

OMB FORM 83-I SUPPORTING STATEMENT

*PAPERWORK REDUCTION ACT SUBMISSION FOR
U.S. SMALL BUSINESS ADMINISTRATION'S (SBA)
SMALL BUSINESS INVESTMENT COMPANY (SBIC) PROGRAM*

INFORMATION COLLECTION 3245-0118

*SBA FORM 856: DISCLOSURE STATEMENT LEVERAGED LICENSEES
SBA FORM 856A: DISCLOSURE STATEMENT NON-LEVERAGED LICENSEES*

A. Justification

1. Circumstances necessitating the collection of information. The Office of Investment of the Small Business Administration (SBA) is required to examine small business investment companies (SBICs) pursuant to section 310(c) of the Small Business Investment Act of 1958, as amended, 15 U.S.C. Section 687b(c), and 13 CFR 107.690 to 107.692. The purpose of the examination as stated in the statute is to determine, in part, whether or not the SBIC has engaged “solely in lawful activities and those [activities] contemplated” by title III of the Small Business Investment Act. SBA collects information on Forms 856 and 856A as part of its effort to meet this statutory requirement.

SBA seeks OMB’s approval to extend this collection of information (approved under control Number 3245-0118). The introductory language to SBA Form 856A was changed but not in a material manner.

2. How, by whom and for what purpose information will be used. The information in SBA Forms 856 and 856A is collected by the Office of SBIC Examinations in advance of an SBIC’s annual examination and is used by SBA Examiner in all examinations of SBICs as a means of gathering information relevant to the examination. The two versions of the form are tailored to whether or not an SBIC has outstanding leverage (SBA financial assistance); since non-leveraged SBICs present no financial risk, they can use the shorter Form 856A. The information collected is similar to the type of information that an independent auditor obtains from a client through a management representation letter, as required by generally accepted auditing standards. Obtaining these written representations from management helps to avoid misunderstandings and documents management’s responsibility and accountability for key aspects of an SBIC’s regulatory compliance.
3. Technological collection techniques. The forms can be either mailed or emailed to respondents prior to a scheduled examination. Each respondent is an SBIC that is in direct personal contact with an SBA Examiner at the time the information is collected. The completed and signed forms may be returned to the examiner by fax or mail, or delivered in person when the examiner is on site.
4. Avoidance of Duplication. Questions 6 and 7 of Form 856 cover information that is also provided directly to SBA on Form 468 (Annual Financial Statement) by examined SBICs, although not as of the same date. The information collected by the

Form 856 is necessary to identify any changes that may have occurred between the Annual Financial Statement date and the examination date.

5. Impact on small businesses or other small entities. There are approximately 298 licensed SBICs, most of which are small entities. The impact of the information collection on these entities is not significant. The information is generally collected by SBA Examiners no more often than once a year from leveraged Licensees and every two years from non-leveraged SBICs. The information requested is the type of information that companies would generally maintain in the normal course of business. For non-leveraged SBICs, SBA uses a shorter form that eliminates the collection of financial disclosure information, since these companies present SBA with no financial risk.
6. Consequences if collection of information is not conducted. The collection provides information about an SBIC's operations that either is not reported at all in its financial statements or, if reported, may not be up to date at the time of the examination, including certain contingent obligations, contractual relationships, litigation, and investment transactions involving related parties. Without disclosure of this information, SBA would be unable to evaluate key aspects of an SBIC's financial health and regulatory compliance, increasing the risk of financial loss to the government and/or undetected noncompliance with laws and regulations.
7. Existence of special circumstances. This collection of information requires responses within 10 days of receipt by the respondent. The requested turn-around time is intended to minimize the time involved in the conduct of each SBIC examination. SBA is required by statute to examine each SBIC at least biennially (15 U.S.C. Section 687b). Due to limited examination staff resources, in order to comply with the statutory mandate, SBA limits the time consumed by each examination as much as possible. SBA believes that the 10-day response time balances the Agency's need to limit the duration of each examination and the time needed by SBICs to respond to the request for information.

This collection includes confidential business and financial information, which is protected to the extent permitted by law. Records are maintained under conditions designed to preclude access by persons other than Agency personnel with a need to know.

