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**Loan Program**

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**FY 2004 Loan Program Budget Summary**  
(\$ in thousands)

Project or Study	FY 2003 Request	FY 2004					FY 2004 Request	Treasury	Total Program
		Water & Energy	Land Management	Fish & Wildlife	Facility Operations	Facility Maint.			
Loan Administration	0	200					200		200
<b>TOTAL LOAN PROGRAM</b>	<b>0</b>	<b>200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>200</b>	<b>0</b>	<b>200</b>

**LOAN PROGRAM APPROPRIATION  
FY 2004 OVERVIEW**

FY 2003 Request	FY 2004 REQUEST					
	Water & Energy	Land Management	Fish & Wildlife	Facility Operations	Facility Maintenance	Total Program
\$0	\$200,000	\$0	\$0	\$0	\$0	\$200,000

**Water and Energy Management and Development - \$200,000.** No funding is requested in FY 2004 for the last "grandfathered" loan application, the Narrows Project (Sanpete) which is currently under review. Funding in the amount of \$200,000 is being requested for Loan Program Administration.

**Credit Reform**

For clarification purposes, when we refer to "other Federal funding" we are referring to Treasury funds available pursuant to P.L. 101-508 Title V the "Federal Credit Reform Act of 1990". The Act requires the Federal budget to account for credit program costs so that they may be more easily compared with the costs of other Federal spending. The costs of a direct loan are divided into two components. The first is the subsidy component (costs which are not expected to be returned to the government), and the second is the unsubsidized component (amount the government expects borrowers to repay fully on a present value basis over the life of the loan).

When reviewing this document for the Loan program, you will find funding delineated as Reclamation, other Federal, and non-Federal. The **Reclamation** funding represents the subsidy portion of the total loan. The **other Federal** (Treasury) funding represents the unsubsidized portion of the total loan. The loan recipient will receive a disbursement from the Federal government for both the Reclamation and Treasury portions. Non-Federal refers to the portion of project funding that the loan recipient is providing upfront.

## Loan Administration

**LOCATION:** The 17 Western States in Reclamation's Service Area.

**DESCRIPTION/JUSTIFICATION:** This program is used for responding to questions concerning existing loans and the status of the Loan program. All Reclamation activities on new loan applications have been suspended since 1993. If new authorizing legislation is passed, this program will also be used for the processing of potential loans, negotiation of contracts, and similar activities. These activities are performed prior to the granting of the loan and, therefore, require an independent source of financing. Upon execution of a contract for a loan under this program, all administrative costs incurred on the specific proposal to that time, as well as all future costs, are charged to the organization securing the loan and are repaid in accordance with the loan agreement. Since P.L. 84-984 makes no provision for the collection of funds spent on unsuccessful applications or on administrative functions not assignable to specific loans, a portion of these administrative funds is considered nonreimbursable.

Reclamation involvement provides partnerships with local districts to conserve water by upgrading less efficient facilities, improving water quality, enhancing fish and wildlife, and supporting Indian self-sufficiency through federally-financed loans.

**AUTHORIZATION:** P.L. 84-984, Small Reclamation Projects Act of 1956, as amended, August 6, 1956.

### SUMMARIZED FINANCIAL DATA

#### Program Financial Data

Activity	FY 2003 <sup>1/</sup>	FY 2004
Water and Energy Management and Development	\$0	\$200,000
Total Program	\$0	\$200,000
Request	\$0	\$200,000
Total Reclamation Allotment	\$0	\$200,000

<sup>1/</sup> The FY 2003 column reflects the President's budget request level.