

2016 - SUPPORTING STATEMENT

OMB Control Number 0572-0079

Preloan Procedures and Requirements for Telecommunications Programs

A. JUSTIFICATION

1. Explain the circumstances that make this collection of information necessary.

This package is submitted under a regular clearance as an extension of a currently approved collection. A program adjustment resulted in an increase of 1,463 estimated burden hours (from 3,224 to 4,687). The program adjustment accounted for decreases in the estimated numbers of respondents from 36 to 17 for loan applicants and from 4 to 1 for those respondents submitting acquisition and merger proposals. The program adjusted response times of respondents submitting loan applications from 79 to 259.5 per respondent. Estimated response time for submission of information related to Acquisition and Merger proposals was adjusted from 95 to 275.5 hours per response.

USDA, Rural Utilities Service (RUS) makes mortgage loans and loan guarantees to finance telecommunications, electric, and water and waste facilities in rural areas with a loan portfolio that totals more than \$58 billion. In addition to providing loans and loan guarantees, one of the objectives of RUS is to safeguard loan security until the loan is repaid. Accordingly, RUS manages loan programs in accordance with the Rural Electrification Act of 1936, 7 U. S. C. 901 *et seq.*, as amended, (RE Act), and as prescribed by Office of Management and Budget (OMB) Circular A-129, Policies for Federal Credit Programs and Non-Tax Receivables, which states that based on a review of a loan application, agencies must determine that an applicant complies with statutory, regulatory, and administrative eligibility requirements for loan assistance. Section 201 of the RE Act authorizes the RUS Administrator to make loans to qualified telephone companies for the purpose of providing telephone service to the widest practicable number of rural subscribers. Telephone borrowers have, through December 30, 2015, received over \$16 billion in loans from RUS and loan guarantee commitments.

The collection of information described in this supporting statement is necessary in order for the agency to determine an applicant's eligibility to borrow under the terms of Section 201 of the RE Act and to ensure the Government's security for loans made is adequate and the loan will be repaid within the time agreed.

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 supporting statement includes the information collection for (a) loan requirements and preloan and loan processing procedures, and (b) acquisitions and mergers.

(a) Loan Application and Processing Procedures.

The completed loan application consists of four parts:

- (1) A completed RUS Form 490;
- (2) Supplementary Information;
- (3) A market survey called the Area Coverage Survey (ACS); and
- (4) The Loan Design (LD) (plan and associated costs for the proposed construction).

RUS Form 490, “Application for Telecommunications Loan and Loan Guarantee”

RUS Form 490 is submitted by loan applicants when requesting a loan from RUS. Form 490 is used by RUS staff as formal notification of an applicant’s desire to obtain financing from RUS and in determining the preliminary eligibility of an applicant (including qualification for interim financing). Form 490 includes the necessary certification and notification requirements of OMB Circular A-129 with regard to Federal debt delinquency.

Supplementary Information

RUS requires additional information in support of the loan application. Most supplementary information required by RUS is readily available in the borrower’s files. The following information is submitted by all initial loan applicants and borrowers seeking subsequent loans must submit any changes in these items:

- (1) Name of attorney and manager, and certified copies of board resolutions selecting them.
- (2) Certified copy of articles of incorporation showing evidence of filing with the Secretary of State and in county records.
- (3) Certified copies of bylaws and board minutes showing their adoption.
- (4) Certified sample stock certificates.
- (5) Amounts of common and preferred stock issued and outstanding.
- (6) Names, addresses, business affiliations, and stockholdings of the manager, officers, directors, and other principal stockholders (those owning at least 20 percent of borrower's voting stock).
- (7) Certified copies of real estate deeds showing all recording information.
- (8) Service agreements, such as for management or system maintenance.
- (9) Certified copies of existing leases, except those for vehicles, furniture and office equipment, and computer equipment.
- (10) Certified copies of existing franchises.
- (11) Information on any franchises required as a result of the proposed loan project.
- (12) Federal Communications Commission (FCC) authorizations.
- (13) Certified copy of a certificate of convenience and necessity (or its equivalent), or information demonstrating the non-duplication of reasonably adequate facilities, for all areas in the loan project.
- (14) For toll, operator office, traffic, and EAS agreements, the names of all parties to the agreement, the type of agreement, and the effective and termination dates of the agreement and annexes, and the exchanges involved.
- (15) Copies of rate schedules (A copy of the tariff must be available for review by the RUS field representative.).
- (16) Executed copy of RUS Form 291, “Certification of Non-segregated Facilities.”
- (17) A sketch or map showing the existing and proposed service areas.