8. Solicitation of Public Comment. SBA published a notice in the Federal Register on February 25, 2015, at 80 FR 10202. The comment period ended on April 27, 2015; SBA received no comments.
9. Payment or gifts. Not applicable. No payment or gifts are provided to respondents.
10. Assurance of confidentiality. No assurances of confidentiality are given to SBICs responding to this collection of information. However, SBIC Examiners maintain the records under conditions designed to preclude access by anyone other than Agency personnel with a need to know. Generally the information collected will be protected to the extent permitted by law. The financial data in particular is protected from

disclosure under the Freedom of Information Act; specifically, exemptions 4, 6 and 8 which allow SBA to withhold financial data on individual companies.

11. Questions of a sensitive nature. The collection of information may include personal financial information, which SBA reviews to determine whether an SBIC has engaged in prohibited conflict of interest transactions. Although this information is needed to fulfill SBA's statutory responsibilities with respect to SBIC examinations, it is not retrievable by individual identifier. The Agency has reviewed the requirements of the Privacy Act and determined there is no need for a Privacy Act system of records for this collection of information.

12. Estimate of the hourly burden of the collection of information. Based on feedback from a small number of respondents, estimates of burden of collection are as follows:

Form 856:

Annual burden hours:

- Number of respondents (leveraged SBICs) – 254
- Number of responses per respondent – 1
- Estimated hours to complete the form per respondent: 0.5 hour
- Burden hours: $254 \times 0.5 = 127$ hours

Respondent's Cost for Burden Hours:

Estimated officer's salary = \$120/hour

127 burden hours x \$120/hour = \$15,240

Form 856A:

Annual burden hours:

- Number of respondents (non-leveraged SBICs) – 44
- Number of responses per respondent – 1
- Estimated hours to complete the form per respondent: 0.25 hour
- Burden hours: $44 \times 0.25 = 11$ hours

Respondent's Cost for Burden Hours:

Estimated officer's salary = \$120/hour

11 burden hours x \$120/hour = \$1,320

Total for Both Form 856 and Form 856A:

Annual burden hours:

- Number of respondents – 298
- Number of responses per respondent – 1
- Estimated hours to complete the form per respondent: 0.5 hrs (Form 856); 0.25 hrs (Form 856A)
- Burden hours: $(254 \times 0.5) + (44 \times 0.25) = 138$ hours

Respondent's Cost for Burden Hours:

Estimated officer's salary = \$120/hour

138 burden hours x \$120/hour = \$16,560

13. Estimate of total annual cost burden for submission. No start-up or operating costs.
14. Estimated annualized cost to the Federal government. Estimated cost to Government of examiner's review of completed form:
- GS-13 estimated salary: \$50/hour
 - 1 hour x 254 = 254 hours x \$50/hour = \$12,700 (Form 856)
 - 0.5 hour x 44 = 22 hours x \$50/hour = \$1,100 (Form 856A)
 - Total estimated cost to government- \$13,800
15. Explanation of program changes in Items 13 or 14 on OMB Form 83-I. SBA inadvertently submitted conflicting burden data during the last submission. Specifically, the data reported in the Supporting Statement correctly reported 300 respondents/responses and 137.5 burden hours. However, the Form 83-I data was inadvertently inputted as 600 respondents/responses and 276 burden hours. As a result, there would appear to be a significant decrease in the burden. However, in actuality there has only been a de minimis reduction in respondents/responses (aggregate total of 298 for both forms versus 300) and a de minimis increase in burden hours (aggregate total of 138 versus 137.5).
16. Collection of information whose results will be published. Not applicable. The results of this collection of information will not be published.
17. Expiration date for collection of information. Not applicable. The expiration date will be displayed.
18. Exceptions to certifications in Block 19 on OMB Form 83-1. Not applicable. There are no exceptions to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB 83-1.

B. Collections of Information Employing Statistical Methods

This collection of information does not employ statistical methods.

