

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 form will be completed by both U.S. and non-U.S. individuals (but not companies) who are providing equity or collateral support to projects that may receive debt funding from OPIC's finance program (Structured Finance and Small and Medium Enterprise Finance). The information provided is reviewed by OPIC finance officers to determine if those individuals have sufficient financial wherewithal to meet their expected obligations under the proposed terms of the OPIC financing. The information to be collected through the OPIC-254 form will enable OPIC to comply with its congressional mandate to manage the program in a prudent manner.

Previously, OPIC has used the Small Business Administration's Personal Financial Statement form (OMB Approval number 3245-0188) to elicit personal financial information from individual project sponsors. However, OPIC has determined that SBA's form is no longer satisfactory for OPIC's use because:

- OPIC and SBA require different information for the administration of their programs.
  - SBA's form has not been a good fit for OPIC clients for quite a while. OPIC requires in-depth information regarding potentially-complex international asset holdings, and SBA's form does not include that. Moreover, the SBA is unlikely to add that to their form because it wouldn't be applicable to their U.S. small business clients.
  - The reason that the information that OPIC and SBA is asking for is different (even though both are asking about assets, liabilities and income) is that the base of respondents is entirely different. The information that SBA collects is sufficient for their needs considering that their client base consists of U.S. small business owners. However, given that the sponsors of OPIC-supported projects can be either U.S. or foreign individuals making international investments and that they may have complex asset structures located in multiple countries, OPIC needs more detailed information in order to perform an adequate analysis on the creditworthiness of individual project sponsors.
  - Because OPIC and SBA's client bases are so different, it would be extremely unlikely that any particular individual would ever fill out both forms and OPIC and SBA do not work together or collaborate on projects.
- A form specific to OPIC programs is more efficient and user-friendly.
  - The instructions that are now integral to SBA's form are specific to SBA programs and do not apply to the sponsors of OPIC-supported projects. The sponsors of OPIC-supported projects could be confused by SBA instructions that are not

applicable to them. Having an OPIC-specific form will be more user-friendly to the clients.

- OPIC wants to integrate this form into the on-line system in which our clients fill out all their other forms. So, for instance, one OPIC Form 115 (Application for Financing) might have multiple OPIC Form 254s associated with it (since there may be multiple individual project sponsors who need to fill out the Form 254). SBA's form is only in PDF format.
2. The personal financial statement is considered supporting documentation to the OPIC application for financing, but it is only requested if a sponsor of the project being financed is an individual (rather than a corporate entity) and that individual is providing equity investment in or other credit support to the project. OPIC officers generally do not request that individual project sponsors provide personal financial statement information until the officers have already reviewed the application for financing and determined that the application has a high probability of advancing to the underwriting phase. So, though OPIC currently receives approximately 200 applications for financing on an annual basis, approximately 120 of them will make it to the underwriting phase, and half of those applications will not involve any individual sponsors. Therefore, assuming that 60 active applications have individual sponsors and that some will have more than one individual sponsor from whom the OPIC officer requires personal financial information in order to complete the underwriting, OPIC can conservatively estimate that it may elicit up to 75 personal financial statement forms per year.
  3. Using a standard, web-based "smart" form that shows respondents only those questions that are relevant to them, this collection of information will enable OPIC to log submissions and track relevant personal financial statement data in a secure manner. The use of a web-based personal financial statement form will also enable valuable pop-up definitions and explanations and webpage links that should both facilitate the sponsor's answers and help assure the data submitted accurately reflects the intent of the question asked. This is consistent with OPIC's on-going effort to engineer all business practices and information submissions to minimize the burden and reduce expenses for both the clients and OPIC.
  4. The information to be 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. The sponsors of OPIC-supported projects who may complete this form represent a wide range of nationalities and socioeconomic backgrounds. The same questions are asked of all respondents. The complexity of the answers will depend upon the financial circumstances of the individual respondent. Significant efforts have been made to make the questions clear and efficient, reducing the burden on the respondent.
  6. Without this information, OPIC would not be able to fully evaluate the ability of individual project sponsors to meet their equity contribution and project guaranty obligations. This

form provides for more in-depth analysis than a standard credit report, and in any case, many sponsors of OPIC projects are from jurisdictions where a personal credit report is not available.

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.
8. The first Federal Register Notice was published on August 28, 2014. OPIC did not receive any public comments in response to this notice. The second Federal Register Notice is expected to be published on October 30, 2014.
9. No payments and gifts are offered to respondents.
10. 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 law. Personal information belonging to an individual will not be released under the FOIA unless the information is already public or if the public interest is greater than the private interest under 5 U.S.C. § 552(b)(6).
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:  
75 respondents per year  
x (1 per respondent)  
75 total annual responses  
x (1 hour per average respondent)  
75 respondent hours  
x (\$75/hour for personnel, record-keeping, overhead)  
\$5,625 total cost to respondents
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.
14. The estimated annualized cost to the Federal government is 75 responses x 1 hour. Using an average cost of \$50.92 (a GS-14/1 DCB) to review these applications, the total cost to the Federal government is estimated to be \$3,819 (75 x 1.0 x \$50.92).
15. No adjustments. This is a new form.

16. Not applicable. Information provided in the form will not be 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.