

## SUPPORTING STATEMENT

Consolidated Programs funded by the ARRA for  
Rural Housing, Rural Utilities and Rural Business Services  
0575-New

### Justification

The programs being impacted already have OMB approved information collection packages in place and the reporting burden to be cleared with this new collection is identical to those covered under the following approved collection packages. Therefore, the burden in this new package is solely based on the additional burden hours being generated by the American Recovery and Reinvestment Act of 2009 funding.

### **1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.**

*The Rural Development agencies (Rural Housing Service, Rural Utilities Service and Rural Business Service) provide grants, loans, and loan guarantee assistance to rural residents, rural communities, and rural utility systems. The eligibility criterion for each program differs widely.*

### Applicable Statutory or Regulatory Authorities:

- Title I, Division A, American Recovery and Reinvestment Act, 2009 (P.L. 111-5)
- Consolidated Farm and Rural Development Act, Section 306; 306(a)(1), (2) (7 U.S.C. 1926(a)(1), (2), (19) and (22)); and Section 310B (7 U.S.C. 1932)
- 7 CFR Part 1942, Subpart A, Community Facilities Direct Loan Program
- 7 CFR Part 1942, Subpart C, Fire and Rescue Loans
- 7 CFR Part 1942, Subpart G, Rural Business Enterprise Grant
- 7 CFR Part 3570, Subpart B, Community Facilities Grant Program
- The Housing Act of 1949 as amended
- 7 CFR Part 1980, Subpart D (Guaranteed)
- 7 CFR Part 3550 (Direct)
- 7 CFR Part 1780, Water and Waste Loans and Grants

### **(OMB No. 0572-0121) Water and Waste Loan and Grant Program**

The Rural Utilities Service, making loans and grants to public agencies, American Indian tribes, and nonprofit corporations. The loans and grants fund the development of drinking water, wastewater, and solid waste disposal facilities in rural areas with populations of up to 10,000 residents.

### **(OMB No. 0570-0022) Rural Business Enterprise Grants and Television Demonstration Grants**

The Rural Business Enterprise Grant (RBEG) program facilitates the development of small and emerging private businesses, industries, and related employment for improving the economy in rural communities. Television Demonstration Grants (TDG) are available to statewide, private nonprofit, public television systems to provide information on agriculture and other issues of importance to farmers and other rural residents.

**(OMB No. 0575-0015) Community Facilities Loans; (OMB No. 0575-0173) Community Facilities Grant Program; and (OMB No. 0575-0120) Fire and Rescue Loans**

The Rural Housing Service (RHS), through the Community Facilities Program, a division of RHS, provides loan and grant funds to public agencies, nonprofit corporations, and Indian tribes to finance and facilitate the development of essential community facilities and services for public use in rural areas.

Projects vary in size and complexity, from large general hospitals to small fire trucks. These facilities include, but are not limited to, schools; libraries; child care; hospitals; medical clinics; assisted-living facilities; fire and rescue stations and vehicles; police stations and vehicles; community centers; public buildings, and transportation. The facilities financed are designed to promote the development of rural communities by providing the infrastructure necessary to attract residents and rural jobs.

**(OMB No. 0575-0172) Direct Single Family Housing Loan and Grant Programs and (OMB No. 0575-0078) Rural Housing Loans**

RHS will provide financial assistance through its Single Family Housing (SFH) loan program. The SFH loan programs are designed to assist very low, low-income, and moderate-income households to construct, improve, alter, repair, replace or rehabilitate dwellings, which will provide modest, decent, safe, and sanitary housing for use as a permanent residence to eligible individuals living in rural areas. The Guaranteed Rural Housing program is to assist low and moderate-income individuals and families in acquiring or constructing a single-family residence in a rural area with loans made by private lenders.

**2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the Agency has made of the information received from the current collection.**

The same information collected in the above approved collections will be collected by Rural Development field offices from applicant/ borrowers and consultants. This information is used to determine applicant/borrower eligibility, project feasibility, and to ensure borrowers operate on a sound basis and use loan and grant funds for authorized purposes. This new collection package also covers the reporting and registration requirements under section 1512 of the American Recovery and Reinvestment Act, 2009.