Attachments:

- Federal Register 60-day public comment notice
- Authorizing Statutory and Regulatory Provisions
- SBA Form 856, Disclosure Statement Leveraged Licensees
- SBA Form 856A, Disclosure Statement Non-Leveraged Licensees

SMALL BUSINESS ADMINISTRATION

Reporting and Recordkeeping Requirements Under OMB Review

AGENCY: Small Business Administration.

ACTION: 30-Day Notice.

SUMMARY: The Small Business Administration (SBA) is publishing this notice to comply with requirements of the Paperwork Reduction Act (PRA) (44 U.S.C. chapter 35), which requires agencies to submit proposed reporting and recordkeeping requirements to OMB for review and approval, and to publish a notice in the *Federal Register* notifying the public that the agency has made such a submission. This notice also allows an additional 30 days for public comments.

DATES: Submit comments on or before March 27, 2015.

ADDRESSES: Comments should refer to the information collection by name and/or OMB Control Number and should be sent to: *Agency Clearance Officer*, Curtis Rich, Small Business Administration, 409 3rd Street SW., 5th Floor, Washington, DC 20416; and *SBA Desk Officer*, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, DC 20503.

FOR FURTHER INFORMATION CONTACT: Curtis Rich, Agency Clearance Officer, (202) 205-7030 curtis.rich@sba.gov
Copies: A copy of the Form OMB 83-1, supporting statement, and other documents submitted to OMB for review may be obtained from the Agency Clearance Officer.

SUPPLEMENTARY INFORMATION: Applicants for SBA-guaranteed commitment must complete these forms as part of the application process. SBA uses the information to make informed and proper credit decisions and to establish the SBIC's eligibility for leverage and need for funds.

Solicitation of Public Comments

Comments may be submitted on (a) whether the collection of information is necessary for the agency to properly perform its functions; (b) whether the burden estimates are accurate; (c) whether there are ways to minimize the burden, including through the use of automated techniques or other forms of information technology; and (d) whether there are ways to enhance the quality, utility, and clarity of the information.

Summary of Information Collections

Title: 25-Model Corp. Resol. Or GP Certif., 33-Model Letter to Selling Agent, 34-Bank ID, 1065-App'l. Lic. Assure. of

Compliance, SBA Forms 25PCGP, SBA Form 25 PIGP, SBA Form 33, SBA Form 34, SBA Form 1065.

Description of Respondents: Eligible SBIC's.

Form Numbers: SBA Forms 25, PC, PCGP, PIGP, 33, 34, 1065.

Estimated Annual Respondents: 48.

Estimated Annual Responses: 48.

Estimated Annual Hour Burden: 47.

Curtis B. Rich,

Management Analyst.

[FR Doc. 2015-03808 Filed 2-24-15; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

Data Collection Available for Public Comments

ACTION: 60-Day notice and request for comments.

SUMMARY: The Small Business Administration (SBA) intends to request approval, from the Office of Management and Budget (OMB) for the collection of information described below. The Paperwork Reduction Act (PRA) of 1995, 44 U.S.C. chapter 35 requires federal agencies to publish a notice in the *Federal Register* concerning each proposed collection of information before submission to OMB, and to allow 60 days for public comment in response to the notice. This notice complies with that requirement.

DATES: Submit comments on or before April 27, 2015.

ADDRESSES: Send all comments to Louis Cupp, New Markets Policy Analyst, Office of Investment, Small Business Administration, 409 3rd Street, 7th Floor, Washington, DC 20416.

FOR FURTHER INFORMATION CONTACT: Louis Cupp, New Markets Policy Analyst, Office of Investment, 202-619-0511, or Curtis B. Rich, Management Analyst, 202-205-7030, curtis.rich@sba.gov;

SUPPLEMENTARY INFORMATION: Small Business Administration (SBA) Forms 856 and 856A are used by SBA examiners as part of their examination of licensed small business investment companies (SBICs). This information collection obtains representations from an SBIC's management regarding certain obligations, transactions and relationships of the SBIC and helps SBA to evaluate the SBIC's financial condition and compliance with applicable laws and regulations.

Solicitation of Public Comments

SBA is requesting comments on (a) whether the collection of information is

necessary for the agency to properly perform its functions; (b) whether the burden estimates are accurate; (c) whether there are ways to minimize the burden, including through the use of automated techniques or other forms of information technology; and (d) whether there are ways to enhance the quality, utility, and clarity of the information.

