

Supporting Statement for Paperwork Reduction Act Submission
SBA Form 2294, Alternative Creditworthiness Assessment

A. Justification

1. Circumstances that make the collection of information necessary. According to section 738 of the Consolidated Appropriations Act, 2009 Public Law 111-117, as implemented by OMB Circular A-123, Appendix B, (the Circular) Improving the Management of Government Charge Card Programs, Chapter 6 Creditworthiness, Section 6.1, each agency is required to assess the creditworthiness of all new travel card applicants prior to issuing them a card. (Copies of these statutory and regulatory authorities are attached.) Since implementation of this requirement in November 2005, SBA has discovered that there are circumstances where some applicants do not have established credit histories and thus, no score is obtainable. According to Sec. 6.4 of the Circular, when obtaining a credit score is not possible, the Agency must conduct an alternative creditworthiness assessment to determine whether the individual possesses a satisfactory credit history. In these circumstances, SBA seeks to use SBA Form 2294 as the alternative means for meeting the requirements of the Circular.

Revisions: SBA has made a few minor changes to the form solely to update sources of authority.

2. How, by whom, and for what purpose information will be used. Job applicants seeking employment with the SBA Disaster Assistance program will complete the form. The purpose of the information is to satisfy the Circular requirements of performing an alternate means of checking creditworthiness when there is no credit score available. Information provided on this form is reviewed by SBA staff in order to make a determination of creditworthiness.
3. Technological collection techniques. The form will be made available (for downloading only) to the public in electronic format on SBA's website at <http://www.sba.gov/tools/forms/index.html>
4. Efforts to identify duplication. There is no duplication of effort. SBA collects the information from each individual only once when making a credit worthiness determination.
5. Impact on small businesses or other small entities. No small businesses or other small entities are directly affected by this collection.
6. Consequence if collection is not conducted. Information is collected only when a required credit score check yields insufficient results. When this particular circumstance exists, SBA needs the collection of information to perform due diligence and meet the requirements of OMB's Circular. If the information is not collected, SBA would not be able to assess the job applicant's creditworthiness.

7. Existence of special circumstances. No special circumstances exist.
8. Solicitation of public comment. Comments were solicited by a Notice published in the Federal Register on January 12, 2010, in Volume 75, Number 7, Pages 1660-1661 (copy attached). The comment period closed March 15, 2010. No comments were received.
9. Payments or gifts to respondents. No payments or gifts are provided to respondents.
10. Assurance of confidentiality. The information collected is protected to the extent permitted by law, including the Privacy Act and the Freedom of Information Act. The form advises the respondents of their Privacy Act rights and conditions for disclosure of information.
11. Questions of a sensitive nature. Through this proposed collection, SBA collects sensitive information such as financial and court records. This information is collected so that SBA personnel can make an informed creditworthiness determination.

This proposed 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 keep records accurate.

Information collected from job applicants is not retrieved by a personal identifier; therefore no new Privacy Act system of record is required. Nonetheless, the information is maintained in a manner that safeguards its security. Specifically, this form is kept in a locked cabinet with access restricted to only select Human Resources personnel.

If a job applicant is subsequently hired, this information becomes part of the employee's personnel record which is maintained in SBA's Privacy Act System of Record 31, Temporary Disaster Employees.

12. Estimates of the hourly burden.

Burden estimate:

The number of respondents is based in part on direct experience with use of this form provided by SBA's Office of Disaster Assistance (ODA), the sole user of this form until this time. ODA conducted 1053 credit score inquiries since the last submission. Of those inquiries, 10 produced a score of zero and therefore required an alternative creditworthiness assessment; thus, the number of respondents is 10. Because of the fact that we do not know which applicants will not have a credit history until we begin the assessment, it is difficult to estimate the annual use of this form. In addition, ODA could increase staff significantly in the event of a major disaster, which could result in a significant increase in the use of the form. In fact, historical results for similar credit score inquiries show that the number of alternative creditworthiness assessments for a

similar period of time can be as high as 43. Therefore, despite this low use of the form in the recent past, SBA seeks an extension of the use of Form 2294.

It is estimated that it takes 15 minutes to complete the SBA Form 2294.

10 respondents x .25 hours = **2.5 burden hours**

Cost to respondents:

The cost estimate for a respondent is based on a GS-1, Step 1 (\$8.56 per hour), which is the level of expertise (minimal) that is required to respond to the questions. The annual cost is calculated below:

2 hours x \$8.56 per hour = **\$17 annual cost to respondents**

13. Estimate of total annual cost burden. There are no additional costs beyond that identified in Item 12 above.
14. Estimated annualized cost to the Federal Government. The cost to the Federal Government for this information collection is associated with personnel reviewing completed forms and making a creditworthiness determination.

We estimate that it takes approximately 10 minutes to review the form and make a determination. Agency burden hours are calculated below:

10 responses x .16 hours per response = **1.60 Agency burden hours**

The annual cost estimate for the Agency is based on the salary of a GS-11, Step 1, (\$24.17 per hour), which is the typical grade for an employee performing these determinations. The cost is calculated as follows:

1.60 total hours x \$24.17 per hour = **\$39 Cost to the Government**

15. Explanation of program changes or adjustments in Items 13 and 14 on OMB Form 83-I. Burden hours are reduced by 9 and the cost is reduced by \$79. Both reductions are a direct result of less activity (less credit score inquiries) as compared to the previous submission. There are no program changes.
16. Collection of information whose results will be published. No publication is anticipated.
17. Expiration date for collection of information.
Expiration date will be displayed.
18. Exceptions to certification statement in Block 19 on OMB Form 83-I. There are no

exceptions.

B. Collections of Information Employing Statistical Methods.

N/A