**(OMB No. 0572-0121) Water and Waste Loan and Grant Program**

The RD offices will use the information collected from the prime recipient (borrower) to track the recipient's project loan/grant amount; award type, date, description; amount of Federal Recovery Act funds expended to projects; status of project; job creation narrative and number; infrastructure expenditures; recipient area of benefit; and total number and amount of small sub-awards less than \$25,000.

**(OMB No. 0570-0022) Rural Business Enterprise Grants and Television Demonstration Grants**

Burden estimates are based on \$40 million even though only \$19.4 million was received in initial ARRA funding. Additional funding is anticipated from possible future sources. Calculations are based on a total of approximately 650 applications, and calculating that less than 5 percent of the grantees will be required to comply with Buy America and Davis-Bacon Act requirements.

**(OMB No. 0575-0173) Community Facilities (CF) Grant Program**

Burden Estimates are based on \$30 million in CF ARRA applications (approximately 50% more than a typical funding year). We used the percentage increase to determine a base line to gauge the anticipated increase in respective burden hours.

**(OMB No. 0575-0015) Community Facilities Loans**

Burden estimates are based on \$500 million in CF ARRA Direct Loan applications (which is approximately a 66% increase of its previous level of funding under the last burden package information for this program). CF received approximately \$1.1 billion in direct loan funds under ARRA. It divided those funds between the two fiscal years that the Recovery Act would be in effect. CF implemented a similar methodology to determine the estimated burden hours relative to the funding available.

**(OMB No. 0575-0120) Fire and Rescue Loans**

This regulation is for loan projects under \$300,000, and given CF's recent direction from the USDA's Secretary that ambulances, fire trucks, and police cars are now ineligible under ARRA funding, the number of projects that would utilize this regulation under ARRA is projected to decrease by 25% of its usual estimated burden package for a given year.

**(OMB No. 0575-0172) Direct Single Family Housing Loan and Grant Programs**

Burden estimates are based on funding \$967 million in RHS-502 Direct Loan ARRA applications. With an average sales price of \$122,405 these programs expect to make 7,900 loans. These estimates are based on the assumption that no applications will be rejected. These programs expect that construction loans will be funded with annual appropriations funds, therefore the Davis-Bacon Act will not apply.

**(OMB No. 0575-0078) Rural Housing Loans**

Burden estimates are based on funding \$10.5 billion in RHS 502-Guaranteed Loan ARRA applications. With an average guaranteed loan of \$126,919 this program expects to guarantee 82,730 loans. It is expected that construction loans will be funded with annual appropriation funds and that the Davis-Bacon Act will not apply.

Recipients of Federal awards from funds authorized under the Recovery Act must comply with all reporting requirements outlined in Section 1512 of the Recovery Act. For purposes of reporting, recipients of recovery funds from RD must report on sub-recipient activities as specified below. Not later than 10 days after the end of each calendar quarter, starting with the quarter ending June 30, 2009, and reporting by July 10, 2009, the recipient must submit a report to the appropriate Agency that will be posted to Recovery.gov. Each award will contain the following reporting requirement:

**Reporting and Registration Requirements Under Section 1512 of the American Recovery and Reinvestment Act, 2009**

- (a) This award requires the recipient to complete projects or activities which are funded under the Recovery Act and to report on use of Recovery Act funds provided through this award. Information from these reports will be made available to the public.
- (b) The reports are due no later than ten calendar days after each calendar quarter in which the recipient receives the assistance award funded in whole or in part by the Recovery Act.
- (c) Recipients and their sub-recipients must maintain current registrations in the Central Contractor Registration (<http://www.ccr.gov>) at all times during which they have active Federal awards funded with Recovery Act funds. A Dun and Bradstreet Data Universal Numbering System (DUNS) Number (<http://www.dnb.com/us/>) is one of the requirements for registration in the Central Contractor Registration.
- (d) The recipient shall report the information described in Section 1512(c) of the Recovery Act, the reporting instructions and data elements that will be provided online at <http://www.FederalReporting.gov>, and ensure that any information that is pre-filled is corrected or updated as needed.

