

## **Supporting Statement for Paperwork Reduction Act Submissions OMB 3048-0014 Application for Medium-Term Insurance or Guarantee (EIB 03-02)**

### General Instructions

A Supporting Statement, including the text of the notice to the public required by 5 CFR 1320.5(a)(i)(iv) and its actual or estimated date of publication in the Federal Register, must accompany each request for approval of a collection of information. The Supporting Statement must be prepared in the format described below, and must contain information specified in Section A below. If an item is not applicable, provide a brief explanation. OMB reserves the right to require the submission of additional information with respect to any request for approval.

### Specific Instructions

#### 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 Export Import Bank of the United States (Ex-Im Bank) pursuant to the Export Import Bank Act of 1945, as amended (12 USC 635, et seq), facilitates the finance of export of U.S. goods and services. By neutralizing the effect of export credit insurance and guarantees offered by foreign governments and by absorbing credit risks that the private sector will not accept, Ex-Im Bank enables U.S. exporters to compete fairly in foreign markets on the basis of price and product. This collection of information is necessary, pursuant to 12 USC Sec. 635 (a) (1), to determine eligibility of the applicant for Ex-Im Bank assistance.

The Export-Import Bank has made a change to the report to have the financial institution provide specific information (industry code, number of employees and annual sales volume) needed to make a determination as to whether or not the exporter meets the SBA's definition of a small business. The financial institution already provides the exporter's name and address. These additional pieces of information will allow Ex-Im Bank to better track the extent to which its support assists U.S. small businesses.

The other change that Ex-Im Bank has made is to require the financial institution to indicate whether the exporter is a minority-owned business, women-owned business and/or veteran-owned business. Although answers to the questions are mandatory, the company may choose any one of the three answers: Yes/No/Decline to Answer. The option of "Decline to Answer" allows a company to consciously decline to answer the specific question should they not wish to provide that information.

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.

This collection will gather information necessary to make a determination of eligibility of a transaction for Ex-Im Bank assistance under its medium-term guarantee and insurance program.

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 submissions of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

These forms can be received electronically, together with electronic attachments of supporting credit information. Ex-Im Bank processing is fully electronic and concludes with the issuance of a document sent electronically to the applicant. Technology accelerates the entire process but does not necessarily reduce the amount or substance of information required from the applicant. Accessibility to policy documents is considerably improved for exporters through technology.

4. Describe effort 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.

All applications are independent of each other; therefore this is no duplication since each application corresponds to a unique insurance product. In circumstances where some information may already be on file at Ex-Im Bank the application includes language allowing the applicant to indicate so.

5. If the collection of information impacts small businesses or other small entities describe any methods used to minimize burden.

The applicants for medium-term insurance and guarantees are typically financial institutions that are not classified as small businesses. Small businesses may use brokers' assistance at no expense to themselves in filling out the application. Ex-Im Bank pay brokers a fee for insurance transactions at the time the transaction is authorized.

6. Describe the consequence to 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.

Not applicable.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner”
- \*requiring respondents to report information to the agency more often than quarterly;
  - \*requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
  - \*requiring respondents to submit more than an original and two copies of any document;
  - \*in connection with a statistical survey, that is not designed to produce valid or reliable results that can be generalized to the universe of study;
  - \*requiring the use of statistical data classification that has not been reviewed and approved by OMB;
  - \*that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
  - \*requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information’s confidentiality to the extent permitted by law.

This collection is consistent with guidelines in 5 CFR 1320.6.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency’s notice 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.

A request for public comments was published in the Federal Register, Volume 80, No. 126 on July 1, 2015. The comment period ended August 31, 2015; no comments were received.

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

Not applicable.

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

Ex-Im Bank and their officers and employees are subject to the Trade Secret Act, 18 U.S.C. Sec. 1905, which requires them to protect confidential information from disclosure, to the extent permitted by law. In addition, Ex-Im Bank’s regulations at 12 CFR 404.1 provides that, except as required by law Ex-Im Bank will not disclose information provided in confidence without the submitter’s consent.

11. Provide additional justification for any question of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered provides. This justification should include the reasons why the agency considered 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.

Not applicable.

12. Provide estimates of the hour burden of the collection of information. The statement should include:

\* number of respondents: 400;

\* frequency of response: as needed<sup>1</sup>;

\*annual hour burden: 480 hours; and

\*an explanation of how the burden was estimated: from time to time staff complete a “sample” application form for use in system testing, training, etc. The time it takes for staff to fill out the application form is about 30 minutes. If the applicant has the sales contract information at hand, it should take the respondent about 30 minutes as well. For burden calculation purposes, we assumed that it would take on average just over an hour for respondents to complete the application. We receive between 300 and 400 medium-term applications a year. Thus, the annual burden rate can be calculated as  $400 * 1.20 \text{ hour} = 480 \text{ hours}$ .

13. Provide an estimate for the total annual cost burden to respondents or records keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in items 12 and 14).

Not applicable

14. Provide estimates of annualized costs to the Federal government.

Reviewing time per hour:	N/A
Responses per year:	400
Reviewing time per year:	$400 * 1.75 = 700 \text{ hours}$
Average Wages per hour:	\$42.5
Average cost per year:	$\$29,750 \text{ (time*wages)}$
(time * wages)	
Benefits and overhead:	20%
Total Government Cost:	\$35,700

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<sup>1</sup> Each time a company (U.S. exporter or commercial bank) seeks medium-term guarantee or insurance support for an export sale.

15. Explain the reasons for any program changes or adjusted reported in items 13 or 14 of OMB Form 83-1.

Not applicable

16. For collection of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

Not applicable

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

The agency should be prepared to justify its decision not to use statistical methods in any case where such methods might reduce burden or improve accuracy of results. When Item 17 on OMB Form 83-1 is checked, "Yes" the following documentation should be included in the Supporting Statement to the extent that it applies to the methods proposed:

Statistical methods are not used in this information collection.