

**February 2, 2021**  
**United States Department of Agriculture**  
**Farm Service Agency**  
**Supporting Statement**  
**OMB Control Number 0560-New**  
**7 CFR 766, Direct Loan Servicing - Special**

FSA is requesting an approval to obtain OMB clearance for a new information collection on Emergency Equine Loss Loan Program (EM). Once this package has been approved and the final rule has been published, the information in this package will be incorporated into FSA larger packages that cover all programs. In the future, burden information for these programs will be included in the 3 year renewal package for OMB control number 0560-0233. The correction to the proposed rule to include this ICR will be published in the Federal Register. This ICR was not included in the proposed rule published on September 23, 2010.

The 2008 Farm Bill amended Section 321 of the CONACT that authorizes the Secretary to make Emergency Loans (EM) to include equine farmers and ranchers. FSA anticipates that this change to the CONACT and to the appropriate regulations will result in an increased number of applicants applying for EM loan servicing assistance. No new forms will be created to accommodate this regulation change. Only existing forms with existing approval through OMB control numbers 0560-0233 will be used.

The general nature of a loan from the agency is very similar to that of any commercial creditor. However, the agency applicants tend to pose a higher economic risk of loss than those operations financed by commercial creditors as applicant must document that no other source of credit is available at the time of application. Legislation requires the agency to actively supervise these applicants and provide credit counseling, management advice, and financial guidance. Thus, the monitoring, reporting, evaluation, and consent requirements of this supervision increase the information collection burden on agency applicants above those imposed by commercial creditors. The information collection requirements are described below and on the attached form FSA-85-1, Reporting and Recordkeeping Requirements.

This analysis includes collection instruments, and provides the information collection requirements contained in the proposed rule utilizing current program data and adjusted accordingly to accurately assess the burden it imposes on applicants, borrowers, commercial lenders, as well as agency employees.

#### Justification

**1. Explain the circumstances that make the collection of information necessary.**

FSA's FLP Direct Emergency Loans (EM) program provides emergency loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters, or quarantine. The regulation covered by this information collection package describes the policies and procedures the agency uses to provide supervised credit to FLP applicants requesting direct

loan assistance in accordance with the provisions of the Consolidated Farm and Rural Development Act (Act) (7 U.S.C. 1921 et seq.) (Pub. L. 87-128), as amended. Supervised credit information collection requirements include planned and actual production and financial records, as well as the development and update of a loan assessment addressing the course of action to be followed, so that financing can be obtained through commercial credit sources.

Authority to establish the regulatory requirements contained in 7 CFR 766 is provided under 5 U.S.C. 301, which provides that “The Head of an Executive department or military department may prescribe regulations for the government of his department ... the distribution and performance of its business...” Furthermore, section 339 of the Act (7 U.S.C. 1989) provides that “the Secretary is authorized to make such rules and regulations, prescribe the terms and conditions for making... loans, security instruments and agreements, except as otherwise specified herein, and to make such delegations of authority as he deems necessary to carry out this title.” The Secretary delegated authority to administer the provisions of the Act applicable to FLP to the Under Secretary for Farm and Foreign Agricultural Services (FFAS) in section 2.16 of 7 CFR part 2. FFAS further delegated this authority to the FSA Administrator in section 2.42 of 7 CFR part 2.

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

Applicants who meet the eligibility requirements for direct loan servicing will provide information to the local agency office serving the county in which their business is headquartered. The information is necessary to thoroughly evaluate the applicant’s request for a direct loan and is used by agency officials to:

- Evaluate a borrower’s request, and determine their eligibility, for disaster set-a-side whereby the loan payment that cannot be made due to losses suffered as a result of a disaster is set-a-side, and becomes due on or before the final due date on the loan.
- Evaluate a borrower’s request, determine eligibility for, and feasibility of, primary loan servicing when requested by a financially distressed or delinquent borrower, as well as borrowers who have filed bankruptcy. When considering primary loan servicing options, FSA attempts to restructure the borrower’s debts with the Agency in a manner that results in the borrower being able to repay the debt, other creditors and farm operating expenses.
- Liquidate security when available servicing options are not requested or do not result in a feasible plan to restructure a delinquent borrower’s debt.

