

# OMB FORM 83-I SUPPORTING STATEMENT

*PAPERWORK REDUCTION ACT SUBMISSION FOR  
U.S. SMALL BUSINESS ADMINISTRATION'S (SBA)  
NEW MARKETS VENTURE CAPITAL (NMVC) PROGRAM  
INFORMATION COLLECTION*

## A. JUSTIFICATION

### 1. **LEGAL CIRCUMSTANCES NECESSITATING THE COLLECTION OF INFORMATION.**

The New Markets Venture Capital (NMVC) Program Act of 2000 (Act), Public Law 106-554, became effective on December 21, 2000. The purpose of the Act is to promote economic development and the creation of wealth and job opportunities in Low-Income Geographic Areas (LI areas). Pursuant to the Act, SBA designates newly formed for-profit entities as New Markets Venture Capital Companies (NMVCCs), awards grants to such NMVCCs to provide operational assistance to smaller enterprises located in LI areas, and provides financial assistance in the form of debenture guarantees to such NMVCCs to fund their investment activities. Additionally, SBA is authorized to award grants to existing Specialized Small Business Investment Companies (SSBICs) for the purpose of providing operational assistance to smaller enterprises located in LI areas. SSBICs continue to obtain debenture leverage through the SBIC program. The implementing regulations for the NMVC program, including requirements for participation in the program, receiving SBA financial assistance, and submitting reports to SBA, are codified at 13 CFR Part 108. This information collection contains forms pertaining to collecting the necessary information.

While the NMVC program is still authorized, it has not been funded since FY 2002. However, in order to be prepared in the event funding is received, and in order to provide proper oversight and management of the six active NMVCCs in the program, SBA seeks OMB's approval to extend this collection of information approved under control Number 3245-0332, without change

#### Supporting Documents that can be provided:

- Appropriations language in PL 108-7, the FY 2003 consolidated appropriations bill
- 13 CFR Part 108, Regulations for the New Markets Venture Capital Program

### 2. **HOW, BY WHOM, AND FOR WHAT PURPOSE INFORMATION WILL BE USED.**

Information collections currently approved under OMB Control Number 3245-0332:

- SBA Form 2184, NMVC Application, Part I, Questionnaire
- SBA Form 2185, NMVC Application, Part II, Exhibits
- Application Package for SSBIC for OA Grant under the NMVC Program, Instructions

- SBA Form 2211, Instructions, Application for SBA Commitment of Leverage
- SBA Form 2210, Instructions for NMVC Debenture Draw Application
- SBA Form 468, Schedules 9/10/11
- SBA Form 2208, Amendment to NMVC Application
- SBA Form 2216, NMVC Program Applicant Interview Questions
- SBA Form 2217, Request for SBA Approval of Management Services Fees and Other Fees
- Plan for use of the operational assistance grant to include a description of the targeted LI areas
- SBA Form 2219, Operational Assistance Grant Performance Report
- SF 424, Application for Federal Assistance
- SF 424A, Budget information
- SF 424B, Assurances
- SBA Form 468, Annual financial report
- SBA Form 468, Annual financial report – short form
- SBA Form 1031, Portfolio financing report
- SBA Form 480, Size status declaration
- SF 269, Financial status report
- SF 270, Request for advance or reimbursement
- SF 272, Federal cash transaction report
- Detailed Expenditures
- SBA Form 34, Bank Identification Form

#### **I. Application.**

- NMVC Application, Part I, Questionnaire, SBA Form 2184; and
- NMVC Application, Part II, Exhibits, SBA Form 2185.  
SBA created an application package, consisting of SBA Forms 2184 (NMVC Application) and 2185 (Exhibits to NMVC Application), for entities applying for SBA designation as NMVCCs.

However, for the six NMVCCs currently participating in the NMVC program, the original applications submitted using these approved collections are now part of each NMVCC's participation agreement, or the contractual agreement under which each participates in the NMVC program. As such, at any time an NMVCC seeks to amend its operations (i.e. changes to management team, capital certificate, board members, etc), the NMVCC must amend its original application and seek SBA approval using these information collections.

SBA collects this information from existing NMVCCs wishing to amend any section of its original application requiring SBA approval. SBA uses the information collected to make informed and proper selections in considering whether NMVCCs seeking changes to their original application have met the necessary conditions for SBA's final approval. SBA uses these forms to determine the basis for the NMVCC's participation in the NMVC program and any approved changes would become part of the participation agreement governing the NMVCC's participation in the program.

