FINANCIAL HIGHLIGHTS

INTRODUCTION

This section provides summarized information and analyses about the Department's assets, liabilities, net position, sources and uses of funds, program costs, and related trend data. It also provides a high-level perspective of the detailed information contained in the financial statements and related notes.

The Department consistently produces complete, accurate, and timely financial information. The Department's financial statements and notes are prepared in accordance with accounting principles generally accepted in the United States for federal agencies issued by the Federal Accounting Standards Advisory Board and the format and content specified by OMB Circular No. A-136, *Financial Reporting Requirements*. The financial statements, notes, and underlying business processes, systems, and controls are audited by an independent accounting firm with audit oversight provided by the Office of Inspector General (OIG). For 19 consecutive years, the Department has earned an unmodified (or "clean") audit opinion. The financial statements and notes for FY 2020 are on pages 40–85 and the Independent Auditors' Report begins on page 90.

The principal financial statements are prepared to report the financial position and results of operations of the reporting entity, pursuant to the requirements of 31 U.S.C. § 3515(b). The statements are prepared from the Department's books and records in accordance with generally accepted accounting principles for federal entities and the formats prescribed by OMB. Reports used to monitor and control budgetary resources are prepared from the same books and records. The financial statements should be read with the realization that they are for a component of the U.S. Government.

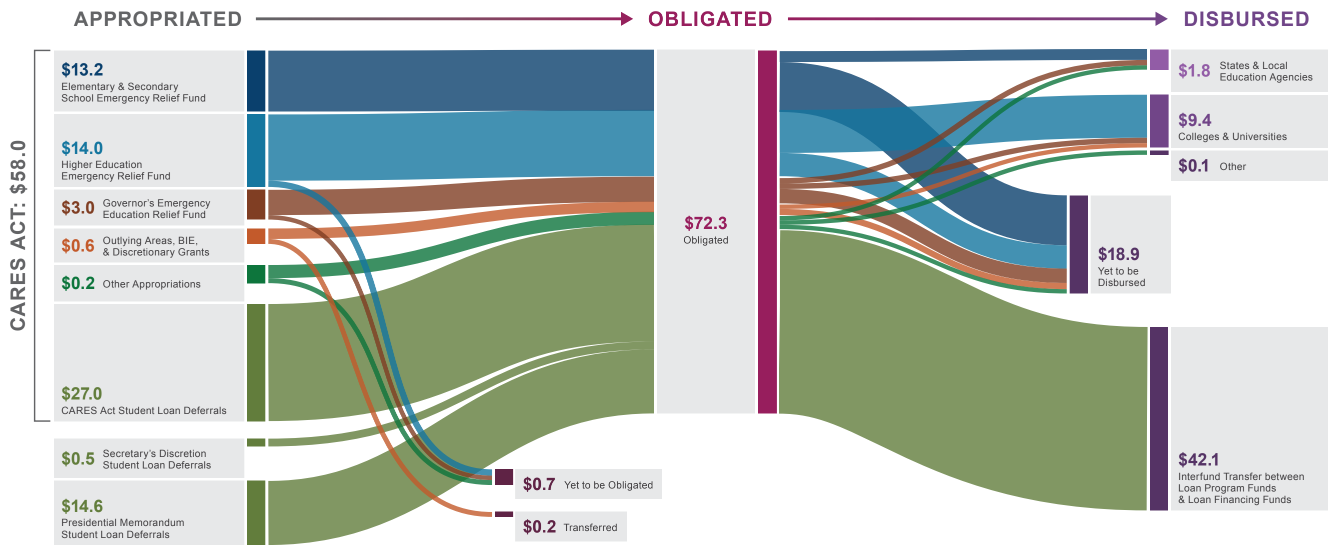
FINANCIAL STATEMENT IMPACTS OF COVID-19 ACTIVITIES

Most of the significant changes to the Department's financial statements resulted from the impacts due to COVID-19 activities. The *CARES Act* totaled roughly $2 trillion dollars and included almost $31 billion of direct appropriations to the Department for educational purposes. The largest component of this funding established a $30.8 billion Education Stabilization Fund for K-12 and higher education. This fund is comprised of categories including: (1) the Elementary and Secondary School Emergency Relief Fund; (2) the Higher Education Emergency Relief Fund; (3) the Governor's Emergency Education Relief Fund; and (4) funds provided for outlying areas and discretionary grants. The *CARES Act* also provided other direct appropriations – primarily to

Table 1. Key Financial Statement Changes
(Dollars in Billions)

Financial Statement Lines with Significant Changes	Amount		Total Changes		Changes Due to COVID-19	
	FY 2020	FY 2019	Amount	Percentage	Amount	Percentage
Balance Sheets						
Fund Balance with Treasury	$ 136.0	$ 104.9	$ 31.1	29.6%	$ 19.6	63.0%
Statements of Net Cost						
Expand Postsecondary Opportunities, Improve Outcomes to Foster Economic Opportunity, and Promote Productive Citizenry	149.4	116.0	33.4	28.8%	51.3	153.6%
Statements of Budgetary Resources						
Appropriations (Discretionary and Mandatory)	245.0	118.5	126.5	106.8%	73.2	57.9%
New Obligations and Upward Adjustments (Total)	430.8	323.1	107.7	33.3%	72.3	67.1%
Unobligated Balance, End of Year (Total)	42.6	35.1	7.5	21.4%	0.7	9.3%
Outlays, Net	218.0	116.6	101.4	87.0%	53.4	52.7%
Disbursements, Net	(42.9)	40.1	(83.0)	-207.0%	42.1	-50.7%

Figure 1. COVID-19 Funding Flow
(Dollars in Billions)



fund increased grants for Safe Schools & Citizenship Education grants, Historically Black Colleges and Universities loan deferrals, and loan administration costs.