**3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection.**

Information needed is specific to each applicant, many of whom may be small organizations not equipped for high technology information gathering. The Agency has many requirements that involve certifications from the borrower as well as other parties involved in the project. The Agency could not comply with legislative mandates without these certifications. All of the public use forms have been automated and put on the internet to allow the public the option of downloading and filling out. The e-Government Act requires Government agencies in general to provide the public the option of submitting information or transacting business electronically to the maximum extent possible.

**4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

The Agency has reviewed all grant programs it administers to determine which programs may be similar in intent and purpose. If there was simultaneous participation in more than one Agency grant and/or loan program, the Agency would make every effort to accommodate the requests within the same set of applications and processing forms. This effort is presently facilitated by assignment of management of these programs to the same program area of responsibility. If an applicant is applying for or receiving a loan and/or grant from another Federal agency, forms and documents furnished by the other agency would be utilized to the extent possible.

**5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-1), describe any methods used to minimize burden.**

Information to be collected is in a format designed to minimize the paperwork burden on small businesses and other small entities. The information collected is the minimum needed by the Agency to approve grants and monitor borrower performance.

**6. Describe the consequences to Federal program or policy activities if the collection is not conducted or conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

The information collected under this program is considered to be the minimum necessary to conform to the requirements of the program regulations established by law. Information is collected only when needed, and we believe no reduction of collection is possible. Failure to collect proper information could result in improper determinations of eligibility, improper use of funds, and/or unsound loans.

**7. Explain any special circumstances that would cause an information collection to be conducted in a manner:**

- a. Requiring respondents to report information more than quarterly.

There are no information collection requirements for reporting on more than a quarterly basis.

- b. Requiring written responses in less than 30 days.

There are no specific information collections requiring a response in less than 30 days.

- c. Requiring more than an original and two copies.

There are no specific information collection requirements for submitting more than an original and two copies.

- d. Requiring respondents to retain records for more than 3 years.

Grantees are not required to retain records for more than 3 years, except in cases where there are unresolved audit findings.

e. Not utilizing statistical sampling.

There are no such requirements.

f. Requiring use of statistical sampling which has not been reviewed and approved by OMB.

No such requirements exist.

g. Requiring a pledge of confidentiality.

There are no such requirements.

h. Requiring submission of proprietary trade secrets.

There are no such requirements.

**8. If applicable, identify the date and page number of publication in the Federal Register of the Agency's notice soliciting comments on the information collection. Summarize public comments received and describe actions taken by the Agency in response to these comments. Describe efforts to consult with persons outside the Agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, reporting format (if any), and on data elements to be recorded, disclosed, or reported.**

The Agency is requesting emergency review and approval from OMB of this new collection. A 60-day notice for public comments is embedded in the Notice of Funds Available.

Through the current packages, the agencies maintain contact with outside people to obtain their views and recommendations on the reporting format.

**9. Explain any decision to provide any payment or gift to respondents, other than reenumeration of contractors or grantees.**

No such decisions or payments were made.

**10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or Agency policy.**

No assurance of confidentiality was provided. The information collected under the provisions of this program is not considered to be of a confidential nature. Organizations, such as nonprofit entities and public bodies from which the information is collected, ordinarily are required to make their activities available for public scrutiny.

**11. Provide additional justification for any question of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private.**

The information collected does not contain any questions of a sensitive nature, such as sexual behavior, religious beliefs, or other matters commonly considered private.