- NMVC Program Applicant Interview Questions, SBA Form 2216.

SBA collects information from applicants for SBA designation as NMVCCs and from SSBIC applicants through a 90-minute interview, during which SBA will ask a set of standardized questions. SBA uses the information collected to make informed and proper selections among eligible applicants. SBA believes this information collection to be necessary in determining the best-qualified applicants to participate in the program.

- Application Package for SSBIC for OA Grant Under the NMVC Program, Instructions, which includes: Statement of eligibility; statement of amounts; plan for use of the operational assistance grant; SF 424; Budget Information, SF 424A; Assurance for Non-Construction Programs, SF 424B; and, description of the targeted LI areas.

SSBICs apply for a grant under the NMVC program by submitting an application package consisting of a statement of eligibility, a statement of amounts of assistance requested, a plan for use of the grant, and OMB-approved Standard Forms (i.e., the SF 424 series, which are existing OMB-approved forms, mandatory for certain federal grant applications).

SBA collects information about an SSBIC applicant's proposed use of grant resources and about the track record of the SSBIC's management team, as related to obtaining public policy results through investments.

SBA collects information about an SSBIC applicant's proposed use of grant resources as related to its targeted LI areas, as described in 13 CFR 108.2005(c)). SSBIC applicants are required to specifically identify the LI areas in which the SSBIC will direct its investing and operational assistance activities under the NMVC program. This is part of an SSBIC's "technical proposal," describing its plan for use of the grant, which was previously included in the estimates for this information collection under OMB Control Number 3245-0332.

SBA uses the information collected to make informed and proper selections among eligible applicants, and ensure that the grant award to the applicant will accomplish the overall objectives of the NMVC program. This collection also is incorporated into the SSBIC's grant award.

## **II. Funding.**

- Disclosure of Third Party Debt (contained within "Instructions, Application for SBA Commitment of Leverage," SBA Form Number 2211).

SBA uses the information collected to evaluate the creditworthiness of a NMVCC before obligating SBA appropriated funds in the form of a leverage commitment to the NMVCC.

- Bank Identification Form, SBA Form 34.

This is an OMB-approved form(Control number 3245-0081). SBA uses the information collected to determine into which bank the NMVCC wants the proceeds of SBA-guaranteed leverage proceeds to be deposited.

- Instructions for NMVC Debenture Draw Application, SBA Form 2210.  
The collections of information in these instructions include a statement of the amount of debenture the NMVCC is requesting; a statement that there has been no material adverse change in the NMVCC's financial position; a statement that the NMVCC is in regulatory compliance; a statement describing the NMVCC's need for the amount of debenture requested; an opinion of counsel; and an updated NMVC capital certificate. SBA uses the information collected to evaluate the NMVCC's continued creditworthiness and regulatory compliance before approving the draw request and issuing an SBA-guarantee, and to exercise proper oversight over the NMVCC and the NMVC program.

Financial Status Report, SF 269; Request for Advance or Reimbursement, SF 270; Federal Cash Transactions Report, SF 272; Detailed Expenditures. A detailed description of the grantee's actual expenditures, is submitted together with the SF 270 and/or SF 272, and is considered part of the back-up information for those Standard Forms. SBA collects the SF 269 and SF 272 from NMVCCs and SSBICs on a semiannual basis when they submit reports on their activities under the grant, and the SF 270 on a quarterly basis (or less frequently, at the option of the NMVCC or SSBIC) when they request disbursement of grant funds. Together with the final SF 269 submitted at the end of the grant term, SBA collects information on the grantee's detailed expenditures. SBA uses the information collected to ensure the proper proposed and actual use of grant funds based on the recipient's reports.

SBA currently has approval to use these OMB forms, as supplemented by agency information under control number 3245-0169. In light of OMB's recent revision and consolidation of these forms, SBA will make corresponding changes to its collection of information under 3245-0169.