The *CARES Act* provided support for student loan borrowers, primarily by suspending nearly all federal loan payments until September 30, 2020, interest free. The Department extended certain provisions of the student loan deferrals not covered by the *CARES Act* to defaulted guaranteed loans held by the Department. The Administration subsequently issued a Presidential Memorandum which extended the student loan deferrals through December 31, 2020. The Department also stopped all federal wage garnishments and collection actions for borrowers with federally held loans in default. Funding for the student debt provisions of the *CARES Act* and the Presidential Memorandum are provided through indefinite appropriations.

The cost impacts of the student loan repayment deferrals were recorded as loan modifications, a component of subsidy expense, which reduced the overall loan receivable balances for the Direct Loan and Federal Family Education Loan (FFEL) programs by $38.6 billion and $3.3 billion, respectively. Detailed explanations of these loan modifications are provided in the Analysis of Direct Loan Program Subsidy Expense section beginning on page 16 and in Note 5 of the financial statements beginning on page 57.

The direct and indirect funding stemming from the *CARES Act* and the Presidential Memorandum is reflected in Figure 1.

Elementary and Secondary School Emergency Relief (ESSER) Fund—$13.2 billion provided for state education agencies (SEAs) and local educational agencies (LEAs) to support continued learning for K-12 students whose educations have been disrupted by COVID-19.

Higher Education Emergency Relief (HEER) Fund—$14.0 billion provided for IHEs to address needs directly related to COVID-19, including transitioning courses to distance education and granting aid to students for educational costs such as food, housing, course materials, health care, and child care.

Governor's Emergency Education Relief (GEER) Fund—$3.0 billion provided to state governors to ensure education continues for students of all ages impacted by the COVID-19 national emergency.

Outlying Areas, Bureau of Indian Education (BIE), and Discretionary Grants—$0.6 billion provided for outlying areas and discretionary grants to states with the highest COVID-19 burdens.

BALANCE SHEETS

The consolidated balance sheets present, as of a specific point in time (the end of the fiscal year), the Department's total assets, total liabilities, and net position.

The Department's assets totaled $1,309.4 billion as of September 30, 2020. As shown in Figure 2, the vast majority of the assets relate to credit program receivables, $1,171.0 billion, which comprised 89.4 percent of all assets. Direct Loans comprise the largest share of these receivables. All other assets totaled $138.4 billion, most of which was Fund Balance with Treasury.

The Department's liabilities totaled $1,264.5 billion as of September 30, 2020. As shown in Figure 3, the vast majority of the Department's liabilities are also associated with credit programs, primarily amounts borrowed from the U.S. Department of the Treasury (Treasury) to fund student loans. Debt associated with Direct Loans totaled $1,160.1 billion as of September 30, 2020.

Figure 4 shows the changes in the Direct Loan receivables components over the past five years. The principal amount has continued to grow as the Direct Loan program has originated all new federal loans since July 2010, when originations of new FFEL loans ended. However, the rate of increase in principal has slowed, as the Direct Loan program has disbursed decreased amounts of new loans each year since FY 2016 as a result of stagnant and in some cases declining enrollment, while accrued interest amounts have increased as more loans have moved into active repayment statuses. Even so, new loan disbursements continue to exceed overall loan principal repayments—student loan borrowers have many options to stretch out their repayment terms and reduce their monthly payments.

In accordance with the *Federal Credit Reform Act of 1990*, the Department's financial statements report the value of direct loans (credit program receivables) at the net present value of their future cash flows, discounted at a fixed rate established based on Treasury securities. The difference between the recorded principal and interest balance and the net present value of the loans is referred to as the "allowance for subsidy," which can be positive or negative.