(18) Executed assurance that the borrower will comply with the Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, as amended (see 49 CFR 24.4).

(19) A certification signed by the president or the borrower that the borrower is participating in the State's telecommunications modernization plan.

The following must be submitted by all initial loan applicants and borrowers seeking subsequent loans:

- (1) Certified financial statements for the last 3 years.
- (2) Toll settlement statements and related data.
- (3) Present exchange rates and any pending changes.
- (4) Borrower's Environmental Report (BER) (cleared under 0572-0117).
- (5) A "Certification Regarding Lobbying" for loans, or a "Statement for Loan Guarantees and Loan Insurance" for loan guarantees, and when required, an executed Standard Form LLL, "Disclosure of Lobbying Activities," (see section 319, Public Law 101-121 (31 U.S.C. 1352)).
- (6) "Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions."
- (7) Borrower's determination of loan maturity.
- (8) Approved depreciation rates for items under regulatory authority jurisdiction.
- (9) A statement that the borrower is or is not delinquent on any Federal debt, such as income tax obligations or a loan or loan guarantee from another Federal agency.
- (10) Any other supporting data required by the Administrator.

The following must be submitted for all borrowers requesting funds for refinancing:

- (1) Copies of all bonds, notes, mortgages, and contracts covering outstanding indebtedness proposed to be refinanced.
- (2) For each note or bond, the name of the creditor, original amount of debt and amount as of last year-end, purpose of debt, dates incurred and due, interest rates, and repayment terms.
- (3) Justification for refinancing and evidence that the use of loan funds is necessary and incidental to furnishing or improving rural telephone service.

Supplemental information also includes various pieces of information as required by the Administrator to efficiently process an application:

(1) Applicant Cover Letter – Selection of Loan Type - The applicant should provide a cover letter as an exhibit to the Loan Application. This letter should indicate the amount and type or types of loan that is being applied for: Hardship, Cost of Money, or FFB loan. Any combination of these different types may be requested. If multiple loan types are requested, the dollar amount of each loan should be indicated in the letter.

(2) Financial and Legal Requirements - At a minimum, loan applicants need to submit sufficient financial information that will enable RUS to determine if the proposed project is feasible from a loan standpoint. It is incumbent upon the applicant to provide RUS with

sufficient financial information needed to determine loan feasibility and security. This is required of all applicants.

Financial and legal requirements include:

- Financial Statements, Projections and Assumptions (Including complete Historical Financial Statements, Five-Year Financial Projections and Assumptions and Explanations)
- A Competitive Analysis
- A descriptive corporate structure
- A legal opinion and property schedule (Addressing the applicant's ability to execute legal documents, describing all pending litigation matters legal descriptions of all the real property owned by the applicant)
- Operating Reports / CPA Audits (e.g., Certified financial statements for the last 3 years)
- Compliance Certificates as required by RUS
 - o A "Certification Regarding Lobbying" for loans, or a "Statement for Loan Guarantees and Loan Insurance" for loan guarantees, and when required, an executed Standard Form LLL, "Disclosure of Lobbying Activities," (see section 319, Public Law 101-121 (31 U.S.C. 1352)).
 - o "Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions."

