

Supporting Statement for Paperwork Reduction Act Submission
OMB Control Number 3245-0084
SBA Form 700, Home and Business Loan Inquiry Record

Summary of Changes. There are no substantive changes to the form. SBA made a few minor changes including ;(i) nomenclature changes to, in part, ensure consistency with the revised procedures in the Standard Operating Procedures for Disaster Assistance. For example, the word “victims” was revised to read “survivors” and the word “prospective” was added before “applicant” to clarify that at the point of this information collection the respondents are not yet applicants; (ii) changes to the instructions on the Business Inquiry portion of the form by removing the words “that have not registered with FEMA” since registration with FEMA will no longer be relevant under the revised procedures; and (iii) removing references to “businesses” on the portion of the form applicable to home loans.

A. Justification

1. *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 appropriate section of each statute and regulation mandating or authorizing the collection of information.*

The Small Business Administration (SBA) is authorized by section 7(b) of the Small Business Act, as amended, 15 U.S.C. 636(b), (copy of which is attached), to make loans to disaster survivors. The requirement for the use of this form is contained in the Standard Operating Procedure (SOP) for Disaster Assistance, SOP 50 30 8, paragraph 2.1 (A) (3), (copy attached). SBA's Office of Disaster Assistance (ODA) uses the Form 700 as a record of interviews with those survivors seeking assistance for disaster damage as a result of a disaster declaration by the SBA Administrator, or a designation by the Secretary of Agriculture, and for some Presidential declarations. ODA personnel gather the information and actually fill out the form via interview with the disaster survivor.

2. *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.*

The SBA Form 700 is a two part form; one part is used for home loan inquiries and the other for business loans inquiries. Interviews between the disaster survivor and ODA personnel are conducted individually, in person or by telephone at the preference of the disaster survivor. The interview generally takes place in the immediate aftermath of a disaster event and usually consists of ODA personnel giving out information about the Agency's disaster loan program as much as it does asking basic questions about the survivor. The information gained from the interview allows ODA to judge whether the survivor is likely to be eligible for an SBA loan. Without this preliminary interview, many disaster survivors would fill out applications unnecessarily, increasing the burden of work for both the public and ODA. The interview record is also used as a historical record in the aftermath of the disaster event for various informational purposes, including requests for information from Members of Congress, etc. and for use as a follow up tool for contacting survivors to see if they need assistance in filling out a loan application.

3. *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 Form 700 is not completed by potential applicants. Rather, as stated above, it is filled out by ODA personnel. The availability of an electronic form would not benefit the applicant because this form is used as an internal SBA document. The form is currently in an electronic format and is used in that manner by ODA whenever possible.

4. *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.*

ODA staff work closely with federal, state, local, or private organizations that provide relief for disaster-related purposes in an effort to try to constantly streamline the interview process during disasters so that there is no unnecessary duplication in the collection of information. For applicants who have already registered with FEMA during a Presidential declaration, there may be minimal duplication in the collection of basic applicant information. SBA cannot rely solely on the information collected by FEMA for purposes of this form, because SBA requires more detailed financial information in order to make a preliminary eligibility determination.

5. *If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-1), describe any methods used to minimize burden.*

Because only limited information is collected at the interview (i.e., name, address, phone number, income, debts, etc.), the impact is minimal.

6. *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.*

Information is only collected once, at the time of a request for assistance from a survivor. If the information was not collected, ODA would not be able to advise a disaster survivor whether to apply for assistance. Information collected for this form also simplifies the application process for those disaster survivors who decide to apply for assistance, because the information collected for this form is entered into SBA's electronic database and automatically transfers to the disaster loan application.

7. *Explain any special circumstances that would cause an information collection to be conducted in a manner, that, among other things, requires respondents to: report information more often than quarterly; prepare a written response in fewer than 30 days after receipt of it; submit more than an original and two copies of any document; retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years; or submit proprietary trade secret, or other confidential*

information unless the agency can demonstrate it has procedures to protect the confidentiality of the information to the extent permitted by law.

There are no special circumstances.

8. *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), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice 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 record keeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years-even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

A copy of the Federal Register notice soliciting comments is attached (80 FR10202, dated February 25, 2015). The comment period closed April 27, 2015 and no comments were received.

ODA participates with other Federal and private organizations that provide disaster assistance in seeking ways to more efficiently deliver our services.

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

No payments or gifts are provided to respondents.

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

The information collected on Form 700 is protected to the extent permissible by law, including where applicable the Privacy Act and the Freedom of Information Act. Privacy Act information becomes a part of SBA's System of Records SBA 20- Disaster Loan Case Files (copy attached).

11. *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, specific uses to be made of the information, explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.*

Questions of a sensitive nature, such as gross income and debts, are asked on this form. This sensitive information is collected from the disaster survivor in order to obtain the information necessary to make a preliminary threshold determination regarding eligibility for a disaster loan.

This collection also requests Social Security Numbers. Providing Social Security Numbers is purely voluntary. Social Security Numbers will be used to distinguish between people with the same or similar name.

12. *Provide estimates of the hour burden of the collection of information, 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.*

The number of respondents is based on the average number of interviews conducted using the Form 700 for the last 3 Fiscal Years (FY 2012 – FY 2014).

<u>FY</u>	<u>Interviews Conducted</u>
12	3,178
13	3,152
14	<u>2,162</u>
TOTAL	8,492

Divided by 3 = **2,831** Average number of interviews conducted per year (**number of respondents**)

Personal experience by ODA personnel in interviewing survivors provides SBA with knowledge of the length of time an interview requires, which is 15 minutes per respondent.

$$2,831 \text{ respondents} \times .25 \text{ (15 minutes per interview)} = \mathbf{708 \text{ burden hours}}$$

Cost to the public is based on the 2013 median household income in the US as reported by the US Census Bureau, the latest data available. The income is \$52,250, which is equivalent to a GS-9, Step 4 (\$24.74 per hour). The annualized cost to the respondents for the information collection burden is calculated as follows:

$$15 \text{ minutes per interview (.25)} @ \$24.74 \text{ per hour} = \$6.19 \text{ per interview}$$
$$708 \text{ interview hours} \times \$24.74 \text{ per interview} = \mathbf{\$17,516 \text{ respondent cost}}$$

13. *Provide an estimate for the total annual cost burden to respondents or record keepers resulting from the collection of information. Do not include hour cost burden from above.*

There is no additional annual cost burden.

14. *Provide estimates of annualized costs to the Federal Government. Also provide a description of the method used to estimate cost, including a quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information.*

The estimate of the time necessary to conduct an interview and record the appropriate information (15 minutes) is based on observations of the actual time it takes to do so. The typical grade for an interviewer is GS-9, Step 1.

Annualized cost to Federal Government:

0.25 hours (15 minutes to assess) per response @ \$23.19 per hour labor cost for interviewer and recording time multiplied by 708 response hours = \$4,105

30 percent for overhead, printing, etc. = \$1,231

Total estimated cost to Federal Government = \$5,336

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

The annual burden slightly decreased due to a decrease in the number of interviews conducted for this reporting period as compared to the previous period. The respondent cost increased due to a change in the methodology for calculating respondent cost.

16. *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.*

No results will be published.

17. *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.*

Expiration date will be displayed.

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

There are no exceptions.

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

N/A