Figure 2. Assets by Type

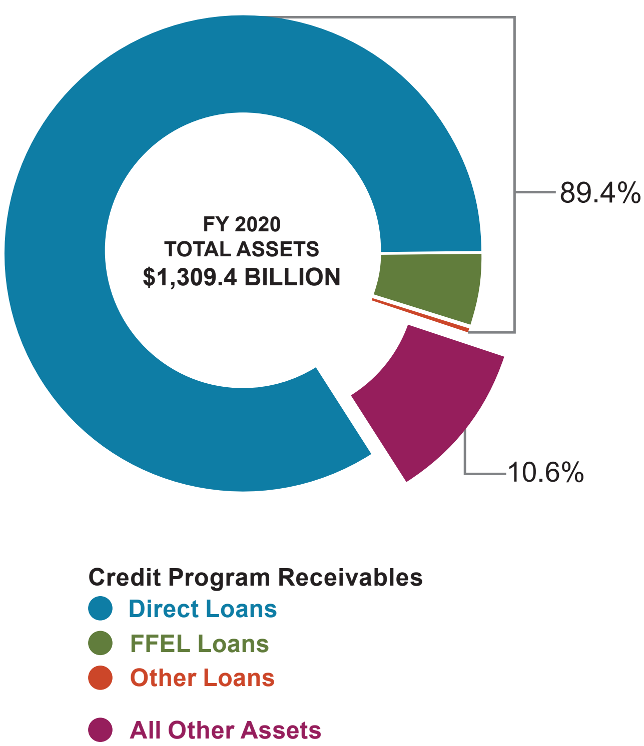


Figure 3. Liabilities by Type

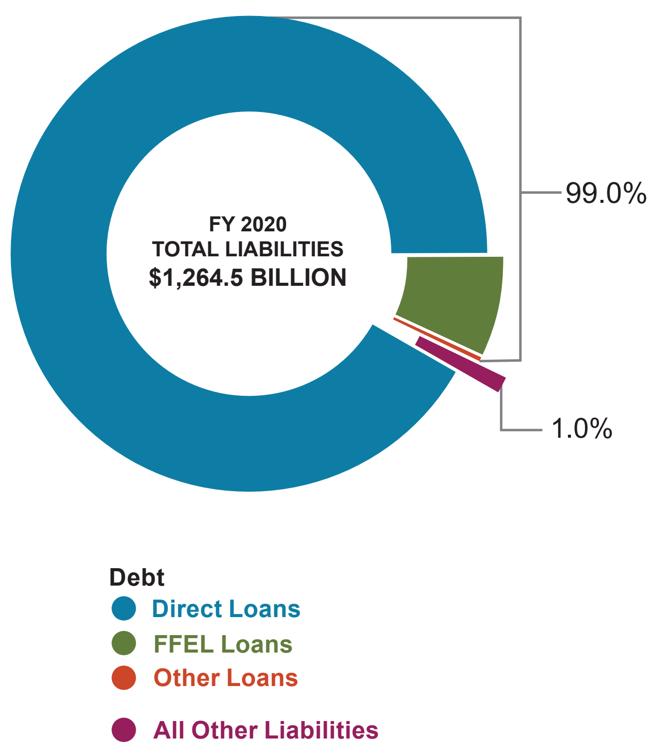
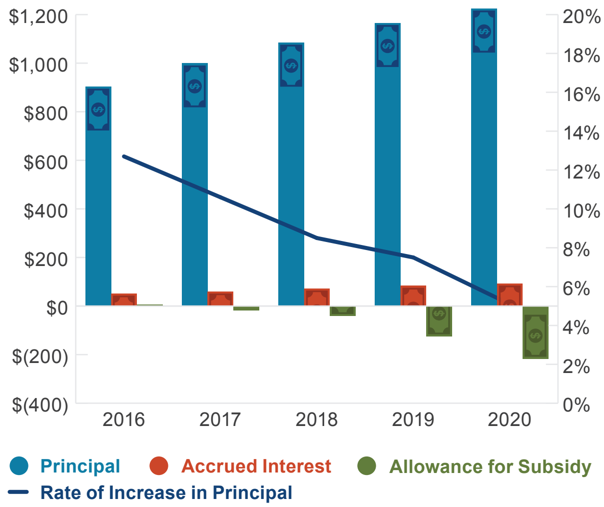


Figure 4. Components of Direct Loan Receivables, Net

(Dollars in Billions)



Direct Loan Component (Dollars in Billions)	Fiscal Year				
	2016	2017	2018	2019	2020
Principal	**$ 902.8**	**$ 998.8**	**$1,083.7**	**$1,164.9**	**$1,224.8**
Rate of Increase in Principal	12.7%	10.6%	8.5%	7.5%	5.1%
Accrued Interest	$ 50.8	$ 59.5	$ 72.0	$ 83.3	$ 92.1
Allowance for Subsidy	$ 5.3	$ (16.8)	$ (40.7)	$(124.4)	$(216.4)
Total No. of Direct Loan Recipients (in Millions)	**31.5**	**33.0**	**34.2**	**35.1**	**35.9**

The positive allowance for subsidy balance in FY 2016 represented estimates of funds expected to be recovered in excess of principal loaned less anticipated defaults, loan cancellations, and other adjustments. This positive allowance for subsidy balances resulted primarily from the difference between the interest rates charged by the Department to borrowers and the interest rates charged to the Department on amounts borrowed from Treasury to make the loans. The reduction in the positive allowance since FY 2016 is due primarily to higher subsidy costs, the main cause being high participation in income-driven repayment (IDR) plans. As of FY 2017, the allowance for subsidy changed to a negative balance. In practical terms, this means that the present value of funds expected to be recovered is now less than the principal outstanding.

Participation in IDR plans has increased as (a) new plans have become available that are more advantageous to borrowers, (b) new plans have become available that expand the potential pool of borrowers, and (c) the Department has conducted targeted outreach to borrowers to make them aware of their potential eligibility for these plans.

In addition to the impact of the IDR plans, the negative subsidy allowance also increased in FY 2020 due to actions taken to defer student loans in response to COVID-1 (see discussion in the Analysis of Direct Loan Program Subsidy Expense section on page 16).

Table 2 shows the payment status of the Direct Loan principal and interest balances outstanding over the past five years. The Current Repayment category consists of loans that are being paid back on time, including the current portion of loans being repaid pursuant to IDR plans. The balances reported for "Current Repayment" and "Delinquent" are significantly lower than prior years, primarily due to the COVID-19 student loan deferrals that placed loans in forbearance and subsequently cured delinquencies.

Loans in the Delinquent category are past due anywhere from 31 to 360 days. Default/Bankruptcy/Other includes loans that are more than 360 days delinquent (default status); loans in a nondefaulted bankruptcy status; and loans in disability status. While technical default is 271 days delinquent, default is defined as 361 days delinquent for reporting purposes. The percentage of loans in default continues to grow, even as delinquencies and new defaults have declined, because defaulted loans can be difficult to collect or rehabilitate.

The FY 2020 delinquent balance is zero due to the ongoing deferral of all student loans through December 31, 2020.