### **III. Reporting**

- Annual Financial Report, SBA Form 468; Annual Financial Report (Short Form), SBA Form 468; and Annual Financial Report, SBA Form 468, Schedules 9, 10, and 11.  
The SBA Form 468 is an existing OMB-approved form (Control number 3245-0063) that is also approved for use in the SBA's Small Business Investment Company (SBIC) Program. The form requests current information about an NMVCC's financial condition and about the number and types of investments an NMVCC has made. SBA requires the NMVCC to submit this form annually, and to submit the Short Form each time it requests a draw of leverage unless the NMVCC otherwise has submitted financial information within certain time periods before it submitted the draw request. SBA uses the information collected to evaluate an NMVCC's creditworthiness before approving a draw request and issuing an SBA-guarantee, to ensure the fiscal stability and integrity of debentures guaranteed by SBA, and to evaluate an NMVCC's and an SSBIC's regulatory compliance. SBA also uses these collections of information to report on the outputs and outcomes of the NMVC program. SBA uses this form for these same purposes in the SBIC program (except Schedules 9, 10, and 11, which SBA uses only in the NMVC program). SBA requires an SSBIC that receives a grant under the NMVC program to submit

Schedule 10 together with its regular filing of SBA Form 468, as required under the SBIC regulations.

- Portfolio Financing Report, SBA Form 1031, Size Status Declaration, SBA Form 480.

These are existing OMB-approved forms, Control numbers 3245-0078 and 3245-0009 respectively. SBA requires that an NMVCC collect information on these forms about each financing it makes, including information about the small business receiving the financing. An NMVCC must submit the SBA Form 1031 to SBA within 30 days after making a financing; it must retain the SBA Form 480 in its files and make it available for SBA review at any time. SBA uses the information collected in SBA Forms 1031 and 480 to ensure the eligibility of small businesses receiving financing and to report on the outputs and outcomes of the NMVC program.

- Operational Assistance Grant Performance Report, SBA Form 2219.

SBA collects this information from NMVCCs (and SSBICs) on a semiannual basis, when they submit reports on their activities under the grant. SBA uses the information collected to ensure that grant recipients have accomplished their stated performance objectives and the overall objectives of the NMVC program; track the accomplishments of the NMVC program objectives; and report on the outputs and outcomes of the NMVC program.

- Amendment to NMVC Application, SBA Form 2208.

SBA requires an NMVCC to submit this form each time it reports to SBA, and requests SBA approval of, an amendment to any aspect of its application for the NMVC program (which has been incorporated by reference into its participation agreement governing its participation in the program). SBA uses the information collected on this form to determine, based on the NMVCC's application as amended, whether the NMVCC should remain an NMVCC.

- Request for SBA Approval of Management Services Fees and Other Fees, SBA Form 2217.

SBA collects this information only when an NMVCC requests SBA prior approval of such fees. SBA uses the information collected to evaluate the NMVCC's request, on behalf of the small businesses to which the NMVCC will be charging services, for financial reasonableness and consistency with the objectives of the NMVC program. SBA believes that it is important to distinguish services for fee from those services provided by the NMVCC free of charge as Operational Assistance under the NMVCC's grant award.

### 3. **TECHNOLOGICAL COLLECTION TECHNIQUES.**

All forms used in the NMVC program are accessible from SBA's website: [http://www.sba.gov/aboutsba/sbaprograms/inv/nmvc/INV\\_NMVC\\_FORMS.html](http://www.sba.gov/aboutsba/sbaprograms/inv/nmvc/INV_NMVC_FORMS.html).

All NMVC program applicants and participants may utilize the NMVC program's LI Area Locator mapping tool, accessible from SBA's website: <http://map20.sba.gov/newmarkets/init.asp>. This tool is used by applicants, participants

and SBA officials to ensure verification of all Low Income (LI) Area requirements pertaining to the NMVC program.

SBA requires NMVC program applicants to submit application packages in both electronic format (i.e., a computer file on a diskette) and hard copy (to obtain necessary signatures). The standardized questions for the interview process of both NMVCC and SSBIC applicants are asked during a live, in-person interview session.

All SBA information collections pertaining to funding through the NMVC program requires hard-copy submissions to obtain necessary signatures from the NMVCC's management and from the SBA officials approving the funding actions.

SBA requires NMVCCs to submit all SBA reporting forms in electronic format (i.e., a file on a diskette) and hard copy in the same way SBA requires SBICs and SSBICs to submit such forms. The SBA Form 468 electronic reporting software designed specifically for NMVCCs also includes Schedules 9, 10 and 11, and SBA Form 2219, the Operational Assistance Grant Performance Report, to enable submission in electronic format of those information collections.

