



CSC2 FAQs

OMB Annual Credit Training

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Agenda

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- Answers before questions!
 - Technical resources available to help
- Some questions received from agencies
- Open Q&A
- You can always send comments, questions, or feedback to **CSC2@omb.eop.gov**



Resources—Federal Credit Support Page

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- CSC2 User Guide is available on the OMB Federal Credit Support Page

- [Complete CSC2 User Guide](#) (pdf format, 3,055 kb)

Contents:

- [Section 1: Introduction](#) (pdf format, 18 kb)
- [Section 2: CSC2 Basics](#) (pdf format, 794 kb)
- [Section 3: How to organize cash flows for the CSC2](#) (pdf format, 342 kb)
- [Section 4: How to perform required credit calculations using the CSC2](#) (pdf format, 1,410 kb)
- [Appendix A: Keywords dictionary](#) (pdf format, 61 kb)
- [Appendix B: Error and warning messages](#) (pdf format, 45 kb)
- [Appendix C: CSC2 Methods for Calculating the Cohort Interest Rate](#) (pdf format, 28 kb)
- [Appendix D: Multiple cohorts in a reestimate cash flow](#) (pdf format, 399 kb)
- [Appendix E: Associating cash flows with disbursements periods](#) (pdf format, 29 kb)
- [Appendix F: Summary of Changes to the CSC2](#) (pdf format, 19 kb)



Summary Tools

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- **Summary Tools (updated: November 16, 2007)**
- Use the CSC2 Reestimate Summary Compiler (RSummary) to aggregate CSC2 reestimate output files.
- [RSummary, xls format](#) **Updated November 16, 2007** (694 kb)
- [RSummary Instructions](#) (pdf format, 33 kb) The November 16, 2007 release includes functionality for use in the Credit Supplement Report Exercise. This version must be used for uploading summarized reestimate data for risk categories with more than one CSC2 output reestimate spreadsheet.
- Use the CSC2 Financing Account Interest Summary Compiler (CFSummary) to aggregate CSC2 financing account interest output files.
- [CFSummary, xls format](#) (296 kb)
- [CFSummary Instructions](#) (pdf format, 30 kb)



Working Papers (Background)

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- **Working papers**
- Working papers that describe the concepts and methods used by the CSC are available in PDF format:
- [How the subsidy and its components are derived from cash flow observations](#) (pdf format, 87 kb)
- [The basket-of-zeros approach to discounting](#) (a short, non-technical description) (pdf format, 21 kb)
- [Description of the "basket-of-zeros" discounting method and the derivation of present value factors from the yield curve](#) (technical description) (pdf format, 42 kb)
- [How the single effective rate is calculated](#) (pdf format, 32 kb)



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- A-11, Section 185
- Your examiner & credit crew contact
- Federal Credit Support Page
 - www.omb.gov/credit



YOU!

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- Don't be afraid to play with the CSC2
- Simplified examples available from OMB, can see how the calculations work
- Resources above organized so you can narrow down on the thing you want to know



CSC2

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- The CSC2 must be used for all credit-calculations, including original budget subsidy rate estimates, calculating year-end financing account interest, and annual reestimates for credit programs.
- Agencies must use the CSC2 for 2008 financing account interest, and budget subsidy estimates and reestimates for the 2010 Budget.



Multiple cohorts and cashflows

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- What can I do to roll up all my information?



Financing Account Interest

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- Can I use estimated data for the end of the fiscal year when calculating financing account interest?
- Can I include more than one cohort in my financing account interest calculation?



Reestimates for financial statements

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- If I'm calculating reestimates for my financial statements and I do not have financing account interest for the latest completed fiscal year, what do I do?



Reestimates

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- **The CSC2 performs both traditional approach and balances approach reestimates—what happens if the results are different?**
- **Which reestimated subsidy rate should I use for reporting in the budget?**



Reestimates

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- **Do I need historical financing account interest for all cohorts?**



Financing Account Interest Adjustments

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- **What is the financing account interest adjustment?**
- **Will I have this every year?**
- **How do I reflect these amounts in my apportionment?**
- **What happens if my financing account interest adjustment has a different sign than my interest on reestimate?**



Auditor requirements

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- **What will my auditors require with the new tool?**



Financing account interest with reported balances reestimates

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- **How can I calculate my financing account interest if I am performing a balances approach reestimate using reported balances?**



Current reestimates

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- The Reestimate and Interest on Reestimate amounts on the CSC2 tab do not match the current reestimate amounts on the Summary tab for any of the cohorts where I expect disbursements after the latest completed fiscal year. Is something wrong?



Subsidy components

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- My auditor requires explanation for the changes in default and interest components of subsidy on my reestimates. The CSC2 output for balances approach does not include this information. What do I do?



Reconciling

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- My calculated and reported balances don't match, but I have 10 years of actual data. Are there any ways to narrow down where the difference is occurring?