Table 2. Payment Status of Direct Loan Principal and Interest Balance

(Dollars in Billions)

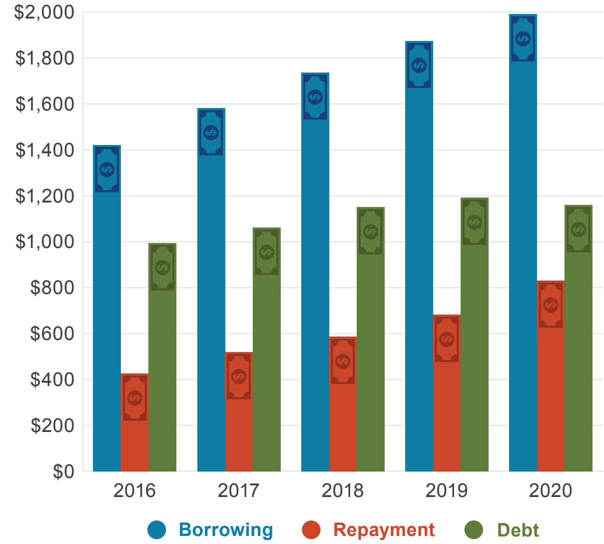
Loan Status	Fiscal Year				
	2016	2017	2018	2019	2020
Total No. of Direct Loan Recipients (in Millions)	31.5	33.0	34.2	35.1	35.9
Total Dollar Amount of Direct Loans Outstanding	**953.6**	**1,058.4**	**1,155.7**	**1,248.1**	**1,316.9**
Current Repayment[1]	406.7	467.8	531.2	594.7	14.7
% Current Repayment	42.6%	44.2%	46.0%	47.6%	1.1%
In School, Grace Period, and Education Deferments	289.5	291.7	295.5	294.8	282.8
% In School, Grace Period, and Education Deferments	30.4%	27.6%	25.6%	23.6%	21.5%
Forbearance and Noneducation Deferments	106.6	122.5	121.5	133.2	887.5
% Forbearance and Noneducation Deferments	11.2%	11.6%	10.5%	10.7%	67.4%
Delinquent (Past Due 31-360 Days)	71.9	79.7	92.5	90.8	0.0
% Delinquent (Past Due 31-360 Days)	7.5%	7.5%	8.0%	7.3%	0.0%
Default/ Bankruptcy/ Other*	78.9	96.7	115.0	134.6	131.9
% Default/ Bankruptcy/ Other*	8.3%	9.1%	10.0%	10.8%	10.0%

[1] Loans in Current Repayment status include loans that are being repaid on-time. However, these on-time loans can include loans for which the amount of interest accruing is higher than payments that are being made, which can occur in the case of loans on income-driven repayment plans.

* Adjusted to eliminate differences between NSLDS and FSA Total Reported Direct Loan Portfolio (Principal and Interest)

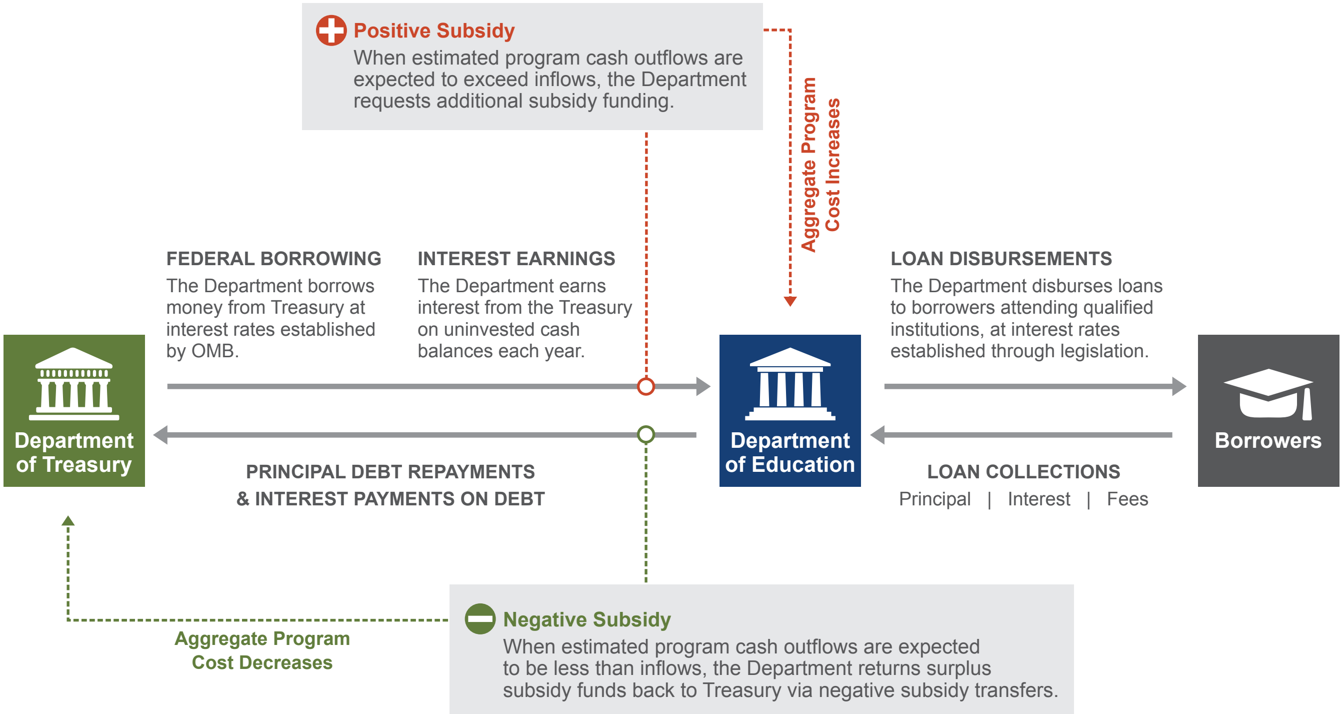
Figure 5. Direct Loan Program Cumulative Financing Activity

