this subchapter—

(1) The term “direct loan” means a disbursement of funds by the Government to a non-Federal borrower under a contract that requires the repayment of such funds with or without interest. The term includes the purchase of, or participation in, a loan made by another lender and financing arrangements that defer payment for more than 90 days, including the sale of a government<sup>1</sup> asset on credit terms. The term does not include the acquisition of a federally guaranteed loan in satisfaction of default claims or the price support loans of the Commodity Credit Corporation.

(2) The term “direct loan obligation” means a binding agreement by a Federal agency to make a direct loan when specified conditions are fulfilled by the borrower.

(3) The term “loan guarantee” means any guarantee, insurance, or other pledge with respect to the payment of all or a part of the principal or interest on any debt obligation of a non-Federal borrower to a non-Federal lender, but does not include the insurance of deposits, shares, or other withdrawable accounts in financial institutions.

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

(5)(A) The term “cost” means the estimated long-term cost to the Government of a direct loan or loan guarantee or modification thereof, calculated on a net present value basis, excluding administrative costs and any incidental effects on governmental receipts or outlays.

(B) The cost of a direct loan shall be the net present value, at the time when the direct loan is disbursed, of the following estimated cash flows:

(i) loan disbursements;

<sup>1</sup> So in original. Probably should be capitalized.