

Supporting Statement for Paperwork Reduction Act Submission
OMB Control Number 3245-0084
SBA Form 700, Home and Business Loan Inquiry Record

A. Justification

1. *Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.*

The Small Business Administration (SBA) is authorized by the Small Business Act, as amended, section 7(b), (copy of which is attached), to make loans to disaster victims. The requirement for the use of this form is contained in the Standard Operating Procedure (SOP) for Disaster Assistance, SOP 50 30, paragraph 61, (copy attached). SBA's Office of Disaster Assistance (hereinafter identified only as ODA) uses the Form 700 as a record of interviews with those victims seeking assistance for disaster damage as a result of a disaster declaration by the SBA Administrator, or a designation by the Secretary of Agriculture, and for some Presidential declarations. ODA personnel gather the information and actually fill out the form via interview with the disaster victim.

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.*

Interviews between the disaster victim and ODA personnel are conducted individually, in person or by telephone at the preference of the disaster victim. The interview generally takes place in the immediate aftermath of a disaster event and usually consists of ODA personnel giving out information about the Agency's loan program as much as it does asking basic questions about the victim. The information gained from the interview allows ODA to judge whether the victim is likely to be eligible for an SBA loan. Without this preliminary interview, many disaster victims would fill out applications unnecessarily, increasing the burden of work for both the public and ODA. The interview record is also used as a historical record in the aftermath of the disaster event for various informational purposes, including requests for information from Members of Congress, etc and for use as a follow up tool for contacting victims to see if they need assistance in filling out a loan application.

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. Also describe any consideration of using information technology to reduce the burden

SBA Form 700 is not completed by applicants. Rather, it is filled out by ODA personnel. The availability of an electronic form would not benefit the applicant because this form is used as an internal SBA document. The form is currently in an electronic format and is used in that manner by ODA whenever 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.*

ODA staff work closely with Federal, state, local, or private organizations that provide relief for disaster-related purposes in an effort to try to constantly streamline the interview process during disasters so that there is no duplication in the collection of information.

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.*

Because only limited information is collected at the interview (i.e., name, address, phone number, income, debts, etc.), the impact is minimal.

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

Information is only collected once, at the time of a request for assistance from a victim. If the information was not collected, ODA would not be able to advise a disaster victim whether to apply for assistance.

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

There are no special circumstances unless a victim waits until late in the filing period to contact SBA. Even then, no written response is necessary unless the victim wishes to be interviewed by mail. Victims have 60 days from the date of the declaration to apply for a physical

damage loan. If they wait until late in the filing period to inquire, they may need to respond in less than 30 days.

8. *If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received. Describe efforts to consult with persons outside the agency to obtain their views.*

A copy of the Federal Register notice soliciting comments is attached (Volume 74, Number 100, dated May 27, 2009, page 25289). The comment period closed July 27, 2009 and no comments were received at this time.

ODA participates with other Federal and private organizations that provide disaster assistance in seeking ways to more efficiently deliver our services.

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

No payments or gifts are provided to respondents.

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

The information collected on Form 700 is protected to the extent permissible by law, including where applicable the Privacy Act and the Freedom of Information Act. Privacy Act information becomes a part of SBA's System of Records (SBA 20, copy attached).

11. *Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, specific uses to be made of the information, explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.*

Questions of a sensitive nature are asked on this form. This sensitive information is collected from the disaster victim in order to obtain the information necessary to determine eligibility for a disaster loan.

This collection also requests Social Security Numbers. Providing Social Security Numbers is purely voluntary. Social Security Numbers will be

used to distinguish between people with the same or similar name and to conduct investigations, as necessary, to determine whether a recipient of SBA assistance is engaged in or about to engage in any practices which violate the Small Business Act. (15 U.S.C. 634(b)).

12. *Provide estimates of the hour burden of the collection of information, well as the hour cost burden. Indicate the number of respondents, frequency of response, annual hour and cost burden, and an explanation of how the burden was estimated.*

The number of respondents is based on the average number of interviews conducted using the Form 700 for the last 3 Fiscal Years (FY 2006 - FY 2008).

<u>FY</u>	<u>Interviews Conducted</u>
06	2,933
07	2,808
08	<u>1,863</u>
TOTAL	7,604

Divided by 3 = **2,535** Average number of interviews conducted per year (**number of respondents**)

Personal experience by ODA personnel in interviewing victims provides SBA with knowledge of the length of time an interview requires, which is 15 minutes per respondent.

2,535 respondents x .25 (15 minutes per interview) = **634 burden hours**

Cost to the public is determined on the same basis as that for the Government, which is at a GS-9, Step 1 (\$22.34 per hour). The annualized cost to the respondents for the information collection burden is calculated as follows:

15 minutes per interview (.25) @ \$22.34 per hour = \$5.59 per interview

634 interviews (interview hours) x \$5.59 per interview = **\$3,544 respondent cost**

13. *Provide an estimate for the total annual cost burden to respondents or record keepers resulting from the collection of information. Do not include hour cost burden from above.*

There is no additional annual cost burden.

14. *Provide estimates of annualized costs to the Federal Government. Also provide a description of the method used to estimate cost, including a quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information.*

Annualized cost to Federal Government:

0.25 hours (15 minutes) per response @ \$22.34 per hour labor cost for interviewer and recording time multiplied by 634 response hours =
\$3,541

30 percent for overhead, printing, etc. = \$1,062

Total estimated cost to Federal Government = \$4,603

The estimate of the time necessary to conduct an interview and record the appropriate information (15 minutes) is based on observations of the actual time it takes to do so. The typical grade for an interviewer is GS-9, Step 1.

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

The total annual hour burden for the SBA Form 700 is decreased by 181 hours. The annual cost burden also decreased by \$653. These decreases are as a result of less interviews given over the last 3 FYs as compared to previous 3 FYs. There are no program changes.

16. *For collection of information whose results will be published, outline plans for tabulation and publication. Address complex analytical techniques. Provide time schedules for the entire project.*

No results will be published.

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

Expiration date will be displayed.

18. *Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submission," of OMB Form 83-I.*

There are no exceptions.

- B. Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection method to be used*

Collections of Information Employing Statistical Methods.

N/A