(Dollars in Billions)



The Department borrows funds to disburse new loans and pay credit program outlays and related costs. The Department repays Treasury after consideration of cash position and the liability for future cash outflows. Figure 5 shows the Direct Loan program cumulative borrowing and repayment activity that resulted in the debt amount on the balance sheet. A diagram depicting the Direct Loan program financing process is displayed with related trend data as Figure 6 on page 14 of this report.

Figure 6. William D. Ford Federal Direct Loan Program: *Following the Funding*



Treasury Financing and Subsidy Cost of Direct Loans (Dollars in Billions)*					
Fiscal Year	2016	2017	2018	2019	2020
Net Borrowing	**84.4**	**67.3**	**89.1**	**41.5**	**(32.0)**
Borrowing from Treasury	147.0	160.5	155.3	137.6	116.9
Debt Repayments to Treasury	(62.6)	(93.2)	(66.2)	(96.1)	(148.9)
Interest Expense to Treasury	(30.5)	(31.3)	(32.3)	(33.8)	(34.7)
Interest Earned from Treasury	3.9	4.3	3.9	4.1	4.8
Cumulative Taxpayer Cost / (Savings)	(5.3)	16.8	40.7	124.4	216.4
Current Subsidy Expense (Revenue)	16.1	5.3	4.4	61.5	100.9

Direct Loan Program Cash Transactions with Borrowers (Dollars in Billions)*					
Fiscal Year	2016	2017	2018	2019	2020
Loan Disbursements	**140.5**	**142.5**	**134.1**	**130.7**	**117.4**
Stafford Subsidized	23.8	23.4	20.3	20.0	19.1
Stafford Unsubsidized	52.3	51.4	49.0	48.1	46.1
PLUS	19.0	18.7	23.1	22.7	21.7
Consolidation[1]	45.5	49.0	41.6	39.8	30.4
Loan Collections[2]	**73.2**	**82.0**	**84.9**	**91.3**	**69.9**
Principal	55.9	62.6	63.5	67.0	55.3
Interest	15.5	17.6	19.5	22.4	12.9
Fees	1.8	1.9	1.9	1.9	1.7

* Numbers may not add up due to rounding.

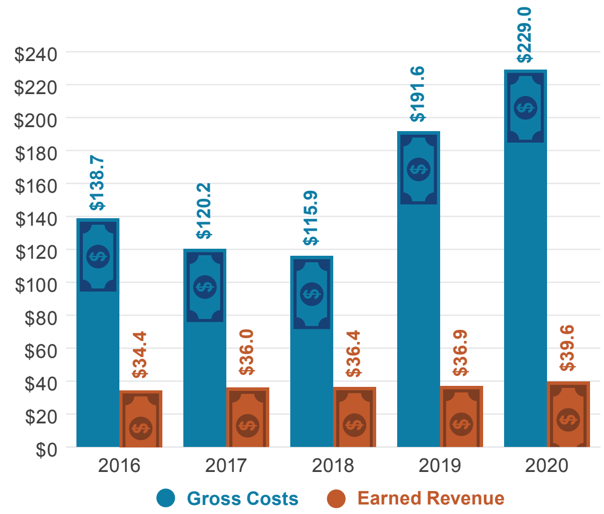
[1] Consolidation amounts stem from a number of loan programs, including most notably the FFEL program, in addition to Direct Loans.

[2] Loan collections include prepayments, including prepayments in full due to consolidation of underlying Direct Loans.

STATEMENTS OF NET COST

The consolidated statements of net cost report the Department's components of the net cost of operations for a given fiscal year. Net cost of operations consists of the gross costs incurred less any exchange (i.e., earned) revenue from activities. Gross costs are composed of the cost of credit and grant programs, and operating costs. Exchange revenue is primarily interest earned on credit program loans. Figure 7 shows the Department's gross costs and earned revenue over the past five years.

Figure 7. Gross Costs & Earned Revenue
(Dollars in Billions)