Area Coverage Survey (ACS)

RUS Form 569,"Area Coverage Survey Report" provides subscriber projections and addresses the question of whether the telephone service will be provided on an area coverage basis. Information collected with the RUS Form 569 includes a field survey and forecast of telephone subscribers in the service areas and a narrative.

Loan Design

The Loan Design (LD), which includes RUS Forms 494 and 495, is an engineering design and cost estimate submitted by the applicant which describes in detail the proposed use of loan funds. The LD is used by RUS engineers to analyze, in detail, all costs and construction plans associated with the financing being requested. The narrative portion of the LD discusses the proposed construction and long-range plans for the borrower's system. The majority of the information requested would be required by a commercial lender before making a loan. RUS Form 494, "Loan Design Summary," is used by RUS engineering staff in determining the amount of funds needed for construction purposes. RUS Form 495, "Construction Cost Estimates," provides cost estimates by major components of telephone plant, i.e., central office equipment, outside plant, and land and buildings. Form 495 and this preloan material provides a standardized format for applicants to submit information pertaining to construction needs, by central office exchange, to be financed by the RUS telecommunications loan programs. Studies are made from the preloan materials to determine if the Government's proposed loan to an applicant would be secure. Other information collected includes a trunking diagram, detailed outside plant design maps, certification by principal of the engineering firm and borrower; and, a transmittal letter.

For certain borrowers seeking subsequent loans for eligible purposes, abbreviated forms of the information listed above may be accepted. These are borrowers that meet certain financial tests and therefore represent a minimal security risk in terms of new financing. These borrowers are still required to execute standard loan documents and follow other legal procedures.

Acquisitions and mergers.

Borrowers are required by the terms of the mortgage or loan contract to request and obtain RUS approval of a proposal to merge with or acquire another organization. When a borrower intends to request RUS loan funds for an acquisition, it should present a proposal in writing prior to making a binding commitment with the seller. To ensure continued loan security after a merger or acquisition takes place, the loan documents require the borrower to submit several items to RUS before an acquisition, merger, or consolidation is approved. RUS requires that a borrower submit certain financial and legal information, details of the facilities to be acquired including a completed RUS Form 507, "Report on Telephone Acquisition," and plans for incorporating the acquired facilities into the borrower's existing system.

After the borrower has closed the transaction, it shall furnish to RUS all documents necessary to demonstrate satisfaction that the transaction has been closed.

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.

Rural Development is committed to meeting the requirements of the E-Government Act, which requires Government agencies in general to provide the public the option of submitting information or transacting business electronically to the maximum extent possible. The forms are available on the USDA eForms website in fillable/printable format.

The agency is developing a loan application intake system that will be an alternate to accepting paper applications. As of the date of this information collection package, it is anticipated that 100% of Telecommunications Program applicants will be submitting on-line applications in 2017. The agency mindful of reducing the burden on respondents and during the development process, the agency will look at ways to reduce the burden on respondents.

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.

Each loan application and merger, acquisition, or consolidation implies a new project not previously covered; therefore, no existing data would be duplicated. To the extent that items of information are already on file with RUS (and up-to-date) that information will be used by RUS to avoid duplicate submissions.

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.

The NAICS Code for Wired Telecommunications Carriers is 517110 and for Wireless Telecommunications Carriers (except Satellite) is 517210. The size standards in number of employees for each of those codes is 1,500. No current Telecommunications borrower that is required to comply with the regulations reported more than 400 employees and therefore are considered SBA small businesses. In any given year, one or two respondents may be a Native American tribal authority.

The data required for processing a loan application is the least amount required to ensure accurate description of the project and ensure security for the Government's loan. Although the information requested is unique to each borrower, much of the information required to complete the forms is readily available from the consulting engineer, contractor, or existing records. With regard to acquisitions and mergers, the information requested is already available to the borrower; the collection merely requires copies of the information to be made and submitted to RUS. RUS makes every effort to ensure that the burden on the respondents for this information collection provide the minimum information necessary to effectively administer the agency program.