Summary of Information Collection

Title: Disclosures Statement Leveraged Licensees; Disclosure Statement Non-leveraged Licensees.

Description of Respondents: SBA Examiners.

Form Numbers: SBA Forms 856 and 856A.

Total Estimated Annual Responses: 600.

Total Estimated Annual Hour Burden: 276.

Curtis B. Rich,

Management Analyst.

[FR Doc. 2015-03818 Filed 2-24-15; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

Data Collection Available for Public Comments

ACTION: 60-Day notice and request for comments.

SUMMARY: The Small Business Administration (SBA) intends to request approval, from the Office of Management and Budget (OMB) for the collection of information described below. The Paperwork Reduction Act (PRA) of 1995, 44 U.S.C. chapter 35 requires federal agencies to publish a notice in the *Federal Register* concerning each proposed collection of information before submission to OMB, and to allow 60 days for public comment in response to the notice. This notice complies with that requirement.

DATES: Submit comments on or before April 27, 2015.

ADDRESSES: Send all comments to Gina Beyer, Program Analyst, Office of Disaster Assistance, Small Business Administration, 409 3rd Street, 6th Floor, Washington, DC 20416.

FOR FURTHER INFORMATION CONTACT: Gina Beyer, Program Analyst, Disaster Assistance, gina.beyer@sba.gov 202-205-6458, or Curtis B. Rich, Management Analyst, 202-205-7030, curtis.rich@sba.gov;

SUPPLEMENTARY INFORMATION: Small Business Administration Form 700 provides a record of interviews conducted by SBA personnel with small business owners, homeowners and

**CORRESPONDING STATUTORY AND REGULATORY PROVISIONS
INFORMATION COLLECTION 3245-0118**

*SBA FORM 856: DISCLOSURE STATEMENT LEVERAGED LICENSEES
SBA FORM 856A: DISCLOSURE STATEMENT NON-LEVERAGED LICENSEES*

- 310(c) of the Small Business Investment Act of 1958, as amended;
- 15 U.S.C. Section 687b(c); and,
- 13 CFR 107.680 to 107.692

310(c) of the Small Business Investment Act of 1958

(c) Each small business investment company shall be examined at least every two years in such detail so as to determine whether or not--

- (1) it has engaged solely in lawful activities and those contemplated by this title;
- (2) it has engaged in prohibited conflicts of interest;
- (3) it has acquired or exercised illegal control of an assisted small business;
- (4) it has made investments in small businesses for not less than 1 year;
- (5) it has invested more than 20 per centum of its capital in any individual small business, if such restriction is applicable,
- (6) it has engaged in relending, foreign investments, or passive investments; or
- (7) it has charged an interest rate in excess of the maximum permitted by law:

Provided, That the Administration may waive the examination (A) for up to one additional year if, in its discretion, it determines such a delay would be appropriate, based upon the amount of debentures being issued by the company and its repayment record, the prior operating experience of the company, the contents and results of the last examination and the management expertise of the company, or (B) if it is a company whose operations have been suspended while the company is involved in litigation or is in receivership.

15 U.S.C. Section 687b(c)

(c) Examinations of small business investment companies

Each small business investment company shall be examined at least every two years in such detail so as to determine whether or not—

- (1) it has engaged solely in lawful activities and those contemplated by this subchapter;
- (2) it has engaged in prohibited conflicts of interest;
- (3) it has acquired or exercised illegal control of an assisted small business;
- (4) it has made investments in small businesses for not less than 1 year;
- (5) it has invested more than 20 per centum of its capital in any individual small business, if such restriction is applicable;
- (6) it has engaged in relending, foreign investments, or passive investments; or
- (7) it has charged an interest rate in excess of the maximum permitted by law:

Provided, That the Administration may waive the examination

(A) for up to one additional year if, in its discretion, it determines such a delay would be appropriate, based upon the amount of debentures being issued by the company and its repayment record, the prior operating experience of the company, the contents and results of the last examination and the management expertise of the company, or

(B) if it is a company whose operations have been suspended while the company is involved in litigation or is in receivership.