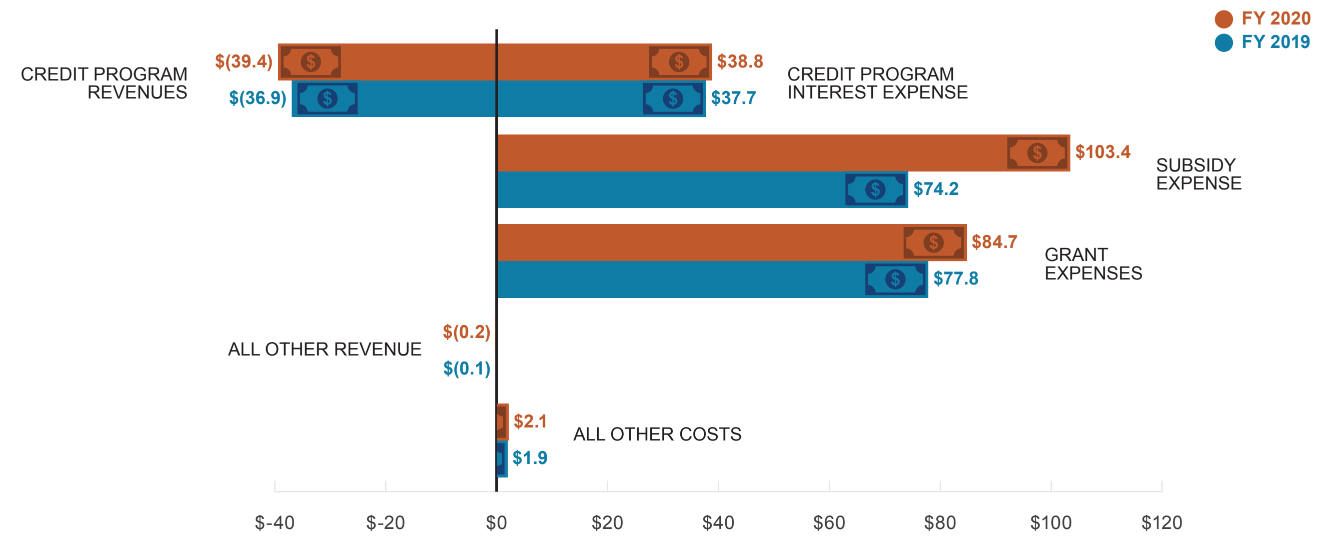


GROSS COSTS AND EXCHANGE REVENUE BY TYPE

As shown in Figure 8, the Department's gross costs and earned revenue include three primary components:

- Credit program interest expense offset by credit program interest revenue and administrative fees as the result of subsidy amortization;
- Credit program subsidy expense (see Analysis of Direct Loan Program Subsidy Expense below); and
- Grant expenses (see Figure 10).

Figure 8. Primary Components of Gross Costs and Earned Revenue
(Dollars in Billions)



ANALYSIS OF DIRECT LOAN PROGRAM SUBSIDY EXPENSE

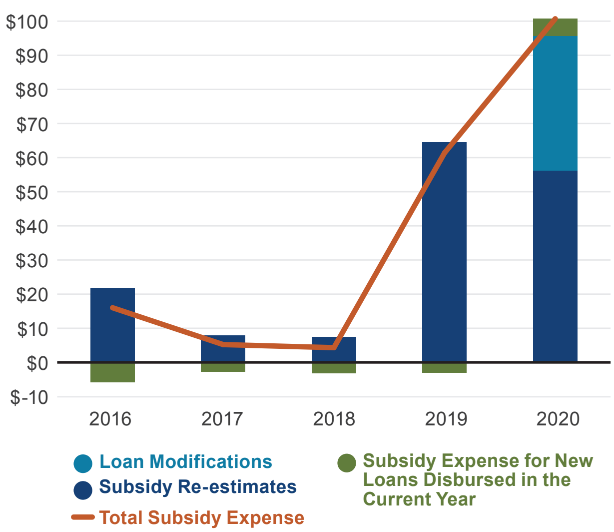
The Department's gross costs can fluctuate significantly each year as a result of changes in the estimated subsidy expense. The increase in the Department's gross costs from FY 2019 is primarily the result of an increase in the subsidy expense for Direct Loans in FY 2020, the primary components of which included year-end subsidy re-estimates and loan modifications.

Subsidy expense is an estimate of the present value cost of providing direct loans, but excludes the administrative costs of issuing and servicing the loans. The Department estimates subsidy expense using a set of econometric and financial models, as well as cash flow models.

The Department estimates subsidy costs annually for new loans disbursed in the current year; updates the previous cost estimates for outstanding loans disbursed in prior years (subsidy re-estimates); and updates previous cost estimates based on changes to terms of existing loans (subsidy modifications). Figure 9 shows these three components of the Direct Loan program subsidy expense for the past five years.

Figure 9. Direct Loan Program Subsidy Expense

(Dollars in Billions)



	2016	2017	2018	2019	2020
Subsidy Expense for New Loans Disbursed in the Current Year	$ (5.7)	$ (2.6)	$ (3.1)	$ (3.0)	$ 5.1
Subsidy Re-estimates	21.8	7.9	7.4	64.5	56.1
Loan Modification	-	-	0.1	-	39.7
Total Subsidy Expense	**$ 16.1**	**$ 5.3**	**$ 4.4**	**$ 61.5**	**$100.9**

Factors such as interest rates charged to the borrower, interest rates on Treasury debt, default rates, fees and other costs, and assumptions concerning borrowers' selection of repayment plans impact the estimated cost calculation and determine whether the overall subsidy expense is positive or negative. Subsidy expense for new loans disbursed in the current year has been negative in recent years primarily because lending interest rates charged were greater than the historically low rates at which the Department borrowed from Treasury. In practical terms, a negative subsidy occurs when the interest and/or fees charged to the borrower are more than sufficient to cover the interest on Treasury borrowings and the costs of borrower default. Subsidy expense for new loans disbursed in the current year was positive in FY 2020 due to rising enrollment in IDR plans and a reduction in projected future income of borrowers in IDR plans.

The Direct Loan program subsidy re-estimate for FY 2020 totaled $56.1 billion. In addition to the major assumption updates described below, the re-estimate reflects several other assumption updates, including interest rates provided by OMB, loan volume, and contract collection costs.