Only standard funding and reporting forms associated with Operational Assistance grants are required in hard copy.

#### **4. AVOIDANCE OF DUPLICATION.**

There is no duplication of information. All the information we request after the application process is for oversight of investment and grant activities, which may change significantly on a quarterly basis.

SSBICs that apply for Operational Assistance grants are existing SSBICs, licensed by SBA as part of the SBIC program, that have raised additional capital and are currently in good standing. The information SBA will collect from such SSBICs is not duplicative of any information SBA already has about such firms, aside from mandatory identification information (for example, name and SSBIC license number). The information obtained on the activities for which SBA has licensed SSBICs does not include information required of entities applying for Federal grants.

#### **5. IMPACT ON SMALL BUSINESSES OR OTHER SMALL ENTITIES.**

The information SBA collects through SBA Forms 2184, 2185 and 2216 should already be maintained by or available to NMVCC applicants. For example, in order to determine the quality and capability of an NMVCC applicant's management team, SBA asks for resumes of management team members and performance data for investment, community development lending, and/or grants management experience of each such team member. The information SBA collects from NMVCC and SSBIC applicants through the standardized interview questions is for SBA representatives to test or clarify assertions or statements made by the applicant in its application or during the interview. There is minimal impact on the individuals interviewed, as the information is already maintained by or be available to NMVC program applicants as a result of completing the NMVC program application.

The information SBA collects from SSBICs on the LI Areas in which they intend to target their investment and OA activities is accessible from SBA's website, and therefore easily obtained. Both NMVCC and SSBIC applicants are able to type in specific locations to produce visual representations and the specific criteria under which each area qualifies as a LI area.

The information SBA collects through the Application Package for SSBICs, in regard to describing their OA activities, is required by the SBI Act. The information SBA collects through a description of the LI areas in which they intend to target their investment and OA activities is accessible from SBA's website, and therefore easily obtained. Both NMVCC and SSBIC applicants are able to type in specific locations to produce visual representations and the specific criteria under which each area qualifies as a LI area.

The information SBA collects through Standard Forms 424, 424A and 424B as part of the application for Operational Assistance grants is the minimum necessary to enable SBA to determine eligibility and evaluate whether applicants will fulfill the purposes of the NMVC program as required by the SBI Act.

The information SBA collects through SBA Forms 34 and 2211 is the minimum necessary to enable SBA to evaluate whether applicants have fulfilled the statutory and regulatory requirements of the program.

The information SBA collects from NMVCCs through SBA Forms 468, 1031, and 480 is generally created or maintained in the day-to-day operations of managing a business (for example, financial statements and due diligence information concerning small businesses in which the NMVCC invests or seeks to invest). Small business concerns in which NMVCCs invest are required to complete SBA Form 480. SBA Form 480 is a certification of small business size status, which is required to ensure that the recipients of investments and other assistance from NMVCCs are eligible small businesses. This form contains minimal data collection elements and contains only the minimum data necessary to meet the purpose of the form.

The information SBA collects from NMVC program participants through Standard Forms 269, 270, and 272 and Detailed Expenditures and SBA Form 2219 is information that generally is created in the day-to-day operations of managing a business (for example, financial statements, and expense reports).

The information SBA collects from NMVCCs through SBA Forms 2208, 2210 and 2217 is the minimum necessary to enable SBA to determine whether an NMVCC is qualified to receive Federal funds as required by the SBI Act. The information SBA obtains from operating NMVCCs in regard to management services fees requires knowledge and proof of the prevailing wages typically charged within the area of question. The NMVCC management can accomplish this by keeping on file quotes from several service providers in the area.

**6. CONSEQUENCES IF COLLECTION IS NOT CONDUCTED.**

The information SBA collects is critical to the integrity of the process for selecting NMVCCs for participation in the NMVC program and SSBICs for Operational Assistance grant awards, and to the accomplishment of the objectives of the NMVC program. There is no similar information collection available that SBA can use to accomplish these purposes as required by the SBI Act. Without this collection of information, SBA would be unable to meet its statutory responsibilities and effectively administer the NMVC program, ensuring safety and soundness.

