OPIC-115

OMB-3420-00015

Application for Financing

SUPPORTING STATEMENT FOR APPROVAL

A. Justification

1. Legal authority for this information collection is found in 22 U.S.C, Section 234 (d) of the

Foreign Assistance Act (FAA) of 1961, as amended. This application is sent to U.S.

companies and individuals requesting financing under OPIC's finance program (Structured

Finance and Small and Medium Enterprise Finance). The information provided is reviewed

by OPIC finance officers to determine the soundness of the proposed project and the

applicant's qualifications for receiving OPIC financial assistance. The information

collected through the OPIC-115 form enables OPIC to comply with it’s congressional

mandate to manage the program in a prudent manner.

Proposed amendments to OPIC-115 form:

• Create an on-line "smart form"

At present, the on-line OPIC-115 is a series of fields similar to a "fillable PDF" that

looks very much like the original paper form. The new on-line version of the form

will have programming that will guide the applicant through the form, showing the

applicant only those questions that are relevant to them. OPIC believes that this

will be a much more user-friendly and efficient format.

• Divide the form into two forms

Previously, the OPIC-115 collected both a) eligibility and financial viability

information and b) policy information (developmental, U.S. economic effects,

environmental, worker rights). The updated OPIC-115 is significantly shorter and

focuses only on the eligibility and financial viability information. This allows the

applicant to quickly and efficiently convey the information that OPIC needs to

broadly determine whether a project financing request fits within its programmatic

guidelines. If yes, then the applicant would be directed to complete the OIP

Questionnaire that collects the policy information.' If no, the process would end

there, saving time and cost for both the applicant and OPIC.

• Eligibility questions more specific and effective

Previously, the OPIC-115 asked for a list of all ultimate beneficial owners

(Question 3) and some demographic information about any U.S. owners (Question

4). Applicants were often confused about the definition of "ultimate beneficial

owner" and had difficulty representing the project ownership structure in the fields

provided. Moreover, the form did not make clear the significance of the

I Please see concurrent submission of OPIC-248.

demographic question regarding U.S. small businesses. The updated OPIC-115: a)

provides clearer directions and a more user-friendly chart for answering Question 3,

b) adds a new Question 4 that allows the applicant to provide information on the

scope and nature of U.S. private sector involvement with the project, and c) makes

clear the purpose of the demographic information now asked in Question 5. This

clearer, three-question structure on the nature of the project ownership and U.S.

involvement will allow OPIC personnel to determine the eligibility of the project

much more efficiently and reduce or eliminate the need to go back to the applicant

with numerous follow-up questions. These amendments will save time and cost for

both OPIC and the applicants.

• Project description question provides more guidance

The question where the applicant provides a description of the project (now

question 6) is now organized into three sub-sections that explain to the applicant

exactly what areas to address in order to provide the information that OPIC is

seeking. This amendment should make it more efficient for the applicant and more

informative for OPIC.

• Project cost categories are not prescribed

The question on project costs used to include a prescribed list of the types of project

costs. Applicants bring many different types of projects to OPIC, and the prescribed

list is not applicable to all of them. Leaving the list open for the applicant to

determine the cost categories are more inclusive and less prescriptive.

• Collateral question is clearer, more user-friendly

The question regarding collateral or other credit support provides a clearer

description of the information that OPIC is seeking and allows the applicant to

efficiently choose the types of collateral or credit support from a checklist.

• Addition of question on alternative sources of funding

OPIC must demonstrate that its products are not competing with comparable private

sector products. OPIC has asked such questions explicitly in its political risk

insurance application form (see OPIC-52) for many years. With regard to the

financing products, OPIC personnel have asked the questions informally/verbally.

In order to increase consistency across OPIC's forms and to allow the finance

program to elicit the information more formally and consistently, a section on

alternative financing has been added to OPIC-115. It should only take a couple

minutes for applicants to provide answers.

• Addition of question on how applicant learned about OPIC

In order to gauge the effectiveness of OPIC's communications with potential

applicants, the revised OPIC-115 includes a question on how the applicant learned

about OPIC programs. Information elicited through this question will help OPIC to

improve its communications and better serve future applicants.

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• Edit to Supporting Documentation List

The supporting documentation list for OPIC-115 used to include hard copies of

relevant Sponsor Disclosure Report(s) (OPIC-129). Since OPIC-129 will become a

user-friendly on-line form, 2 it will no longer be included in the list of supporting

documentation that the applicant must "attach" to the OPIC-115.

2. On an annual basis, OPIC receives approximately 250 applications from U.S. companies.

The information collected is used by OPIC finance officers and analysts to determine the

eligibility of the investor and the project for financial assistance. OPIC collects one

response per project. OPIC continues to rely on the material representations provided by

the investor in the OPIC-115 in its determinations.