Legislation requires the agency to actively supervise these applicants and provide credit counseling, management advice, and financial guidance. Thus, the monitoring, reporting, evaluation, and consent requirements of this supervision increase the information collection burden on agency applicants above those imposed by commercial creditors.

The information collection requirements established in 7 CFR 766 are described below and on the attached form FSA-85-1, Reporting and Recordkeeping Requirements.

**FSA-2501 – Addendum to the Promissory Note or Assumption Agreement for the Disaster Set-Aside Program**

7 CFR 766.57

A borrower who operated in a county designated or declared a disaster area, or contiguous county, who is unable to make all or a portion of the first or second payment due after the disaster may request the amount of the payment that cannot be made set-aside. The set-aside portion of the payment becomes on or before the final due date of the loan.

Borrowers who request assistance under the Disaster Set-Aside program and meet all applicable eligibility requirements must execute FSA-2501 to amend the payment schedule reflected on their promissory note or assumption agreement.

The Agency estimates that 3 borrowers will execute this form. The time to review and sign FSA-2501 is estimated to be 15 minutes.

**FSA-2511 – Borrower Response to the Notice of the Availability of Loan Servicing**

7 CFR 766.102(a)(1), 7 CFR 766.110(a)(3), 7 CFR 766.302(a) & (b)

As mandated by section 331D of the Act, delinquent borrowers who are 90 days past due are notified of the availability of loan servicing. The provisions of the Act require that notice include a summary, including eligibility criteria, of all primary loan servicing option, homestead protection, debt settlement, and appeal procedures. Additionally, the Act requires FSA include a summary of the application process as well as a copy of forms relevant to an application. In addition to the application forms which are approved elsewhere as noted in question \_\_\_\_, the borrower, including all members of the entity, must execute FSA-2511, Borrower Response to Notice of the Availability of Loan Servicing. Completion of the FSA-2511 ensures that the borrower is aware of the statutorily imposed 60-day time frame to submit a complete application.

The agency estimates that 2 borrowers (or their attorney in the case of a borrower who has filed bankruptcy) will complete FSA-2511. The time to complete FSA-2511 is estimated at 30 minutes which includes the time required to read the notice of availability of servicing provided on FSA-2510, as well as executing FSA-2511.

**FSA-2513 – Borrower Response to Notice of the Availability of Loan Servicing**

7 CFR 766.102(a)(1), 7 CFR 766.110(a)(2), 7 CFR 766.302(a) & (b)

As mandated by section 331D of the Act, FSA must provide notice of the availability of loan servicing upon written request of a borrower. As with delinquent borrowers, the provisions of the Act require that notice include a summary, including eligibility criteria, of all primary loan servicing option, homestead protection, debt settlement, appeal procedures the application process and a copy of forms relevant to an application. While not statutorily mandated to do so, FSA also provides notice of loan servicing to current borrowers when they become aware they

will be unable to make their next scheduled installment, a situation referred to as financially distressed. In addition to the application forms which are approved elsewhere as noted in question \_\_\_\_, a current or financially distressed the borrower, including all members of the entity, must execute FSA-2513, Borrower Response to Notice of the Availability of Loan Servicing.

The notice provided to current and financially distressed borrower differs from that provided to delinquent borrowers in that debt write down and current market value buyout are only available to delinquent borrowers. In addition, there is no statutorily imposed 60-day time frame to submit a complete application. Those borrowers who do not apply and later become 90-days past due will again be provided notice of loan servicing as mandated.

The agency estimates that 1 borrower (or their attorney in the case of a borrower who has filed bankruptcy) will complete FSA-2513. The time to complete FSA-2513 is estimated at 30 minutes which includes the time required to read the notice of availability of servicing provided on FSA-2512, as well as execute FSA-2513.