- **IDR Model Changes (including Public Service Loan Forgiveness (PSLF)).** The Department completed a standard IDR data update to reflect the immediate prior cycle for defaults, prepayments and Death, Disability, and Bankruptcy (DDB). The DDB update includes adjustments for the Total Permanent Disability for Veterans regulation. In addition, an existing borrower income file was calibrated using an additional year of IDR application data through 2018. The additional year of borrower income data taken from IDR applications has been substantially lower than projected. As such, the Department reduced its projections of future borrower income by 35%, increasing costs associated with IDR. The Department also analyzed the actual PSLF approval rates and supplementary data. As a result of that analysis, the PSLF approval rate was adjusted downward for initial cohorts to better reflect the actual data. Trends indicate that there has been some improvement in PSLF approval rates over time as borrowers better understand the application process. PSLF estimates were revised to reflect the most recent borrower behavior and adjust the temporal element to ramp up PSLF forgiveness over time. The combined effect of these updates led to a net upward re-estimate of $35.5 billion.

- **Repayment Plans.** The Department updated the data and made an adjustment to exclude special consolidation of FFEL loans in FY 2012 and FY 2013 from the model. These loans are modeled separately and were less likely to enroll in income dependent repayment plans than typical consolidation loans. The combined effect of these changes led to a net upward re-estimate of $6.5 billion.

- **Default.** In addition to the adjustments for the *CARES Act*, the Department updated the data and incorporated actual unemployment rates from the Bureau of Labor Statistics through June 2020. The combined effect of these changes led to a net upward re-estimate of $1.8 billion.

- **2019 Cohort Assumption Changes.** The technical re-estimate cannot reflect the impacts of certain assumption changes applicable to the current year loan cohort until the following fiscal year per OMB guidance. The current year's re-estimate includes a net upward adjustment of $4.8 billion for these current year assumption changes attributable to the FY 2019 cohort.

- **Interest on the Re-estimate.** Interest on re-estimates is the amount of interest that would have been earned or paid by each cohort on the subsidy re-estimate, if the re-estimated subsidy had been included as part of the original subsidy estimate. The interest on the re-estimate calculated on the overall subsidy re-estimate resulted in a net upward re-estimate of $5.9 billion.

- **Interactive Effects.** The re-estimate includes a net upward re-estimate of $1.5 billion attributed to the interactive effects of the assumption changes described above. Each assumption described above is run independently. The interactive effect is a result of combining all assumptions together to calculate the final re-estimate.

The Direct Loan program modifications were primarily the result of student loan deferral actions provided by Congress and the Administration in response to COVID-19. The student loan deferrals increased the government's cost of student loans and were recognized as loan modifications for FY 2020. These modifications included the following:

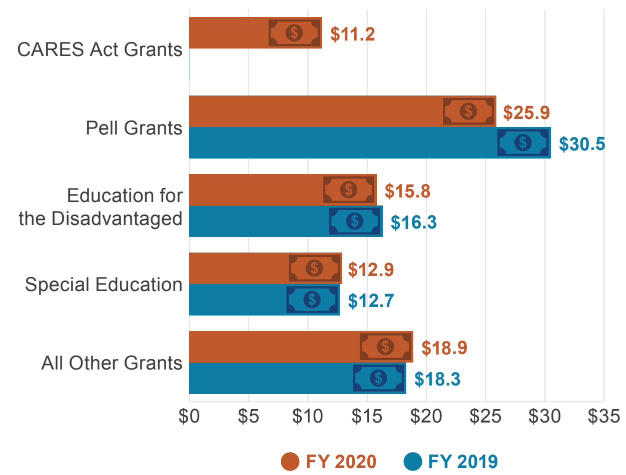
- **CARES Act.** The *CARES Act* automatically suspended principal and interest payments and set interest rates to 0 percent on federally held student loans starting in March through September 30, 2020. The relief for borrowers resulted in an upward modification cost of $24.6 billion, with an additional $459 million for cancelled loans for students that did not complete the semester due to a qualifying emergency. There was a net positive $82 million modification adjustment transfer associated with this modification, bringing the total to $25.0 billion.

- **Presidential Memorandum.** On August 8, 2020, the President signed a Presidential Memorandum that continued the temporary suspension of payments and the waiver of all interest on federally held student loans through December 31, 2020. The relief for borrowers resulted in an upward modification cost of $13.5 billion. There was a net negative $66 million modification adjustment transfer associated with this modification, bringing the total to $13.6 billion.

- **Total and Permanent Disability.** The Department recorded an upward modification for costs associated with the regulatory action to provide proactive discharge (unless the borrower elects to reject the discharge) to borrowers for whom the Department of Veterans Affairs provides information showing the borrower has a total and permanent disability. These discharges resulted in an upward modification cost of $1.0 billion. There was a net negative $98 million modification adjustment transfer associated with this modification, bringing the total to $1.1 billion.

GRANT EXPENSES

Figure 10. Grant Expenses by Program Areas
(Dollars in Billions)



As shown in Figure 10, overall grant expenses increased primarily as a result of the *CARES Act*—primarily the Education Stabilization Fund grants described on pages 76–77.