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

The submission of preloan data is necessary only when a telephone system applies for a loan from, or submits proposals for mergers/acquisitions to, RUS and therefore could not be submitted less frequently. The information is necessary to determine whether applicant is eligible for a loan or if loan advances are appropriately made to existing borrowers. Without the information collected with regards to loan processing procedures and mergers and acquisitions, RUS could not effectively monitor each borrower's compliance with the loan terms and conditions to properly assure continued loan security.

7. Special circumstances that would cause an information collection to be conducted in a manner:

a. Requiring respondents to report information more than quarterly.

There are no requirements for respondents to report more than quarterly.

b. Requiring written responses in less than 30 days.

There are no requirements for written responses in less than 30 days.

c. Requiring more than an original and two copies.

There are no requirements for more than an original and two copies.

d. Requiring respondents to retain records for more than 3 years.

There are no requirements for respondents to retain records for more than 3 years.

- e. **In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study.**

This collection is not a survey.

- f. **Requiring use of statistical sampling which has not been reviewed and approved by OMB.**

This collection does not employ statistical sampling.

- g. **Requiring 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.**

No pledge of confidentiality is required.

- h. **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.**

There is no requirement for submission of trade secrets.

8. If applicable, identify the date and page number of publication in the Federal Register of the agency's notice soliciting comments on the information collection. Summarize public comments received and describe actions taken by the agency in response to these comments. 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, reporting format (if any), and on data elements to be recorded, disclosed, or reported.

As required by 5 CFR 1320.8(d), a Notice to request comments was published on April 8, 2016, at 81 FR 20615. One public comment was received on April 8, 2016 from Jean Public. The comment was a general statement that telecommunication providers extend service to rural areas and did not address the information collection or the burden hour estimate.

RUS maintains close contact with borrowers through RUS general field representatives (GFRs), field accountants, and headquarters' staff. GFRs have direct personal contact with borrowers in connection with their responsibilities of complying with RUS requirements, including filling out the various forms. The borrowers consult RUS GFRs, field accountants, and headquarters' staff regarding comments or suggestions on procedures, forms, regulations, etc. RUS also works

closely with lending institutions such as the National Rural Utilities Cooperative Finance Corporation and CoBank, a nationwide network of lending institutions and part of the Farm Credit System, which provide supplemental loan funds to borrowers, as well as various State utility regulatory agencies and other Federal agencies including the Federal Communications Commission, U. S. Environmental Protection agency, and Department of Justice. The agency works cooperatively with national and/or statewide associations representing electric, telecommunications, and water and waste borrowers such as: National Rural Electric Cooperative Association; National Telephone Cooperative Association; US Telecom; Western Telecommunications Alliance; Organization for the Promotion and Advancement of Small Telecommunications Companies; National Rural Water Association; National Association of Development Organizations; Rural Community Assistance Partnership; and American Public Power Association, among others.

Suggestions and comments are always considered by the agency, and RUS remains committed to pursuing further reductions in both the burdens placed upon our borrowers/customers and the total volume of regulations imposed. The agency spoke by telephone with three telecommunications loan respondents concerning this information collection:

Jeff Swan, VP
Finley Engineering Company
1500 Bull Lea Road, Suite 194
Lexington KY 40511
859-231-9831

Lisa Epperly
General Manager
Pembroke Telephone
504 Snidow Street, Pembroke VA
540-626-7111

Carmen O'Neill
Assistant Director of Engineering
Vantage Point Solutions
carmen.oneill@vantagepnt.com
605-995-1754

All three respondents noted that the information needed for filling out the forms was readily available, although one noted that some of the information took a fair amount of time to compile. Respondents noted that the preloan requirements can be a significant burden, but also noted that applying for any type of loan from any lender can be a significant burden. The respondents believed that the instructions generally were clear and useful for preparing the data. None of the respondents had any concern about disclosure of information submitted to RUS. The respondents said that all of the estimated times for gathering material and preparing forms were greater than listed when it came to construction cost estimates and environmental requirements, so we have updated our estimates accordingly.