### **FSA 2515, Borrower Response to Notice of the Availability of Loan Servicing**

7 CFR 766.102(a)(1), 7 CFR 766.302(a) & (b)

FSA loan and security instruments include provisions with which the borrower must comply such as operating the security for the loan and graduating to commercial credit when it is available. A borrower that fails to comply with the provisions of their loan and security instruments is considered to be in nonmonetary default and is subject to liquidation. As mandated by section 331D of the Act, FSA must provide notice of the availability of loan servicing prior to initiating any liquidation or foreclosing on property. As with delinquent borrowers, the provisions of the Act require that notice include a summary, including eligibility criteria, of all primary loan servicing option, homestead protection, debt settlement, appeal procedures the application process and a copy of forms relevant to an application. In addition to the application forms which are approved elsewhere as noted in question \_\_\_\_, a borrower in nonmonetary default, including all members of the entity, must execute FSA-2515, Borrower Response to Notice of the Availability of Loan Servicing.

The notice informs the borrower the nonmonetary default must be cured prior to receiving loan servicing and that debt write down and current market value buyout are only available to delinquent borrowers. Completion of the FSA-2515 ensures that the borrower is aware of the statutorily imposed 60-day time frame to submit a complete application.

The agency estimates that 1 borrower (or their attorney in the case of a borrower who has filed bankruptcy) will complete FSA-2515. The time to complete both FSA-2515 is estimated at 30 minutes which includes the time required to read the notice of availability of servicing provided on FSA-2514, as well as execute FSA-2515.

### **FSA-2518, Acceptance of Primary Loan Servicing**

7 CFR 766.106(b)(1)(i), 7 CFR 766.111(b)(1)

Section 353 of the Act allows FSA 90 days to consider, and provide written notification of the results of its consideration to, a delinquent borrower or borrower in nonmonetary default that requested loan servicing. When FSA determines the borrower meets the applicable eligibility requirements and a feasible plan was found to restructure the borrower debt, the Act provides the borrower 45 days to accept FSA's offer to restructure. FSA's offer is made using FSA-2517 when the borrower is delinquent or in nonmonetary default. Since the Act establishes a limitation of not more than one debt forgiveness, and further limits the eligibility for loans to borrower's that have received debt writedown to only annual operating loans, FSA allows to those borrower's who qualify for restructuring with debt writedown and also have a feasible plan for restructuring at a lower debt service margin without debt writedown, to choose between the two options.

FSA uses FSA-2518 to document the borrower's acceptance of an offer to restructure with the statutorily mandated time frame.

The Agency estimates that 3 borrowers will execute FSA-2518. The time to complete FSA-2518 is estimated to be 30 minutes which includes the time required for the borrower to review FSA-2517 and the Debt and Loan Restructuring System report reflecting the calculations for the loan servicing options considered.

#### **FSA-2520, Acceptance of Primary Loan Servicing**

7 CFR 766.106(a)(1)(i)

While not statutorily mandated to do so, FSA provides notice of loan servicing to current borrowers when it becomes aware they are unable to make their next scheduled installment, a situation referred to as financially distressed. When FSA determines the borrower meets the applicable eligibility requirements and a feasible plan was found to restructure the borrower debt, the Act provides the borrower 45 days to accept FSA's offer to restructure. FSA's offer is made using FSA- 2519 when the borrower is financially distressed or less than 90 days past due. The borrower's acceptance of the offer is documented by their execution of FSA-2520.

FSA is unable to use the same notice of offer used for borrower's who are more than 90 days past due as the borrower is not subject to the statutorily mandated time- frames. FSA-2520 is similar to FSA-2518 in that it allows delinquent borrowers to choose restructuring with or without writedown, when applicable and provides the option to pay the net recovery value of nonessential assets. However, FSA-2519 and FSA-2520 clarify that the borrower will be re notified of the availability of loan servicing if they do not accept the offer and later become 90 days past due.

The Agency estimates that 1 borrower will execute FSA-2520. The time to complete FSA-2520 is estimated to be 30 minutes which includes the time required for the borrower to review FSA-2519 and the Debt and Loan Restructuring System report reflecting the calculations for the loan servicing options considered.

