

**Proposed FY 2020 Changes to Loan Guarantee Liability Transaction Codes (TCs):**

**1) Proposed TC Modification to Record Loan Guarantee Fees Earned, But Not Yet Collected:**

**C428** To record loans, interest, and fees receivable from non-Federal sources for defaulted guaranteed loans and loan guarantee activity. Do not consider as a budgetary resource until collected.

**Comment:** Applicable to activity for guaranteed loans.

**Budgetary Entry**

None

**Proprietary Entry**

Debit 131000 Accounts Receivable  
 Debit 134100 Interest Receivable – Loans  
 Debit 135000 Loans Receivable  
     Credit 139900 Allowance for Subsidy  
     Credit 218000 Loan Guarantee Liability

**Justification:** The addition of USSGL 131000 Accounts Receivable allows agencies to record loan guarantee fee earned, but not yet collected, to a receivable account and the offsetting Loan Guarantee Liability account. Once cash is ultimately collected, agencies should record TC A140 and C109.

Fees are Earned, but not yet Collected	
	<b>C428</b>
131000 Accounts Receivable	
218000 Loan Guarantee Liability	
Cash is Later Collected After Fees Were Earned On an Earlier Date	
	<b>A140</b>
406000 Anticipated Collections From Non-federal Sources	
445000 Unapportioned Authority	
	<b>C109</b>
426100 Actual Collections of Business-Type Fees	
406000 Anticipated Collections From Non-Federal Sources	
101000 Fund Balance with Treasury	
131000 Accounts Receivable	

**2) Proposed New TC Addition to Record Loan Guarantee Claims Incurred, But Not Yet Disbursed:**

**B417** To record in a loan guarantee financing account an accrued expense to a third party, in which no asset is received. This transaction includes payments of incurred default claims, interest supplements, and other loan guarantee financing claims.

**Comment:** Only post this transaction for claims within a loan guarantee financing account that are incurred, but not yet disbursed. At the time of disbursement to a third-party, post USSGL TC-B110.

**Reference:** USSGL implementation guidance; Credit Reform Case Studies

**Budgetary Entry**

Debit 461000 Allotments - Realized Resources  
 Credit 490100 Delivered Orders - Obligations, Unpaid

**Proprietary Entry**

218000 Loan Guarantee Liability  
 211000 Accounts Payable

**Justification:** The addition of TC B417 allows agencies to record loan guarantee claims incurred, but not yet disbursed, directly to the Loan Guarantee Liability account. Once cash is ultimately disbursed, agencies should record TC B110.

Claims are Incurred, But Not Yet Disbursed	
461000 Allotments - Realized Resources	<b>B417</b>
490100 Delivered Orders - Obligations, Unpaid	
218000 Loan Guarantee Liability	
211000 Accounts Payable	

Cash is Disbursed After Claims Were Incurred On an Earlier Date	
490100 Delivered Orders - Obligations, Unpaid	<b>B110</b>
490200 Delivered Orders - Obligations, Paid	
211000 Accounts Payable	
101000 Fund Balance with Treasury	