13 CFR 107.680 to 107.692

§ 107.680 Reporting changes in Licensee not subject to prior SBA approval.

(a) *Changes to be reported for post approval.*

- (1) This section applies to any changes in your Articles, ownership, capitalization, management, operating area, or investment policies that do not require SBA's prior approval. You must report such changes to SBA within 30 days for post approval. A processing fee of \$200 must accompany each request for post approval of new officers, directors, or Control Persons.
- (2) *Exception for non-leveraged Licensees.* If you do not have outstanding Leverage or Earmarked Assets, you are not required to obtain post approval of new directors or new officers other than

your chief operating officer; however, you must notify SBA of the new directors or officers within 30 days.

(b) *Approval by SBA.* You may consider any change submitted under this section § 107.680 to be approved unless SBA notifies you to the contrary within 90 days after receiving it. SBA’s approval is contingent upon your full disclosure of all relevant facts and is subject to any conditions SBA may prescribe.

Examinations of Licensees by SBA for Regulatory Compliance

Sec. 107.690 Examinations.

SBA will examine all Licensees for the purpose of evaluating regulatory compliance.

Sec. 107.691 Responsibilities of Licensee during examination.

You must make all books, records and other pertinent documents and materials available for the examination, including any information required by the examiner under Sec. 107.620(c). In addition, the agreement between you and the independent public accountant performing your audit must provide that any information in the accountant's working papers be made available to SBA upon request.

Sec. 107.692 Examination fees.

(a) General. SBA will assess fees for examinations in accordance with this Sec. 107.692. Unless SBA determines otherwise on a case by case basis, SBA will not assess fees for special examinations to obtain specific information.

(b) Base fee. A base fee will be assessed based on your total assets (at cost) as of the date of your latest certified financial statement or a more recent interim statement requested by and submitted to SBA in connection with the examination. The base fee table is as follows:

Total assets of licensee	Base fee	Plus, percent of assets
\$0 to \$1,500,000	\$3,500	+0%
\$1,500,001 to \$5,000,000	3,700	+.065% of the amount over \$1,500,000
\$5,000,001 to \$10,000,000	6,000	+.02% of the amount over \$5,000,000
\$10,000,001 to \$15,000,000	7,000	+.01% of the amount over \$10,000,000
\$15,000,001 to \$25,000,000	7,700	+.015% of the amount over \$15,000,000
\$25,000,001 to \$50,000,000	9,200	+.015% of the amount over \$25,000,000
\$50,000,001 to \$60,000,000	13,000	+.01% of the amount over \$50,000,000
\$60,000,001 and above	14,000	+0%

(c) Adjustments to base fee. Your base fee, as determined by the table in paragraph (b) of this section, will be adjusted (increased or decreased) based on the following criteria:

(1) If you have no outstanding regulatory violations at the time of the commencement of the examination and SBA did not identify any violations as a result of the most recent prior examination, you will receive a 15% discount on your base fee;

(2) If you were fully responsive to the letter of notification of examination (that is, you provided all requested documents and information within the time period stipulated in the notification letter in a complete and accurate manner, and you prepared and had available all information requested by the examiner for on-site review), you will receive a 10% discount on your base fee;

(3) If you are organized as a partnership or limited liability company, you will pay an additional charge equal to 5% of your base fee;

(4) If you are a Licensee authorized to issue Participating Securities, you will pay an additional charge equal to 10% of your base fee; and

(5) If you maintain your records/files in multiple locations (as permitted under Sec. 107.600(b)), you will pay an additional charge equal to 10% of your base fee.

(d) Fee discounts and additions table. The following table summarizes the discounts and additions noted in paragraph (c) of this section:

Examination fee discounts	Amount of discount—% of base examination fee	Examination fee additions	Amount of Addition—% of base examination fee
No prior violations	15	Partnership or limited liability company	5
Responsiveness	10	Participating Security Licensee	10
		Records/files at multiple locations	

(e) Delay fee. If, in the judgment of SBA, the time required to complete your examination is delayed due to your lack of cooperation or the condition of your records, SBA may assess an additional fee of up to \$500 per day.