### **FSA-2522, Borrower Response to Denial of Primary Loan Servicing and Intent to Accelerate**

7 CFR 766.113(b)

Borrowers requesting loan servicing who are 90 days past due on their FSA debt, or are in nonmonetary default, must develop a feasible plan and meet certain statutory eligibility requirements. When a borrower is unable to meet one or both of these conditions, FSA notifies the borrower of their right for Current Market Value buyout, if applicable, whereby the borrower has 90 days to pay the Agency the market value of loan security, less prior liens. The borrower is also notified of their right to request reconsideration, mediation, and appeal to the national Appeals Division as required by 7 CFR parts 11 and 780, as well as the opportunity to request negotiation of appraisal as mandated by section 353 of the Act.

FSA provides notice of available options using FSA- 2521. The borrower notifies FSA of requested actions by executing FSA- 2522.

The Agency estimates that 3 borrowers will complete FSA- 2522. The time to complete the form is estimated to be one hour, which includes the time required for the borrower to read about and evaluate their options described in FSA- 2521, and review the Debt and Loan Restructuring System report reflecting the calculations for the loan servicing options considered.

### **FSA-2524, Borrower Response to Denial of Primary Loan Servicing**

7 CFR 766.106(a)(2)

Borrowers requesting loan servicing who are financially distressed or less than 90 days past due on their FSA debt must develop a feasible plan and meet certain eligibility requirements. When a borrower is unable to meet one or both of these conditions, FSA notifies the borrower of their right for Current Market Value buyout, if delinquent and applicable, whereby the borrower has 90 days to pay the Agency the market value of loan security, less prior liens. The borrower is also notified of their right to request reconsideration, mediation, and appeal to the national Appeals Division as required by 7 CFR parts 11 and 780, as well as the opportunity to request negotiation of appraisal as mandated by section 353 of the Act.

FSA provides notice of available options using FSA-2523. The borrower notifies FSA of requested actions by executing FSA-2524. While FSA-2524 is substantially similar to FSA-2522 the forms distinguish whether or not the borrower is 90 or more days past due or in nonmonetary default, which may ultimately result in liquidation as opposed to a borrower less than 90 days past due who will be re-notified of the availability of loan servicing should they become 90 days past due.

The Agency estimates that 1 borrower will complete FSA-2524. The time to complete FSA-2524 is estimated to be one hour, which includes the time required for the borrower to read about and evaluate their options described in FSA-2521, and review the Debt and Loan Restructuring System report reflecting the calculations for the loan servicing options considered.

## **FSA-2526, Borrower Response to Notice of Intent to Accelerate**

7 CFR 766.355

Section 331D of the Act provides borrowers who are 90 or more days past due, or are in nonmonetary default, must respond within 60 days of receipt of FSA's notification of available loan servicing programs. Section 353 of the Act provides borrowers who are 90 or more days delinquent or in nonmonetary default that meet applicable eligibility requirements and develop a feasible plan must accept FSA's offer for loan restructuring within 45 days. If the borrower does not respond to the initial notification, or does not accept the offer to restructure, FSA notifies the borrower of its intent to accelerate.

The notice of intent to accelerate is considered an adverse action under 7 CFR parts 11 and 780. Therefore, FSA must offer the borrower the option of requesting reconsideration, mediation and/or appeal to the National Appeals Division. In addition, borrower's that were offered restructuring, FSA must offer negotiation of appraisal, if applicable, as mandated by section 353 of the Act. FSA notifies the borrower of available options using FSA- 2525. The borrower notifies FSA of requested options by executing FSA-2526.

The Agency estimates 3 borrowers will complete the form. The time to complete FSA-2526 is estimated to be 10 minutes which includes the time required to review FSA-2525 describing the available options.

## **Non-Forms**

### **Written Request for Disaster Set-Aside**

7 CFR 766.54(a)

A borrower who operated in a county designated or declared a disaster area, or contiguous county, who is unable to make all or a portion of the first or second payment due after the disaster may request the amount of the payment that cannot be made to be set-aside. The set-aside portion of the payment becomes due on or before the final due date of the loan. To be considered for Disaster Set-Aside, the borrower, including each member of the entity, must make a written request for consideration. The Agency estimates that 3 borrowers will request consideration. The time to prepare the request is estimated to be 15 minutes.

