



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

January 2013

CIRCULAR NO. A-129
Revised

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Policies for Federal Credit Programs and Non-Tax Receivables

Federal credit programs are created to accomplish a variety of social and economic goals. Agencies must implement budget policies and management practices that ensure the goals of credit programs are met while properly identifying and controlling costs. In addition, Federal receivables, whether from credit programs or other non-tax sources, must be serviced and collected in an efficient and effective manner to protect the value of the Federal Government's assets.

GENERAL INFORMATION

1. Purpose. This Circular prescribes policies and procedures for justifying, designing, and managing Federal credit programs and for collecting non-tax receivables. It sets principles for designing credit programs, including: the preparation and review of legislation and regulations; budgeting for the subsidy costs and administrative expenses of credit programs, and minimizing unintended costs to the Government; and improving the efficiency and effectiveness of Federal credit programs. It also sets standards for extending credit, managing lenders participating in Government guaranteed loan programs, servicing credit and non-tax receivables, and collecting delinquent debt.

2. Authority. This Circular is issued under several authorities, including but not limited to (i) the following statutes, as amended and codified: of the Budget and Accounting Act of 1921, as amended; the Budget and Accounting Act of 1950; the Debt Collection Act of 1982; Section 2653 of Public Law 98-369; the Federal Credit Reform Act of 1990; the Chief Financial Officers Act of 1990; and the Cash Management Improvement Act Amendments of 1992; (ii) Executive Order 8248, as amended; and (iii) pre-existing common law authority to charge interest on debts and to offset payments to collect debts administratively.

3. Coverage.

a. *Applicability.* The provisions of this Circular apply to all credit programs of the Federal Government, including:

- (1) Direct loan programs;
- (2) Loan guarantee programs and loan insurance programs in which the Federal Government bears a legal liability to pay for all or part of the principal or interest in the event of borrower default; and

(3) Loans or other financial assets acquired by a Federal agency (or a receiver or conservator acting for a Federal agency), including those acquired as a result of a claim payment on a defaulted guaranteed or insured loan or in fulfillment of a Federal deposit insurance commitment.

Sections IV and V (“Managing the Federal Government’s Receivables” and “Delinquent Debt Collection”) also apply to receivables due to the Government from the sale of goods and services; fines, fees, duties, leases, rents, royalties, financed payments, and penalties; overpayments to beneficiaries, grantees, contractors, and Federal employees; and similar debts and financial instruments.

b. *Exclusions Under the Debt Collection Acts.* Certain debt collection techniques authorized or mandated by the provisions of the Debt Collection Act of 1982, as amended by the Debt Collection Improvement Act of 1996, do not apply to debts arising under the Internal Revenue Code, certain sections of the Social Security Act, or the tariff laws of the United States.

c. *Other Statutory Exclusions.* The policies and standards of this Circular do not apply when they are statutorily prohibited, or are inconsistent with a program’s statutory requirements. However, agencies are required to periodically review legislation affecting the form of assistance and/or financial standards for credit programs to justify continuance of any non-conformance.

4. Rescission. This Circular rescinds and replaces *OMB Circular No. A-129* (revised), dated November 2000. This Circular supplements, and does not supersede, the requirements applicable to budget submissions under *OMB Circular No. A-11* and requirements applicable to proposed legislation and testimony under *OMB Circular No. A-19*.

5. Effective Date. This Circular is effective immediately.

6. Inquiries. Further information on the implementation of credit management and debt collection policies may be found in the Department of the Treasury’s Financial Management Service *Managing Federal Receivables*, in OMB Memorandum M-04-10 *Debt Collection Improvement Act Requirements*, and in OMB’s *Government-wide 5-Year Plan* for financial management submitted annually to Congress.

For inquiries concerning budget and legislative policy for credit programs contact the Office of Management and Budget, Budget Review Division, Budget Analysis Branch, Room 6001, New Executive Office Building, 725 17th Street, NW, Washington, DC 20503; (202) 395-3945 or email CSC2@omb.eop.gov. Questions on all other sections of this Circular should be directed to the Office of Federal Financial Management (202) 395-4534.

7. Definitions. Unless otherwise defined in this Circular, key terms used in this Circular are defined in *OMB Circular No. A-11*.


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Appendices (5)