**12. Provide estimates of the hour burden of the collection of information.**

**Burden Hour Estimates Collection Information Summaries**

**(OMB No. 0572-0121) Water and Waste Loan and Grant Program**

The information for this package was derived from past experience with this program. The program was redesigned in 2003 through 2006 to use CPAP and electronic forms on the Service Center eForms site. This has reduced some of the burdens placed on respondents. The program level authority for this program is \$3,658,195,732. Based on this level, the agency anticipates receiving about 1,500 applications and making about 1,000 loans/grants. See the attached spreadsheet. The collection is summarized as follows:

Regulation	Number of Respondents	Total Annual Responses	Total Manhours	Wage Class	Total Costs
7 CFR 1780	7,000	47,147	95,045	30.00	\$2,851,350

Rural Development used \$30.00 per hour based on information from similar programs. Primary respondents for a loan and grant recipient would be a director earning an average of \$26 to \$30 per hour. Based on these estimates, the direct cost would be \$2,851,350 plus indirect costs of 15 percent for the public cost.

**(OMB No. 0570-0022) Rural Business Enterprise Grants and Television Demonstration Grants**

The information for this package was derived from past experience with this program. The program level authority for the ARRA portion of funding is \$19,400,000. Calculations anticipate \$40 million in the event that funds are made available in the future. The program anticipates receiving about 650 applications and making about 200 loans with the initial \$19.4 million. The collection is summarized as follows:

Regulation	Number of Respondents	Total Annual Responses	Total Manhours	Wage Class	Total Costs
7 CFR 1942	650	14,432	36,585	25.00	\$914,631

**(OMB No. 0575-0173) Community Facilities Grant Program**

3570-B burden estimates are based on \$30 million in CF ARRA applications (which is approximately 50% more than a typical funding year). CF used the percentage increase to determine a base line to gauge the anticipated increase in respective burden hours. The total number of burden hours in implementing this regulation in relation to the ARRA is approximately 7,478 hours. For a break down of the burden hours in relation to this regulation please refer to the attached spreadsheet. The collection is summarized as follows:

Regulation	Number of Respondents	Total Annual Responses	Total Manhours	Wage Class	Total Costs
7 CFR 3570	1,343	3,102	7,478	50.00 AVG	\$373,900

**(OMB No. 0575-0015) Community Facilities Loans**

1942-A burden estimates are based on \$500 million in CF ARRA Direct Loan applications (which is approximately a 66% increase of the program's previous level of funding under the last burden package information). CF received approximately \$1.1 billion in direct loan funds under ARRA, and it split those funds between the two fiscal years that the Recovery Act would be in effect. Once again CF implemented a similar methodology to determine the estimated burden hours relative to the funding available. The total number of burden hours in implementing this regulation in relation to the ARRA is approximately 69,902 hours. For a break down of the burden hours in relation to this regulation please refer to the attached spreadsheet. The collection is summarized as follows:

Regulation	Number of Respondents	Total Annual Responses	Total Manhours	Wage Class	Total Costs
7 CFR 1942	2,083	32,993	69,902	30.00	\$2,097,055

**(OMB No. 0575-0120) Fire and Rescue Loans**

1942-C regulation burden estimates are for loan projects under \$300,000, and given CF's recent direction from the Secretary's office that ambulances, fire trucks, and police cars are now ineligible under ARRA funding, the number of projects that would utilize this regulation under ARRA is projected to decrease by 25% of the program's usual estimated burden package for a given year. The total number of burden hours in implementing this regulation in relation to the ARRA is approximately 7,512 hours. For a break down of the burden hours in relation to this regulation please refer to the attached spreadsheet. The collection is summarized as follows:

Regulation	Number of Respondents	Total Annual Responses	Total Manhours	Wage Class	Total Costs
7 CFR 1942	574	3,493	7,512	20.00 AVG	\$170,780



**(OMB No. 0575-0172) Single Family Housing Direct Loan and Grant Programs**

The information for this package was derived from past experience with this program. The program has implemented new application procedures, such as electronic forms and verifications, that has reduced some of the burdens placed on respondents. The program level authority for this program is \$967 million. Based on this level, the agency anticipates receiving about 12,640 applications and does not expect to deny or withdraw any application. See the attached spreadsheet. The collection is summarized as follows:

Regulation	Number of Respondents	Total Annual Responses	Total Manhours	Wage Class	Total Costs
7 CFR 3550	12,640	209,833	50,257	14.26 AVG	\$585,735

Rural Development used \$14.26 per hour based on information from the affiliates and according to the U.S. Bureau for Labor Statistics. Primary respondents for loan application information and forms would be an office and/or accounting clerk, and low and very-low income applicants earning an average of \$8 to \$28 per hour.