### **Additional Information Needed to Determine Eligibility for Disaster Set-Aside**

7 CFR 766.54(b)(2)

To be eligible for Disaster Set-Aside, the borrower must submit financial records for the for the production cycle during which the disaster occurred. Approval of the collection of financial information financial information was obtained with the approval or FSA-2037 and FSA-2038. The Agency' regulation also allows for the Agency to request any additional information needed to determine the borrower's eligibility, such as documentation that nonmonetary default has been, or will be, cured prior to approval of Disaster Set-Aside. The need to request additional

information is highly unusual. Therefore, the Agency estimates that five percent of the 3 borrowers (1 borrower) approved for Disaster Set-Aside will be required to provide such information. The estimated time for the borrower to provide copies of any requested information is 15 minutes.

### **Travel time**

FSA estimates that borrowers required to provide information under this information collection docket will travel twice, once to the FSA office to complete the loan servicing application and a second time to complete the closing of the approved loan servicing request. Therefore, the agency estimates that each visit will require one hour per visit (6 x 1 hr per visit x 2 visits) and this information collection docket imposes on the respondents 12 hours of travel time.

**Note:** There is no travel time imposed on lenders or financial institutions providing information on behalf of the borrower, or to purchasers of agricultural products.

### **Information Collections Approved Under Other Control Numbers**

<b>CFR Citation</b>	<b>Description</b>	<b>Approved Under</b>
7 CFR 766.52(a)(2) 7 CFR 766.52(a)(4) 7 CFR 766.53(a)(2) 7 CFR 765.54(b)	Documentation the borrower does not have the ability to pay all expenses and creditors due to circumstances beyond their control using FSA-2038.	0560-New 7 CFR 761
7 CFR 766.52(a)(5)	Documentation the borrower has a feasible plan for next operating plan after receiving disaster set-aside using FSA-2038.	0560-New 7 CFR 761
7 CFR 766.52(a)(7) 7 CFR 766.54 (a)	Written request for disaster set-aside and certification the borrower is not ineligible due to crop insurance violation on FSA-2001 or similar format.	0560-New 7 CFR 764
7 CFR 766.56	Borrower pledging lien on all assets using FSA-2028 and/or FSA-2029.	0560-New 7 CFR 764
7 CFR 766.102(a)(2)	Application, FSA-2001, requesting primary loan servicing.	0560-New 7 CFR 764
7 CFR 766.102(a)(2)	Entity member financial statements, using FSA-2037, when entity requests primary loan servicing.	0560-New 7 CFR 761
7 CFR 766.102(a)(3)	Most recent three years financial records on FSA-2002 and copy of applicable tax returns.	0560-New 7 CFR 761
7 CFR 766.102(a)(3)	Copy of tax return documenting capital improvements claimed for shared appreciation recapture reduction were capitalized.	0560-New 7 CFR 761
7 CFR 766.102(a)(4)	Three years of production records on FSA-2003 for borrower's requesting primary loan servicing.	0560-New 7 CFR 761



**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 decisions for adopting this means of collection. Also describe any consideration of information technology to reduce burden.**

Information collections obtained using agency forms may be submitted electronically provided the applicant has obtained and activated a USDA account with Level 2 access that allows for electronic submissions. All forms that the applicant has to complete in their entirety, or review and execute, are posted on the e-Gov website at <http://www.sc.egov.usda.gov>. For forms the applicant is required to complete in their entirety, the fillable version of the form, as well as detailed instructions on completing the form, are included on the e-Gov website. Forms prepared by the agency, that the public simply reviews and signs, are also provided on the e-Gov website. However, in lieu of detailed instructions for completing those forms, the instructions simply state that the forms are provided on the website for information purposes only.

Non-form information collections require providing copies of documents in the applicant's possession or providing written replies to agency requests or offers. Non-form collections, as well as all agency forms, may be submitted in person at the local agency office, by mail, or by facsimile. Further, applicants with established Level 2 accounts may provide non-form information collections as any kind of non-executable attachments, such as PDF, doc, xls, or text formats.

