**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

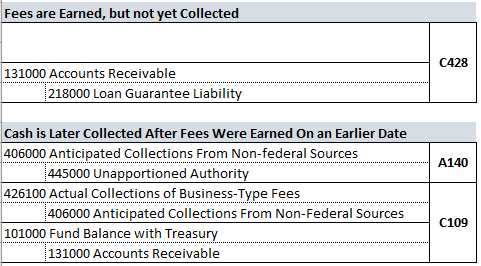
Debit 134100 Interest Receivable – Loans

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.



**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.