**(OMB No. 0575-0078) Rural Housing Loans**

The information for this package was derived from past experience with this program. The program has implemented new electronic procedures, such as an automated underwriting system, that has reduced some of the burdens placed on respondents. No new forms were created for American Reinvestment and Recovery Act funding, and how the guarantee is funded is generally transparent to participating lenders. The program level authority for this program is \$6.2 billion. Based on this level, the agency anticipates receiving about 3,638 lender approval requests. The collection is summarized as follows:

Regulation	Number of Respondents	Total Annual Responses	Total Man hours	Wage Class	Total Costs
7 CFR 1980-D	3,638	234,847	102,370	21.20 AVG	\$2,169,757

Rural Development used \$21.20 per hour based on information from the affiliates and according to the U.S. Bureau for Labor Statistics. Primary respondents for loan application information and forms would be banking officers. Based on these estimates, the direct cost would be \$2,169,757.

**13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information.**

There is no capital/start-up or operations/maintenance costs involved as all of these programs are currently in existence.

**14. Provide estimates of annualized cost to the Federal Government.**

The combined total cost to the Federal Government from the individual programs is: \$76,924,985. See separate break-outs below of the OMB Burden packages.

**(1) OMB No. 0572-0121 – Water and Waste Loan and Grant Program**

Preliminary contacts—20 hours X 1,500 applicants X \$50.00 = 1,500,000  
 Application review phase—160 hours X 1,200 applications X \$50.00 = 9,600,000  
 Application processing phase—90 hours X 1,000 applications X \$50.00 = 4,500,000  
 Technical documents review phase—140 hours X 1,000 applications X \$50.00 = 7,000,000  
 Loan and grant closing phase—150 hours X 1,000 borrowers X \$50.00 = 7,500,000  
 Startup & servicing activities phase—140 hours X 1,000 borrowers X \$50.00 = 7,000,000  
 Audits and management reports—7 hours X 7,900 borrowers X \$50.00 = 2,765,000

Total estimated cost to the Federal Government is \$39,865,000

The salary of \$50 per hour is based on that of a loan analyst (GS 12, step 5) plus 25 percent for fringe.

**(2) OMB No. 0570-0022 – Rural Business Enterprise Grants and Television Demonstration Grants**

Estimates are based on figures as shown in the attached spread sheet. A salary rate of \$35 to \$40 per hour is based on the estimated salary cost for the average GS 11/12/13 and those parts of the process in which such personnel will participate.

**Estimated Federal Cost**

Activity	Number	No. of Hours	Rate	Total
Review of pre-application materials/eligibility determination	650	2	\$ 35.00	\$ 45,500
Process application/ determine funding priority	411	6	\$ 35.00	\$ 86,310
Approve grant and obligate funds	411	2	\$ 35.00	\$ 28,770
Grant closing and servicing	411	16	\$ 35.00	\$230,160
National Office reviews	650	1	\$ 40.00	\$ 26,000
<b>TOTAL</b>		<b>27</b>		<b>\$ 416,740</b>

Total estimated cost to the Federal Government is \$416,740.

**(3) OMB No. 0575-0173 – Community Facilities Grant Program**

The annual cost, which includes benefits, travel, communication, supplies, etc., for RHS to develop and administer this program is \$163,119. These costs are based on a GS-12/5 Loan Specialist in each State spending 5 percent of his/her time on this program, and one GS-13 Loan Specialist in the National Office spending 2 percent of his/her time.

Personnel	Number of People	Grade and Salary	Time/Cost
National Office	1	GS 13 - \$80,031	.02/\$1,601

Loan Specialist			
State Office Loan Specialist	48	GS 12/5 - \$67,299	.05/\$161,518

Total estimated cost to the Federal Government is \$163,119.