Even though forms are available on the e-Gov forms website, previous input by public on this information collection package indicated that very few applicants and borrowers utilize this option. Most respondents stated that they obtain and return forms and non-forms to the agency office as they feel a person-to-person meeting is beneficial. The information required from applicants and borrowers is mainly financial in nature, and farmers are not comfortable with providing it through electronic means, notwithstanding the adequacy of agency security safeguards in place. Most of the agency's applicants and borrowers reside in rural areas, which often do not have access to high speed internet connection. Moreover, applicants and borrowers often seek additional clarification and explanation of the requirements, as well as explanation of the consequences of not complying with the requirements, from agency officials.

Lastly, even though USDA and the agency have publicized and provided information in outreach materials, during stakeholder meetings, as well as agriculture-related meetings and symposiums, on the option to provide information electronically, applicants and borrowers still prefer going to the agency office to obtain forms and information on how to apply for loans and servicing than obtaining forms and information from the internet. Therefore, the agency estimates that less than one percent of responses will be provided through the internet.

As noted above, electronic signature authentication is currently limited to applicants and borrowers who have obtained and activated a USDA account with Level 2 access. Therefore, all third parties (including lenders, providers of borrower training, etc.) that provide information to the agency on behalf of the applicant or borrower do so in paper format, as they cannot submit

information electronically nor is there the ability to provide all third parties with a USDA account with Level 2 access.

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

The final rule restructures the CFR parts pertaining to FLP. Existing CFR parts have been consolidated to remove duplicative requirements. Much of the remaining burden established in this regulation is required under the provisions of the Act which mandates specific actions be taken when making and servicing loans to FLP borrowers.

Agency personnel with expertise in making and servicing loan have reviewed the information collections required under this CFR part for eliminating any duplication or unnecessary collections of information. The information contained in this collection is made part of the case file and, when reasonably current, may be used in lieu of re-submission by the applicant or borrower; however, financial information that is collected at another time may be dated and not useful for the specific action being considered. Various program areas within FSA share data; however, information collections established in this regulation would typically not be available from another agency. Therefore, the potential to share data is limited.

**5. Methods to minimize burden on small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods to minimize burden.**

The agency has made every effort to minimize burden on small businesses and small entities. The agency only requires collection of information when necessary to act on an applicant or borrower's request for assistance. The information required by this regulation is financial in nature and similar to that required to complete Federal tax returns, make business decisions or to obtain a loan from any commercial lender. Thus, it places no additional burden on small businesses above that required in the normal course of business.

**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 agency is mandated to provide supervised credit; therefore, failure to collect the information, or collecting it less frequently, could result in the failure of the farm operation or loss of Agency security property. The collection of information is required as a result of an applicant or borrower's specific request, is obtained on an as-needed basis, and is used to document the applicant or borrower's eligibility for the requested benefit. Accurate decisions, when making a loan or servicing an account, largely depend on current financial information and actual history and the potential of the farming operation to carry out the purposes for which the loan was made. There is no regular reporting schedule related to the information collection requirements in this part. If the information were not collected, or collected less frequently, the agency would be unable to meet the Congressionally-mandated mission of its loan programs.

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

- a. Requiring respondents to report information more frequently than quarterly. There are no information collection requirements that require information more frequently than quarterly.
- b. Requiring written responses in less than 30 days. There are no information collection requirements that require written responses in less than 30 days.
- c. Requiring more than an original and two copies. There are no information collection requirements that require more than an original or single copy of a document.
- d. Requiring respondents to retain records for more than 3 years. There are no such requirements.
- e. No utilizing statistical sampling. There are no such requirements.
- f. Requiring the use of statistical sampling which has not been reviewed and approved by OMB. There are no such requirements.
- g. Requiring the pledge of confidentiality. There are no such requirements.
- h. Requiring submission of propriety trade secrets. There are no such requirements.

**8. Describe efforts to consult with persons outside the Agency to obtain their view on the availability of data, frequency of collection, the clarity of instructions and record keeping, disclosure, or reporting format (if any), and on data elements to be recorded, disclosed, or reported.**

This is a new information collection package. The 60-day public comment notice has been incorporated into the proposed rule that was published in the Federal Register.