**7. SPECIAL CIRCUMSTANCES.**

SBA collects some proprietary trade secret information in the NMVC application, which is in effect a business plan for operation of an NMVCC. SBA also collects confidential financial and/or trade secret information in the form of past investment and business experience of certain individuals involved with an NMVCC applicant. SBA is authorized by section 354(b) of the SBI Act to collect such information from applicants to the NMVC program, and such information is critical to SBA's ability to effectively select applicants for participation in, and to administer, the program. SBA maintains the confidentiality of such information to the extent permitted by law, including the Freedom of Information Act (5 USC 552) and other related Federal laws.

**8. SOLICITATION OF PUBLIC COMMENT.**

SBA published a notice in the Federal Register on May 16, 2008, soliciting comments from the public and notifying SBA's intent to request approval of the currently approved data collection entitled "NMVC Program Application, Funding and Reporting." SBA received no comments from this request for public comment.

**9. PAYMENTS OR GIFTS.**

SBA will not make any payments or gifts to any entity responding to this information collection.

**10. ASSURANCE OF CONFIDENTIALITY.**

Applicants for designation as NMVCCs, SSBICs applying for Operational Assistance grants, SSBICs receiving Operational Assistance grants and finally approved NMVCCs are accorded the assurance of confidentiality to the extent permitted by law, including the Freedom of Information Act (5 USC 552), the Privacy Act (5 USC 552a), and other related Federal laws, and a statement to this effect appears on each collection of information. Except for Exhibit C (Statement of Personal History) in SBA Form 2185, none of this information collection is protected under the Privacy Act because the information is not maintained in a system of records retrievable by an individual's name or other personal identifier.

Exhibit C (Statement of Personal History) in SBA Form 2185 is transmitted to SBA's Office of Inspector General and to other criminal justice agencies (including but not limited to the Federal Bureau of Investigation), to assist SBA in determining eligibility for the NMVC program. Any Exhibit C, Statement of Personal History, received by SBA's Office of Inspector General and other Federal criminal justice agencies becomes part of those organizations' systems of records subject to the



protections afforded under the Privacy Act. See 69 FR 58598 (2004) for the Office of Inspector General's published routine uses of this information.

**11. QUESTIONS OF A SENSITIVE NATURE.**

This information collection does not contain any questions of a sensitive nature concerning matters that are commonly considered private (for example, religious belief).

**12. ESTIMATE OF THE HOUR BURDEN OF THE COLLECTION OF INFORMATION.**

SBA assumes that in a second application round, there would be 50 applicants for NMVCC designation and 3 SSBIC applicants for Operational Assistance grants, with only 20 such applicants requested to be interviewed. SBA considered its experience from using the forms in this information collection in the NMVC and SBIC programs and from burden estimates already assigned to approved forms. The assumed number of hours estimated for NMVC program application forms and interview questions will not be an annual burden beyond the year in which such an additional application round occurs.

SBA estimates the burdens for completing this information collection in the following table, which indicates each form, the number of respondents, the frequency of the responses, and the time required.

The estimated annual hour burden for this collection of information is outlined in the following table:

Information Collection	Title	Description of respondents	Total number of respondents	Frequency of responses Per year From each respondent	Total Number of Responses per year from all respondents	Hour Burden for each respondent to complete	Total Hour Burden per year for all respondents to complete
<b>APPLICATION</b>							
SBA 2184	NMVC application, part I	NMVC APP	50	1	50	120	6000
SBA 2185	NMVC application, part II	NMVC APP	50	1	50	120	6000
[no form #]	Application package for SSBICs	SSBIC APP	3	1	3	44	132
<b>SBA 2216</b>	Interview Questions	NMVC/SSBIC App	20	1	20	1.5	30
<b>TOTAL ANNUAL BURDEN FOR APPLICATION (one year)</b>					<b>123</b>		<b>12162</b>
<b>FUNDING</b>							
SBA 34	Bank identification	NMVCC	15	1	15	0.3	4.5
SBA 2211	Disclosure of third party debt	NMVCC	15	1	15	0.1	1.5
SBA 2210	Instructions for NMVC draw application	NMVCC	15	4	60	0.75	45
SF 270	Request for advance or reimbursement	NMVCC/SSBIC	16	4	64	1	64
SF 272	Federal cash transaction report	NMVCC/SSBIC	16	4	64	2	128
<b>REPORTING</b>					<b>0</b>		
SBA 468	Annual financial report	NMVCC	15	1	15	17	255
SBA 468	Annual financial report – short form	NMVCC	15	3	45	15	675
SBA 468	Schedules 9/10/11	NMVCC/SSBIC	16	3	48	6.5	312
SBA 1031	Portfolio financing report	NMVCC	15	15	225	0.2	45
SBA 480	Size status declaration	NMVCC	15	15	225	0.1	22.5
SBA 2208	Amendment to NMVC application	NMVCC	15	3	45	1	45
SBA 2217	Request for Approval of Management Services Fees	NMVCC	15	1	15	4	60
SF 269	Financial status report	NMVCC/SSBIC	16	4	64	0.5	32
[no form #]	Detailed expenditures	NMVCC/SSBIC	16	4	64	0.5	32
SBA 2219	OA grant performance report	NMVCC/SSBIC	16	4	64	2	128
<b>TOTAL ANNUAL BURDEN FOR FUNDING AND REPORTING</b>					<b>1028</b>		<b>1849.5</b>
<b>TOTAL ANNUAL BURDEN (for entire information collection)</b>					<b>1151</b>		<b>14011.5</b>