3. Using a standard form, the collection of information enables OPIC to "log" and track all

applicant data in a consistent manner, improve internal information management

procedures and more efficiently respond to each applicant. The Agency is performing

business process and technical re-engineering on all business practices and information

submissions to minimize the burden and reduce expenses for both the applicants and

OPIC. The next stage of this process is to allow the applicant to complete all forms on-line,

link forms so that information provided in one form will auto-populate certain sections of

other forms, and makes forms into "smart forms" so that applicants will only see questions

that is applicable to them. The use of a web-based application will also enable valuable

pop-up definitions and explanations and webpage links that should both facilitate the

applicant's answers and help assure the data submitted accurately reflects the intent of the

question asked.

4. The information collected is not duplicated elsewhere. The information is not already

available in any other electronic form and would not be requested by another federal agency

or lending institution since it is applicable solely to OPIC's finance program.

5. OPIC's applicants include both large and small businesses. The same questions are asked of

all applicants and require only brief answers. As discussed above, significant efforts are

being made to make questions clearer and information input easier, reducing the burden on

the applicant.

6. Without a form to collect the information, the amount of staff time needed to gather the

requisite information would be significantly greater and would result in multiple requests

for information for program users. This would reduce the amount of time that could be

devoted to credit underwriting, marketing OPIC programs and analyzing the monitored

projects, thereby reducing the productivity and administrative efficiency of the finance

program.

7. No special circumstances exist that require the information collection to be conducted in a

manner inconsistent with the guidelines of the Paperwork Reduction Act and OMB's

implementing regulations.

2 Please see concurrent submission of revised OPIC-129.

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8. The first Federal Register Notice was published on November 29, 2011. OPIC did not

receive any public comments in response to this notice. The second Federal Register

Notice is expected to be published on January 30, 2012.

Several experienced finance program staff who have assisted many applicants as they

completed the OPIC-115 provided input on how to make the form easier for applicants to

understand and complete.

9. No payments and gifts are offered to respondents.

10. OPIC provides respondents the assurance of confidentiality by labeling the bottom of each

page of the OPIC 115 form with the phrase, "Confidential Commercial Information".

Client information contained in this questionnaire will be deemed designated as

confidential commercial information in accordance with OPIC's Freedom of Information

Act (FOIA) regulations (22 CFR part 706) and will be treated as confidential to the extent

permitted under FOIA.

11. Not applicable None of the questions on this form are-of a sensitive nature.

12. The estimated burden of collecting this information is as follows:

250 respondents

x 1 per respondent

250 total annual responses

x (0.75 hours per average respondent)

187.5 respondent hours

x $75/hour for personnel, record-keeping, overhead

$14,062.50 total cost to respondents

Annual reporting is not required. Information is only collected once per investment.

In order to determine the burden to respondents in filling out the revised OPIC finance

application (OPIC-115), the following methodology was used: The previous estimate for

filling out Part I of the OPIC-115 was 45 minutes. The revised OPIC-115 is essentially the

Part I questions, amended as noted in question 1 above. Though a couple of questions have

been added, the questions overall have been made clearer and input of the answers should

be made easier by the design of the input fields. Therefore, we believe that the estimate of

45 minutes is still valid.

13. The estimated annualized cost to respondents is as follows:

(a) Total capital and start-up costs: $0

(b) Total operation and maintenance costs: $0.

All costs associated with the form are part of the normal cost of doing business. Since all

submissions will be electronic and stored on OPIC's secure servers, there will be no

postage or storage costs.

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14. The estimated annualized cost to the Federal government is 250 responses x 1 hour. Using

an average cost of $50.41 (a GS-14/1) to review these applications, the total cost to the

Federal government is estimated to be $12,602.50 (250 x 1.0 x $50.41).

15. The number of total respondents 250 is based on the approximate number of companies

formally applying for OPIC finance each year. As discussed above, the 0PIC-115 is being

split into the OPIC-115 and the OPIC-248, so the time estimates and costs have been

divided accordingly.

16. Not applicable. Information provided in the application is not published or made public in

any way.

17. Not applicable. The OMB expiration date will be printed on each form.

18. Not applicable. No exceptions are being requested on the certification statement.

B. Timing of Form Effectiveness

OPIC's IT department is scheduled to complete the development of the "smart form" platform by

Fall 2012, so that is when OPIC would expect to begin using the revised OPIC-115. However,

this timing may be delayed for unforeseen reasons, so OPIC asks that OMB consider the current

OPIC 115 to be effective until OPIC notifies OMB that the revised on-line OPIC-115 platform is

ready for use by applicants.