



U.S. SMALL BUSINESS ADMINISTRATION  
WASHINGTON, DC 20416

August 19, 2009

Wendy Liberante  
OMB Desk Officer  
Office of Information and Regulatory Affairs  
Office of Management and Budget  
725 17th Street, NW  
Washington, DC 20503

Dear Ms. Liberante:

The US Small Business Administration (SBA) is requesting approval, on an emergency basis, of a new information gathering form, specifically designed for SBA's Revolving Dealer Floor Plan (DFP) Line of Credit Guaranty Pilot Initiative. This form has been designed to collect loan account information which will be used by SBA's Office of the Chief Financial Officer (CFO) to improve their understanding of the risk associated with providing guarantees to revolving lines of credit so that they may develop better subsidy models. Gathering such information was a request from the Office of Management and Budget (OMB) that was made during the clearance process of the Federal Register Notice that announced this new SBA Pilot Initiative [Vol. 74, No. 127, 32006-32010] as published July 6, 2009.

SBA was encouraged by Congress during the confirmation hearing of our current Administrator to explore the possibility of providing loan guarantees to floor plan lines of credit. As a result, SBA proposed to use its authority to initiate pilot loan programs to create a pilot that would allow SBA to suspend its regulatory prohibition against guarantying floor plan lines of credit and provide 7(a) guarantees to these types of specialized lines of credit.

During the vetting process with OMB it was deemed to be prudent for SBA to have more information about the complete disbursement and repayment activity of the revolving lines of credit that the Agency guarantees rather than just having the stagnate snapshot of a line's balance, based on a given day of the month. SBA's Chief Financial Officer and Office of Financial Assistance (OFA) were encouraged to create a new form which could be of assistance to the subsidy modeling group within the Agency. The attached proposed form 1502 R, for which we seek clearance, is the results of that effort.

This form is to be completed by the lenders, not the borrowers every three months. The lenders will obtain the raw data that goes on this form from their internal transcript of accounts that they keep on every loan. With the exception of the first couple of times a lender completes this form the time it should take for each form to be completed is estimated to be no more than 15 minutes and should be able to be done in 7 or 9 minutes.

To facilitate SBA's implementation of this pilot program, the Agency also ask that OMB exercise its authority to waive the 60-day comment period for forms required under 5 CFR §1320.8(2)(d)(1). The notice for comments has not been published. SBA acknowledges the need for the notice requirement but since compliance with this requirement would cause a substantial delay in assessing this pilot initiative, we ask that OMB waive the requirement for Notice and for the 60 day comment period at this time.

OMB regulations provide that emergency approval, if granted, will expire after 6 months. If this request for emergency processing is approved, SBA will shortly thereafter take the steps to obtain the type of approval that would enable the Agency to continue to use this form beyond the 6 month time frame.

Being able to move forward and include a reference to the lenders responsibility to complete this form and submit it to SBA each quarter will further the Agency's lender relations program because once approved the lenders will have access to the form and know that they are expected to complete it every 90 days after any of the DFP lines SBA guarantees have been disbursed.

SBA appreciates your prompt attention to this matter and looks forward to receiving your emergency approval for this information collection form.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric R. Zarnikow". The signature is written in a cursive style with a prominent initial "E" and "R".

Eric R. Zarnikow  
Associate Administrator for Capital Access