

**Supporting Statement for Paperwork Reduction Act Submission**  
**SBA Lender, Microloan Intermediary, and NTAP Reporting Requirements**

OMB Control Number 3245-0365

**A. Justification**

**1. Circumstances Necessitating the Collection of Information.**

*Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the applicable section of each statute and regulation that mandates or authorizes the collection of information and Notice from Federal Register.*

This information collection is used by SBA, primarily the Office of Credit Risk Management (OCRM) to facilitate its oversight and monitoring of SBA's 7(a) Lenders, Certified Development Companies ("CDCs"), Microloan Lenders (with respect to corrective actions only) and Non-Lending Technical Assistance Providers ("NTAPs"). The required reporting may be in conjunction with lender reviews as authorized by 5 U.S.C. 634(b)(7), 650, and 697; 13 CFR 120.1025, 1050, and 1055. It also includes secondary market reports from certain higher risk lenders (e.g., those with enforcement order(s)) in conjunction with certain secondary market loan sales (referred to as Secondary Market Evaluations) and oversight reviews/activities conducted in conjunction with certain secondary market loan sales, or maintenance of escrow accounts authorized by 15 U.S.C. 634 (f)(3) and 13 CFR 120.612 and 613 (referred to as Secondary Market Loan Information reviews). NTAPs are required to provide quarterly technical assistance reports and annual financial audits. Currently, there are no active NTAPs so therefore there is no current or anticipated SBA information collection related to NTAPs.

**2. How, By Whom and For What Purpose will Information Be Used.**

*Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.*

Generally, lenders will include in the reports information on, for example, SBA lending policies and procedures, organizational charts, and lenders' SBA loan files. SBA will use this information to oversee and monitor the SBA performance and compliance of SBA Lenders, Microloan Intermediaries, and NTAPs. In some cases, reporting serves as a form of increased supervision allowing SBA to timely assess a lender's risk to SBA programs. Since reporting is a cost effective means of overseeing and monitoring performance and compliance, where appropriate, SBA may require these lenders, Intermediaries and NTAPs to report in lieu of targeted or limited scope reviews. SBA may also use reporting to plan, facilitate, or lessen the burden of off-site or on-site reviews. Furthermore, SBA may consider the information reported for the following purposes: 1) in determining lenders' participation in delegated authority programs, 2) approving Secondary Market loan sales by higher risk lenders; or 3) in determining the need for increased supervision or enforcement. As for corrective action plans/reports, this reporting may inform SBA about how the lender is addressing or intends to address deficiencies that may be identified during the review and examination process and the time line for implementing the corrective plans. SBA may then use these reports to assess the adequacy of the lender's corrective action. Finally, SBA is working on a plan to , share information with other regulators (e.g., the FDIC) where possible to assist with common supervision, regulation, and program responsibilities and avoid redundant information requests.

### **3. Technological Collection Techniques**

*Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce the burden.*

SBA generally accepts transmission of this information via e-mail, data diskette, or facsimile. SBA has also established secure data storage servers which allow lenders to upload information securely via the internet. However, each lender is generally free to select its own method of collecting and submitting pertinent information to enable the lender to prepare and submit the applicable reports.

### **4. Avoidance of Duplication**

*Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in item 2 above.*

Reporting is required to oversee and monitor the SBA performance and compliance of the SBA Lenders, Microloan Intermediaries, and NTAPs and facilitate corrective action. Currently, there is no similar information available that can be used for this purpose. In any event, since each assessment or corrective action relates to a specific review, existing information would not provide meaningful data for SBA to carry out its oversight responsibility. Furthermore, only SBA Lenders can provide SBA with that lender's updated policies and procedures, its loan payment history for reconciling with SBA's records, its loan files, or escrow account statements.

### **5. Impact on Small Businesses or Other Small Entities**

*If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.*

Although some of these SBA Lenders, Microloan Intermediaries, and NTAPs may be small under SBA size regulations, this collection of information will not have a significant economic impact on a substantial number of these entities since the lenders generally maintain the information in their normal course of business.

### **6. Consequences if Information is Not Collected**

*Describe the consequence to the Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.*

Failure to collect and review this information would increase the risk of losses and have an adverse impact on the costs of operating the SBA guaranteed financial assistance programs. Less frequent collection of this information would subject the Agency to greater ambiguity and lessen its understanding of the true operating conduct of the regulated entities, which would also increase the risk of program losses.

### **7. Existence of Special Circumstances**

*Explain any special circumstances that would cause an information collection to be conducted in a manner, etc.*

No special circumstances exist; however, if it is determined that a lender is operating in a state of financial distress or a lender's risk levels are concerning, SBA may require more frequent reporting.

#### **8. Solicitation of Public Comment**

*If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d)... Summarize public comments received... and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden. Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.*

Notice of this information collection with request for public comment was published in the Federal Register, at 80 FR 14430, on March 19, 2015. The comment period ended on May 18, 2015. No comments were received.

#### **9. Payments of Gifts**

*Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.*

No payment or gift will be provided to respondents.

#### **10. Assurance of Confidentiality**

*Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy*

The information collected will be protected to the extent permitted by law, including the Freedom of Information Act, 5 U.S.C. 552.

#### **11. Questions of a Sensitive Nature**

*Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.*

No personal financial information or information of such a sensitive nature is required.

#### **12. Estimate of Hourly Burden of the Collection of Information**

*Provide estimates of the hour burden of the collection of information, as well as the hour cost burden. Indicate the number of respondents, frequency of response, annual hour and cost burden, and an explanation of how the burden was estimated.*

SBA estimates that this information collection will apply to 1,739 respondents (lenders) that will collectively submit an estimated 2,284 responses (reports and plans). The chart below sets forth the estimates for the hour and cost burdens of the information collection by the review categories referenced in A. 1 above.



SBA will not incur any significantly measurable direct costs for the lender oversight functions related to this information collection. Any additional indirect costs to SBA would be covered by the already-existing OCRM infra-structure.

**15. Explanations of Program Changes in Items 13 or 14 on OMB 83-I**

*Explain reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I*

The total annual burden hours requested in this submission represents an increase over the current OMB inventory. Previous estimates were made during the early implementation of the reporting requirements described in number A.1 above. Based on our experience with the oversight program, and discussions with those involved with the process, we are able to revise the burden to more accurately reflect time spent on preparing the reports. SBA uses technological resources and electronic collection methods which greatly reduce the time required to assemble and package the information for delivery.

**16. Collection of Information whose Results will be Published**

*For collection of information whose results will be published, outline plans for tabulation and publication. Address complex analytical techniques... Provide time schedules for the entire project...*

There are no plans to publish data from this collection of information, other than aggregated data as part of annual program reporting,

**17. Expiration Date for Collection of this Date**

*If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons why the display would be inappropriate.*

Not applicable, SBA has no plans to restrict display of an OMB approval date.

**18. Exception to the Certification in Block 19 on OMB Form 83-I**

*Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submission," of OMB Form 83-I*

Not applicable.

**B. Collection of Information Employing Statistical Methods**

*Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection method to be used.*

Not Applicable.