

JUSTIFICATION

For Non-substantive Change

OMB No. 0570-0051

Section 6029 of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171) amended the Consolidated Farm and Rural Development Act (the "Act," 7 U.S.C. 2009cc) by adding "Subtitle H -- Rural Business Investment Program" ("RBIP") to be established by the Secretary of the U.S. Department of Agriculture (USDA).

The purpose of the RBIP, as stated in the Act, is to promote economic development and the creation of wealth and job opportunities in rural areas and to establish a developmental venture capital program, with the mission of addressing unmet equity investment needs of small enterprises located in rural areas. Section 384Q of the Act, as amended, requires the Secretary of USDA to enter into an interagency agreement under the Economy Act (31 U.S.C. § 1535) with "another Federal agency" that has "considerable expertise in operating a program under which capital is provided for equity investments in private sector companies." Further, the Joint Explanatory Statement of the Committee of Conference on the Farm Security and Rural Investment Act of 2002 states that, "Sec. 384Q requires the Secretary to enter into an interagency agreement with the Small Business Administration to carry out the day-to-day management and operation of the RBIP" (House Report 107-424, at page 150).

We are requesting that two new additional forms be added to this burden package. The forms are Form RD 4291-1, Rural Business Investment Program (RBIP) Rural Business Investment Company (RBIC) Application Part 1, Management Assessment Questionnaire (MAQ) and Form RD 4290-2, Rural Business Investment Program (RBIP) Rural Business Investment Company (RBIC), Part II, Exhibits.

Originally, the applicant could only apply for the program under the leverage option, however, this has changed. The respondents have been divided into different groups. The program was modified through a rule back in December 2011 to allow the program participants to be leveraged or non-leveraged. The leveraged applicants will continue to fill out the SBA forms 2241 and 2242.

The non-leverage applicants, on the other, will use the new RD 4290-1 and 4290-2. The required information for the non-leveraged applicant is a little different so new forms were created. The number of hours to fill out the new forms is also a little different than the SBA forms. It actually requires less time for the new forms. Due to the lack of funding at the present time, this change is not expected to change the overall burden associated with the package.