**(4) OMB No. 0575-0015 – Community Facilities Loans**

The annual cost, which includes benefits, travel, communication, supplies, etc., for the Agency to develop and administer this regulation is \$34,226,544. This cost is based on a GS-12 Loan Specialist in each state office and one GS-13 Loan Specialist in the National Office from both of the program areas covered by this regulation. CF is estimating that it will cost approximately \$996 to process each respondent on average; this is based on an estimated 34,364 responses, which would result in a total cost of \$34,226,544 to the Federal Government. The dollar amount relating to the individual respondents is an estimated value based on the overall cost associated with this regulation. This cost includes analyses and management assistance related to the completion of the forms associated with this regulation. This cost is based on a GS-12 Loan Specialist in each state office spending approximately 15% of their time on servicing and one GS-13 Loan Specialist position in the National Office.

Total estimated cost to the Federal Government is \$34,226,544.

**(5) OMB No. 0575-0120 – Fire and Rescue Loans**

Rural Development estimates the cost to the Federal Government to administer the activities of this program to be \$94,060. This includes staff time, printing, operation expenses, and overhead. Staff time will vary with appropriation levels because the amount of available resources affects how many applicants will apply, will need evaluation for funding, and how many projects will need monitoring and servicing. This estimated cost is based on the loan being approved and serviced in the field offices as follows:

Personnel	Number of People	Grade and Salary	Time/Cost
State Office Loan Specialist Loan Technicians	48	GS 12/4 - \$65,320	.03/\$94,060

Total estimated cost to the Federal Government is \$94,060.

**(6) OMB No. 0575-0172 – Direct Single Family Housing Loan and Grant Programs**

*Loan origination, application processing and underwriting:* The total number of man hours required to administer the forms related to loan application, processing and underwriting is estimated to be at 33,926 hours. The salary for the federal employee performing these duties, typically a Loan/Area Technician or Loan /Area Specialist, may vary from state to state but it is estimated to be \$20.79 per hour (average for a GS-05/ GS-11, step 5). (33,926 hours x \$20.79=\$705,321). *Loan Approval:* Estimated cost to be

1,245 hours x \$32.25= \$40,151. The salary for the federal employee approving the loans, an Area Specialist, is estimated to be \$32.25 (GS-12, Step 5). *Loan Servicing:* Estimated cost to be 6,004 hours x \$18.46= \$110,834. The salary for the federal employee providing servicing duties, Processors, is estimated to be at \$18.46 (an average of GS-05/ GS-09, Step 5).

Total estimated cost to the Federal Government is \$856,306.

**(7) OMB No. 0575-0078 – Rural Housing Loans**

Loan origination, application review, and loan guarantee: The total number of man hours required to administer the forms is 82,730. The salary for the federal employee performing these duties, typically a Loan/Area Technician or Loan/Area Specialist, may vary from state to state; however, it is estimated to be \$20.79 per hour (average for a GS-05/GS-11, step 5). (82,730 hours x \$20.79=\$1,719,956).

Total estimated cost to the Federal Government is \$1,719,956.

**15. Explain the reasons for any program changes or adjustments reported in items 13 or 14 of OMB Form 83-1.**

This is a new burden package solely for the purpose of recording and capturing information related to ARRA funding.

**16. For collection of information whose results will be published, outline plans for tabulation and publication.**

Rural Development has no plans to publish the information collected under the provisions of the program.

**17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

It is not cost effective for the Agency to display the expiration date on the forms due to the large number of field offices and the significant differences in the volume of forms used by these offices.

**18. Explain each exception to the certification statement identified in item 19 on OMB 83-1.**

There are no exceptions requested.

**19. How is this information collection related to the Service Center Initiative (SCI)? Will the information collection be part of the one-stop shopping concept?**

This information is not related to, and will have no impact on, the Service Center Initiative. The information collection under this regulation is case specific.