SBA estimates that the yearly salary range for an NMVCC's management team members and senior staff, based on the salaries of management team and senior staff members of approved NMVCCs, will be between \$52,000 (or \$25 per hour) and \$156,000 (or \$75 per hour). SBA cannot assume to know the salaries of NMVC program applicants, since they will be coming from a wide range of backgrounds (varying from non-profit community development to for-profit venture capital). In the following table, SBA uses either the \$25 or \$75 hourly wage rate, depending on the seniority level of the individual that SBA estimates will complete that form, to determine the annualized cost to respondents for the forms listed in the preceding table:

Information Collection	Title	Description of Respondents	Total Respondents	Total Responses	Total Hour Burden Per Year	Cost Per Form Per Hour	Cost Per Form Per Year
<b>APPLICATION</b>							
SBA 2184	NMVC application, part I	NMVC APP	50	50	6000	\$75	$\$450,000.00 + ((\$5,000 \text{ one-time Fee}) \times 50) = \$700,000.00$
SBA 2185	NMVC application, part II	NMVC APP	50	50	6000	\$75	\$450,000.00
[no form #]	Application package for SSBICs	SSBIC APP	3	3	132	\$75	$\$9,900.50 + ((\$5,000 \text{ one-time Fee}) \times 3) = \$24,900.00$
SBA 2216	Interview Questions	NMVC/SSBIC App	20	20	30	\$75	$\$2,250 + ((\$500 \text{ per person} \times 3) \times 20) = \$32,250.00$
<b>TOTAL ANNUAL BURDEN FOR APPLICATION (one year)</b>			<b>123</b>	<b>123</b>	<b>12,162</b>	<b>\$300.00</b>	<b>\$1,457,150.00</b>
<b>FUNDING</b>							
SBA 34	Bank identification form	NMVCC	15	15	4.5	\$25	\$112.50
SBA 2211	Disclosure of third party debt	NMVCC	15	15	1.5	\$25	\$37.50
SBA 2210	Instruction for NMVC draw application	NMVCC	15	60	45	\$75	\$3,375.00
SF 270	Request for advance or reimbursement	NMVCC/SSBIC	16	64	64	\$25	\$1,600.00
SF 272	Federal cash transaction report	NMVCC/SSBIC	16	64	128	\$25	\$3,200.00
<b>REPORTING</b>							
SBA 468	Annual financial report	NMVCC	15	15	255	\$75	\$19,125.00
SBA 468	Annual financial report – short form	NMVCC	15	45	675	\$75	\$50,625.00
SBA 468	Schedules 9/10/11	NMVCC/SSBIC	16	48	312	\$75	\$23,400.00
SBA 1031	Portfolio financing report	NMVCC	15	225	45	\$25	\$1,125.00
SBA 480	Size status declaration	NMVCC	15	225	22.5	\$25	\$562.50
SBA 2208	Amendment to NMVC application	NMVCC	15	45	45	\$25	\$1,125.00
SBA 2217	Request for Approval of Management Services Fees	NMVCC	15	15	60	\$75	\$4,500.00
SF 269	Financial status report	NMVCC/SSBIC	16	64	32	\$25	\$800.00
[no form #]	Detailed expenditures	NMVCC/SSBIC	16	64	32	\$25	\$800.00
SBA 2219	OA grant performance report	NMVCC/SSBIC	16	64	128	\$25	\$3,200.00
<b>TOTAL ANNUAL BURDEN FOR FUNDING AND REPORTING</b>			<b>231</b>	<b>1,028</b>	<b>1,849.5</b>	<b>\$625.00</b>	<b>\$113,587.50</b>
<b>TOTAL ANNUAL BURDEN (for entire information collection)</b>			<b>354</b>	<b>1,151</b>	<b>11,4011.5</b>	<b>\$925.00</b>	<b>\$1,570,737.50</b>

