

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 its 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

¹Please 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 OPIC-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.