In addition to the *CARES Act* funded grants, the Department has more than 100 other grant and loan programs. The three largest of these grant program areas are:

- **Pell Grants**—provides need-based grants to students to promote access to postsecondary education. Grant amounts are dependent on: the student's expected family contribution; the cost of attendance (as determined by the institution); the student's enrollment status (full-time or part-time); and whether the student attends for a full academic year or less. Pell grants are the single largest source of grant aid for postsecondary education.
- **Education for the Disadvantaged**—primarily consists of grants that provide financial assistance through SEAs to LEAs and public schools with high numbers or percentages of poor children to help ensure that all children meet challenging state academic content and student academic achievement standards. Also provides funds to states to support educational services to children of migratory farmworkers and fishers, and to neglected or delinquent children and youth in State-run institutions, attending community day programs, and correctional facilities.
- **Special Education**—primarily consists of *Individuals with Disabilities Education Act* (IDEA) grants that provide funds by formula to states to assist them in providing a free appropriate public education in the least restrictive environment for children with disabilities ages 3 through 21 and assists states in providing early intervention services for infants and toddlers from birth through age two and their families. Also provides discretionary grants to IHEs and other nonprofit organizations to support research, demonstrations, technical assistance and dissemination, technology, personnel development and parent-training, and information centers.

In addition to student loans and grants, the Department offers other discretionary grants under a variety of authorizing legislation, with approximately 90 percent of non-student aid funds awarded by formula and 10 percent through competitive processes.

STATEMENTS OF CHANGES IN NET POSITION

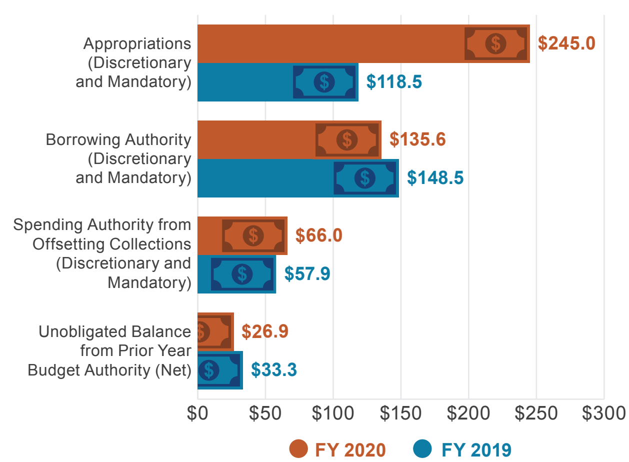
The consolidated statements of changes in net position report the beginning net position, the summary effect of transactions that affect net position during the fiscal year, and the ending net position. Net position consists of unexpended appropriations and cumulative results of operations. Unexpended appropriations include undelivered orders and unobligated balances for grant and administrative operations. Cumulative results of operations represent the net difference since inception between (1) expenses and (2) revenues and financing sources.

STATEMENTS OF BUDGETARY RESOURCES

The combined statements of budgetary resources present information on how budgetary resources were made available and their status at the end of the fiscal year. Information in the statements is based on budgetary transactions as prescribed by OMB and Treasury.

Figure 11 shows the components of the Department's budgetary resources which totaled $473.4 billion for the year ended September 30, 2020, increasing from $358.2 billion, or approximately 32.2 percent from the prior year. This increase was primarily due to increases in appropriations received totaling $126.5 billion, of which $73.2 billion was for direct and indirect appropriations for COVID-19 activity. An increase of $45.5 billion in appropriations received for executed re-estimates in FY 2020 versus FY 2019 also contributed to this overall increase (see the following outlay discussion).

Figure 11. Components of Budgetary Resources
(Dollars in Billions)



New obligations incurred increased by $107.7 billion, or approximately 33.3 percent, due primarily to grants funded by the *CARES Act* and loan modifications for COVID-19 student loan deferrals.

The combined statements of budgetary resources also present the Department's summary disbursement and collection amounts for which Table 3 provides additional detail.

Table 3. Outlays, Distributed Offsetting Receipts, and Disbursements, Net

(Dollars in Billions)

	FY 2020	FY 2019
Outlays, Net		
Credit Programs	$ 129.8	$ 36.8
Grants	85.5	76.9
Contractual Services	2.0	2.2
Personnel Compensation and Benefits	0.7	0.6
Other	-	0.1
Total Outlays, Net	$ 218.0	$ 116.6
Distributed Offsetting Receipts		
Negative Subsidies and Downward Reestimates of Subsidies	(12.3)	(12.1)
Repayment of Perkins Loans and Capital Contributions	(1.3)	(0.1)
Other	-	(0.1)
Total Distributed Offsetting Receipts	$ (13.6)	$ (12.3)
Disbursements, Net		
Direct Loan Program		
Gross Disbursements	$ 158.2	$ 175.5
Offsetting Collections	(188.1)	(128.7)
Total Direct Loan Program Disbursements, Net	(29.9)	46.8
FEEL Program		
Gross Disbursements	17.5	14.7
Offsetting Collections	(30.6)	(21.5)
Total FEEL Program Disbursements, Net	(13.1)	(6.8)
Other Loan Programs		
Gross Disbursements	0.5	0.3
Offsetting Collections	(0.4)	(0.2)
Total Other Loan Program Disbursements, Net	0.1	0.1
Total Disbursements, Net	**$ (42.9)**	**$ 40.1**

Outlays, net is comprised of gross outlays and offsetting collections in the Department's budgetary funds. Outlays, net increased $101.4 billion (87.0 percent) due primarily to transfers from the Department's credit program budgetary funds to its credit program non-budgetary financing funds for (1) increased executed re-estimates in FY 2020 versus FY 2019 ($45.5 billion), and (2) COVID-19 related loan modifications recognized in FY 2020 ($42.2 billion).

Disbursements, net is comprised of gross outlays and offsetting collections in the Department's credit program non-budgetary financing funds. Disbursements, net decreased $83.0 billion, primarily due to the transfers to the Department's credit program non-budgetary financing funds from its credit program budgetary funds for the aforementioned executed re-estimate and COVID-19 loan modifications.