13. **ESTIMATE OF TOTAL ANNUAL COST BURDEN FROM COLLECTION OF INFORMATION.**

SBA estimates the costs for completing this information collection as follows:

a) Total capital and start-up costs.

**NMVCC Application.** SBA assumes that 50 companies will file applications to be designated as NMVCCs during the additional application round. Based on this number, the total costs for the additional application round are estimated as follows:

• Attorney fees	\$50,000
• Accounting, financial, advisory fees	\$25,000
• Grant issuance fee*	<u>\$ 5,000</u>
TOTAL:	\$80,000
x 50 applicants =	\$4,000,000

**SSBIC Technical Proposal.** SBA assumes that 3 SSBICs will file applications for NMVC Operational Assistance grants. The total costs for compiling the technical proposal and filling out Federal grant forms are estimated as follows:

• Accounting, financial, advisory fees	\$25,000
• Grant issuance fee*	<u>\$ 5,000</u>
TOTAL:	\$30,000
x 3 applicants =	\$90,000

\*It is important to note that although each applicant must pay SBA a grant issuance fee (see Section 357 of the SBI Act), SBA will make a full refund to each applicant that does not receive final approval (and, therefore, a grant award). As a result, SBA will end up retaining only \$80,000 (assuming 16 program participants) of the \$265,000 collection from applicants (assuming 53 applicants).

**Interview Questions.** SBA assumes that 50 companies and 3 SSBICs to file applications for a second round of the NMVC program. Based on this number and SBA's experience from the first round, SBA further assumes that roughly 20% of the applications received will be rejected through due diligence and legal sufficiency reviews. Assuming 40 of the total 53 applicants are reviewed and scored on a competitive basis, approximately half will fall below a minimum requirement to be considered for an interview, leaving approximately 20 applicants to be interviewed. SBA expects the average management team from those applicants to be 1 to 3 persons per entity.

The total costs for the interview process are estimated as follows:

• Hotel	\$250
• Airfare	\$600
• Out of Pocket	<u>\$100</u>
TOTAL:	\$950 (cost per person)
x 3 management team members =	\$2,850 (cost per applicant)
x 20 applicants =	\$57,000 (total aggregate cost)

b) Total operation and maintenance costs.

**NMVC Program Reporting and Funding Forms.** SBA assumes a total of 15 NMVCCs and 1 SSBIC to participate in the NMVC program for purposes of estimating burden for this information collection. Based on this number, SBA estimates the total costs per year as follows:

• Accounting, financial, advisory fees	\$25,000
• Postage/Courier costs	<u>\$ 250</u>
TOTAL:	\$25,250
x 16 program participants = \$404,000	

**14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT.**

SBA estimates that the total annual cost to the Federal Government from this information collection will be approximately **\$646,528.25**, for a year in which SBA holds an application round. In all other years, SBA estimates the cost at \$96,176.25. These numbers are based on the hourly rate for the Washington-Baltimore area (rounded to the nearest dollar) for the salary of a GS-13, Step 5: approximately \$45 per hour. SBA uses the GS-13 level as a mid-point wage rate for all forms, even though the staff processing such forms will range from GS-15s to GS-9s. The number and grade level of staff reviewing any individual form will vary according to the information disclosed within the form and generated otherwise by the review process.

The SBA Investment Division currently employs one GS-14 senior financial analyst as a direct liaison to the six NMVCCs. However, the day-to-day operations of the NMVC program crosses many offices with the Investment Division and relies upon the support services of other offices within SBA, such as the Office of Procurement and Grants Management (OPGM), the Office of General Counsel (OGC) and the Office of Capital Access (OCA). Since many offices with a wide range of employee duties will be involved in the review of this information collection, using a mid-level salary to calculate a cost burden should reflect a more balanced estimate of the cost to the Federal government.