FSA maintains close contact with borrowers through FSA's general field representatives (GFR) and a headquarters' staff. GFR's have direct personal contact with the borrower in connection with the fulfillment of FSA requirements. GFR's will pass on any substantive comments to the headquarters staff. FSA staff is readily available to the Agency's customers. FSA works closely with commercial lending institutions and a nationwide network of lending institutions as part of the Farm Credit System, which provides supplemental loan funds to borrowers.

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

There are no payments or gifts provided to respondents.

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

FSA forms that serve as collection instruments contain a Privacy Act statement identifying circumstances under which the information collected may be released. This statement is based on the Privacy Act, the Freedom of Information Act and the FSA System of Records that has been published in the Federal Register. Agency policies, as well as a copy of the System of

Records, are published in FSA handbooks 2-INFO and 3-INFO. No further assurance of confidentiality is provided to applicants or borrowers.

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

The information collected is of a financial nature. As a condition for the receipt of program benefits, applicants and borrows must provide total disclosure of income data and a history of their business dealings that is often considered sensitive. Regardless, the information is required to properly document the agency’s decision pertaining to loan making and servicing actions.

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

The estimate of the hour burden of the information collections is as follows:

Total Number of Unduplicated Respondents.....	5
Reports Filed Per Person.....	3.6
Total Annual Responses.....	18
Total Annual Burden Hours.....	26
Average Burden Per Collection..... (26/18).....	87 Minutes
Per Respondent..... (26/5).....	5.2 Hrs.

The estimate of annual cost for the information collections is as follows:

Respondent’s Cost per Hour - Farmers-Applicants	\$20.53
Total Annual Respondent Cost Farmers	14 Hrs. x \$20.53 = \$ 287

Respondent cost per hour was derived by using U.S. Bureau of Labor Statistics Occupational Employment and Wages, May 2009, Table 11-9012-Farmers and Ranchers. The U.S. mean household income, as measured by the Bureau of Labor is \$49,140 annually or \$20.53 hourly.

The proposed rule will govern the processing of direct loans made under the EM-Equine Loss Loan Program and requires these collections. The agency estimates a maximum of 34 loans will be made each fiscal year under the EM-Equine Loss Loan Program. Cost per hour for all respondents was derived from the U.S. Department of Labor’s Occupational Employment and Wages, May 2009, tables which are found at the Bureau of Labor Statistics website at <http://stats.bls.gov/oes>.

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

The regulations and associated information collection place no cost burden cost respondents for capital, start-up cost, operation, maintenance, or the purchase of services.

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

The estimated annualized cost to the Federal Government is: \$140,896.00 (3,808 hrs. x \$37.00)

Averaging the GS-9 through GS-12 (2010 RUS-Salary Table) salaries indicates an average employee salary of \$56,480 per year. Standard adjustments recommended by FSA's Budget Division of 33.3% are added for benefits and miscellaneous expenses (\$18,808), for a total average cost for a Farm Loan Program employee salary of \$75,288 per year, which divided by 2080 hours equals an hourly salary of \$36.19. (Rounded to \$37.00)

<http://www.opm.gov/oca/10tables/pdf/RUS.pdf>

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

This is a new information collection for the Emergency Equine Loss Loan Program.

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

The information collections required under this regulation will not be tabulated or published.

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

While FSA forms are made available electronically at [www.sc.egov.usda.gov/](http://www.sc.egov.usda.gov/), hard copies of each form are also maintained in State and County Offices. Displaying the expiration date results in the need to dispose of existing supplies and reprinting of the form with the new expiration date each time the approval is renewed. This increases printing costs for the Agency and results in the need to revise forms posted to the website.

**18. Explain each exception statement to the certification statement identified in Items 19 and 20 on OMB Form 83-I.**

There are no exceptions requested.

**19. Explain how this information collection relates to the Secretary of Agriculture's Service Center Implementation Team initiative.**

Agency employees collect the required information from the applicant or borrower. Information collected is program specific and would not be part of one-stop shopping, except for basic information dissemination between Service Center agencies. Employees utilize information already available at the Service Center and work directly with other FSA programs and USDA agencies to minimize the amount of information collected from applicants and borrowers. Information collected is stored at the Service Center.