

Estimate of Budgetary Effects of H.R. 4628, the Interest Rate Reduction Act, as Introduced on April 25, 2012

(By fiscal year, in millions of dollars)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2012-2017	2012-2022
CHANGES IN DIRECT SPENDING													
Student Loans^{1,3}													
Estimated Budget Authority	4,285	2,595	*	*	*	*	*	*	*	*	*	6,880	6,880
Estimated Outlays	2,480	3,505	*	*	*	*	*	*	*	*	*	5,985	5,985
Repeal Prevention and Public Health Fund^{2,3}													
Estimated Budget Authority	-1,000	-1,000	-1,000	-1,000	-1,000	-1,000	-1,300	-1,300	-1,500	-1,500	-2,000	-6,000	-13,600
Estimated Outlays	-200	-700	-1,200	-1,100	-1,000	-1,000	-1,100	-1,200	-1,300	-1,500	-1,700	-5,200	-12,000
Total Changes													
Estimated Budget Authority	3,285	1,595	-1,000	-1,000	-1,000	-1,000	-1,300	-1,300	-1,500	-1,500	-2,000	880	-6,720
Estimated Outlays	2,280	2,805	-1,200	-1,100	-1,000	-1,000	-1,100	-1,200	-1,300	-1,500	-1,700	785	-6,015

Source: Congressional Budget Office.

Notes:

Changes relative to CBO's March 2012 baseline.

Components may not sum because of rounding.

* = less than \$500,000.

1. Beginning July 1, 2012, and ending June 30, 2013, set the borrower interest rate on all new subsidized student loans at 3.40 percent. Beginning July 1, 2013, the interest rate on new subsidized student loans would revert to 6.80 percent. Under current law, the borrower interest rate on subsidized loans will increase from 3.40 percent to 6.80 percent on July 1, 2012, for all new loans.
2. Beginning July 1, 2012, the prevention and public health fund created by the Affordable Care Act would be repealed. Under current law, this fund provides grants to carry out prevention, wellness, and public health activities. Federal agencies can award annual grants that total \$1 billion in 2012, rising to \$2 billion per year by 2022.
3. Assumes enactment prior to July 1, 2012.

CBO Estimate of the Statutory Pay-As-You-Go Effects for H.R. 4628, the Interest Rate Reduction Act, as Introduced on April 25, 2012

(By fiscal year, in millions of dollars)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2012-2017	2012-2022
NET INCREASE OR DECREASE (-) IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	2,280	2,805	-1,200	-1,100	-1,000	-1,000	-1,100	-1,200	-1,300	-1,500	-1,700	785	-6,015

Source: Congressional Budget Office.

Notes:

Changes relative to CBO's March 2012 baseline.

Components may not sum because of rounding.

* = less than \$500,000.

Beginning July 1, 2012, and ending June 30, 2013, set the borrower interest rate on all new subsidized student loans at 3.40 percent. Beginning July 1, 2013, the interest rate on new subsidized student loans would revert to 6.80 percent. Under current law, the borrower interest rate on subsidized loans will increase from 3.40 percent to 6.80 percent on July 1, 2012, for all new loans.

Beginning July 1, 2012, the prevention and public health fund created by the Affordable Care Act would be repealed. Under current law, this fund provides grants to carry out prevention, wellness, and public health activities. Federal agencies can award annual grants that total \$1 billion in 2012, rising to \$2 billion per year by 2022.

Assumes enactment prior to July 1, 2012.