

SUPPORTING STATEMENT  
U.S. Small Business Administration  
Paperwork Reduction Act (PRA) Submission for  
Immediate Disaster Assistance Program (IDAP) – Payment Reporting

**JUSTIFICATION**

This information collection (IC) was previously submitted on September 20, 2010, for a new loan program, the Immediate Disaster Assistance Program. SBA received approval for this information collection for six months expiring on March 31, 2011. This request is to extend the use of the information collection. There are no changes since the previous submission.

1. Circumstances Necessitating the Collection of Information

*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 applicable section of each statute and regulation that mandates or authorizes the collection of information.*

Subtitle B—Small Business Disaster Response and Loan Improvements Act of 2008 of the Food, Conservation, and Energy Act of 2008 (P.L. 110-246) authorizes the Small Business Administration to guarantee loans made by lenders to small businesses that have experienced a physical or economic disaster in a federally declared disaster area but have not yet received the proceeds from an application for a direct SBA disaster loan. This authority is codified in section 42 of the Small Business Act, 15 U.S.C. 667n. (A copy of this provision is attached)

This information collection sets forth the specific reporting elements necessary to monitor the program effectiveness while insuring the highest level of funds control for the benefit of the federal taxpayer. The data elements to be collected are identified on Attachment 1 to this submission.

2. How, By Whom, and For What Purpose Information Will Be Used

*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 information collected is used by program managers, top Agency management, and government entities with oversight authority over SBA primarily for loan monitoring, portfolio risk management, and lender oversight. These groups use the data to determine how effective SBA's loan programs are in meeting the needs of various geographical, demographical, and industry markets and segments and to evaluate the safety and soundness of SBA's loan programs and policies. SBA uses the information to report to its various oversight authorities regarding the number, dollar volume, and portfolio payment performance characteristics of its IDAP loan program. This information collection also enables SBA to meet various statutory, regulatory or administrative requirements imposed by the Federal Managers Financial Integrity Act (FMFIA) 31 U.S.C. 3512 *et. seq.*, and OMB Circulars A-123 (Management's Responsibility for Internal Control); and A-129 (Policies for Federal Credit Programs and Non-tax Receivables).

3. Technological Collection Techniques

*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.*

This data collection will only apply to disbursed loans made by lenders under this program, and will be filed electronically via SBA's E-tran (electronic transmission) system.

**4. Avoidance Of Duplication**

*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 information collected is unique to each individual loan applicant and the circumstances and conditions of its loan disbursement and repayments, so there are no other sources of the information. SBA sought to minimize the burden on the lender by providing an electronic interface for updating loan accounts. This will speed the delivery of information at little or no cost to lender participants.

**5. Impact On Small Businesses Or Other Small Entities**

*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.*

This information collection does not impact small businesses other than those lenders making loans and it is limited to 934 loan approvals during the pilot phase of the program. The Agency anticipates no more than 50 7(a) participating lenders will be receiving applications for IDAP loans during that time. This information collection will not have a significant economic impact on this small number of lenders.

**6. Consequences If Information Is Not Collected**

*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.*

Failure to collect this information would severely limit SBA's ability to measure how effective the program is in meeting the statutory goals of the program and to assess whether program funds are being managed properly.

**7. Existence of Special Circumstances**

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

To remain fully abreast of the financial condition of the loan portfolio originated by the participants, it is incumbent on SBA to require monthly submission of loan payment data. This monthly reporting process mirrors the payment cycle of the underlying loans, allowing the Agency to readily determine the financial risk borne by the Agency from its participants.

**8. Solicitation of Public Comment**

*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 Summarize public comments received. Describe efforts to consult with persons outside the agency to obtain their views on: availability of data, frequency of collection, clarity of instructions, etc...*

A Federal Register Notice requesting comments from the public was published on October 4, 2010, 75 FR 191. The comment period expired December 3, 2010. No comments were received.

## **9. Payments or Gifts**

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

No gifts or payments are provided to any respondents.

## **10. Assurance of Confidentiality**

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

SBA has incorporated various statements required by law and executive orders into the Attachment to this submission to advise each respondent of among other things, the protections against disclosures of sensitive and confidential information under the Freedom of Information Act (5 U.S.C Section 552), Right to Financial Privacy Act of 1978 (12 U.S.C. Section 3401), and other significant executive orders or legislation governing federal financial assistance. SBA will protect the information collected to the extent permitted by law. The Agency also has a Privacy Act System of Records, SBA System 21 – Loan System that covers this information. See 74 FR 14890 (April 1, 2009), a copy of which is attached.

## **11. Questions of a Sensitive Nature**

*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.*

Each SBA loan uses a unique loan identification number that must be collected in this process in order to track borrower payments. This data may be subject to release through a Freedom of Information Act request, however, no payment and personal identification information would be released.

## **12. Estimate of the Hourly Burden of the Collection of Information**

*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.*

It is expected that approximately 467 of the 934 projected loans will be subject to monthly reporting at any one time, and that lenders would take no more than 5 minutes per loan to update the payment status of the loan account. SBA anticipates 50 respondents will participate in the introductory phase of the program. If the estimate of 467 loans is spread across 50 respondents, we would expect each lender to report on approximately 9 loans each month. This would result in an average hourly burden of 45 minutes monthly for each lender. Annually, we would expect lenders to file 12 reports per loan, and assuming 467 reported loans per month at 5 minutes per loan we would expect a total of 467 hours of burden for the total 5604 responses.

The hour cost burden is based upon an estimate of the hourly wage rate of lender staff assigned to completing this task. If performed within SBA, this task would be assigned to an individual employed as a GS-9 on the General Services annual wage scale for federal government employees. That scale identifies a midpoint base wage of \$ 22.57 per hour for a GS-9 employee. Multiplying this hourly wage by the 467 hours of burden results in a total annual cost burden of \$10,540.

**13. Estimate of Total Annual Cost**

*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 are nominal start-up or other costs associated with this information collection. Given the small number of loans expected from the introductory phase of the new program, the ease of electronic filing of this information collection and the current investment respondents have already made to report on their existing 7(a) loan portfolio, we estimate a total annual cost burden of no more than \$11,000, consisting of \$10,000 in capital/startup costs, and \$1,000 in additional management

**14. Estimated Annualized Cost to the Federal Government**

*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.*

There will be no appreciable costs as a result of this information collection. All reports will be submitted electronically by SBA's delegated lenders through an existing electronic loan data submission system.

**15. Explanation of Program Changes in Items 13 or 14 on OMB Form 83-I**

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

There are no changes or adjustments.

**16. Collection of Information whose Results will be Published.**

*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.*

Except for summary data that might be included in various agency reports (e.g., number or percentage of loans processed) this information will not be published.

**17. Expiration Date for Collection of this Data**

*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.*

Not applicable; expiration date will be published.

**18. Exceptions to the Certification in Block 19 on OMB Form 83-I**

*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. Collection of Information Employing Statistical Methods.**

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

Not applicable.