The annual burden to the Federal Government per hour per form is calculated in the following table:

Information Collection	Title	Description of Respondents	Total Responses	Total Hours of Review Necessary Per Form	Total Number of Employees Needed	Cost Per Form Per Hour	Cost Per Form Per Year
<b>APPLICATION</b>							
SBA 2184	NMVC application, part I	NMVC APP	50	18	6	\$4,860.00	\$243,000.00
SBA 2185	NMVC application, part II	NMVC APP	50	20	6	\$5,400.00	\$270,000.00
[no form #]	Application package for SSBICs	SSBIC APP	3	15.25	6	\$4,117.00	\$12,352.00
SBA 2216	Interview Questions	NMVCC/SSBIC APP	20	4	7	\$1,260.00	\$25,000.00
<b>TOTAL ANNUAL BURDEN FOR APPLICATION (one year)</b>			<b>123</b>	<b>57.25</b>	<b>29</b>	<b>\$15,637.00</b>	<b>\$550,352.00</b>
<b>FUNDING</b>							
SBA 34	Bank identification	NMVCC	15	.25	1	\$11.25	\$168.75
SBA 2211	Disclosure of third party debt	NMVCC	15	.25	1	\$11.25	\$168.75
SBA 2210	Instruction for NMVC draw application	NMVCC	60	1	1	\$45.00	\$2,700.00
SF 270	Request for advance or reimbursement	NMVCC/SSBIC	64	1.5	1	\$67.50	\$4,320.00
SF 272	Federal cash transaction report	NMVCC/SSBIC	64	1.5	1	\$67.50	\$4,320.00
<b>REPORTING</b>							
SBA 468	Annual financial report	NMVCC	15	16	1	\$720.00	\$10,800.00
SBA 468	Annual financial report - short form	NMVCC	45	8	1	\$360.00	\$16,200.00
SBA 468	Schedules 9/10/11	NMVCC/SSBIC	48	8	1	\$360.00	\$17,280.00
SBA 1031	Portfolio financing report	NMVCC	225	.25	1	\$11.25	\$2,531.25
SBA 480	Size status declaration	NMVCC	225	.25	1	\$11.25	\$2,531.25
SBA 2208	Amendment to NMVC application	NMVCC	45	.25	1	\$11.25	\$506.25
SBA 2217	Request for Approval of Management Services Fees	NMVCC	15	30	1	\$1,350.00	\$20,250.00
SF 269	Financial status report	NMVCC/SSBIC	64	1.5	1	\$67.50	\$4,320.00
[no form #]	Detailed expenditures	NMVCC/SSBIC	64	1.5	1	\$67.50	\$4,320.00
SBA 2219	OA grant performance report	NMVCC/SSBIC	64	2	1	\$90.00	\$5,760.00
<b>TOTAL ANNUAL BURDEN FOR FUNDING AND REPORTING</b>			<b>1,028</b>	<b>72.70</b>	<b>15</b>	<b>\$3,251.25</b>	<b>\$96,176.25</b>
<b>TOTAL ANNUAL BURDEN (for entire information collection)</b>			<b>1,151</b>	<b>130.95</b>	<b>44</b>	<b>\$18,888.25</b>	<b>\$646,528.25</b>

**15. EXPLANATION OF PROGRAM CHANGES IN ITEMS 13 AND 14 IN OMB FORM 83-I.**

The program changes reflected in Items 13 and 14 of OMB Form 83-I are the result of increased costs for both the government and the private sector.

**16. COLLECTIONS OF INFORMATION WHOSE RESULTS WILL BE PUBLISHED.**

SBA does not plan to publish the results of these information collections. However, SBA may publish information received from this collection in a limited aggregate form if necessary to respond to such things as requests from Congress or OMB.

**17. EXPIRATION DATE FOR COLLECTION OF INFORMATION.**

SBA does not seek OMB approval to not display the expiration date set by OMB for this collection of information.

**18. EXCEPTIONS TO CERTIFICATIONS IN BLOCK 19 ON OMB FORM 83-I.**

SBA does not request any exceptions to the certifications contained in Item 19 on OMB Form 83-I.

**B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

SBA will not employ the use of statistical methods for purposes of the NMVC program.