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

Payment or gifts are not provided to respondents.

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

No assurances of confidentiality have been provided to respondents.

11. Provide additional justification for any question of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private.

This information collection does not involve questions of a sensitive nature.

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

The estimated burden hours for this collection is 4,687, an increase of 1,463 from the last reported total of 3,224. There were program adjustments to account for reductions in the estimated number of respondents and an increase in estimated response times. Respondents completing loan applications declined from 36 to 17 and respondents submitting proposals for acquisitions and mergers declined from 4 to 1 (total respondents 18). Response times were reviewed and adjusted based on information provided in interviews with respondents and by those familiar with the collection. Total response time for the Loan Requirements and Preloan Procedures increased from 79 to 259.5 and response times for respondents submitting proposals for Acquisitions and Mergers was adjusted from 95 to 275.5. All of the preloan data collected by the applicant is generally submitted to RUS at the same time. Burden for the estimated 17 applicants (259.5 hours per response) includes the preparation and submission of requirements described in this supporting statement and listed on the attached spreadsheet and information to meet the prerequisites for release and advance of funds, for an annual total of 4,412 burden hours. Approximately one borrower per year undertakes acquisitions, mergers, or consolidations and that response time is estimated at 275.5 hours. A calculation of the estimated burden hours is shown in the table below:

Total Annual Burden

Regulation 7 CFR 1737	Number of Respondents	Total Annual Responses	Per Response Time	Total Annual Hours
Loan/Preloan Requirements	17	17	259.5 hrs.	4,411.5
Acquisitions & Mergers	1	1	275.5 hrs.	275.5
Total	18	18	-----	4,687

Note: See separate spreadsheet RUS Form 36 for individual requirements per response time.

Estimated Respondent Cost:

Loan Requirements and Preloan Data Collection

Of the 259.9 hours of respondent time required to submit information related to loan requirements and preloan data collection, approximately 40 percent of the respondent time, or 103.8 hours, requires managerial time for analysis and preparation; approximately 45 percent, 116.8 hours, requires the attention of a business and financial analyst; and approximately 15 percent of the respondent time, or 39 hours, involves tasks requiring an administrative/clerical staff for review/ transcription and mailing. The wage categories and rates are selected from the Department of Labor, Bureau of Labor Statistics, May 2015 National Occupational Employment and Wage Estimates located at http://www.bls.gov/oes/current/oes_nat.htm. The managerial wage category is General and Operations Manager (Occupational Code 11-1021) at \$46.99. The business and financial analyst wage category is Financial Analyst (Occupational Code 13-2015) and the wage is \$38.61. The wage category for the Administrative/clerical is Bookkeeping, Accounting and Auditing Clerks (Occupational Code 43-3031) at \$17.91 per hour. Data provided by the Bureau of Labor Statistics indicates that employer cost for employee benefits for private industry is 30.3%. See; Bureau of Labor Statistics Employer Costs for Employee Compensation – June 2016, <http://www.bls.gov/news.release/ecec.nr0.htm>. After calculating employer cost for employee benefits, the total hourly wage/benefit cost for Managerial is \$61.23; Financial Analyst is \$50.31; and the Administrative/clerical is \$23.34. The following tables are calculations of costs to the respondents providing Loan Requirements and Preloan Data Collection information and Loan prerequisites for Release and Advance of Funds:

Loan Requirements and Preloan Data Collection				
Category/Task Description	Wage/Benefit	Hours required	Number of Respondents	Totals
Managerial preparation time	\$61.23	103.8	17	\$108,046
Business and Financial Data Collection	\$50.31	116.8	17	\$99,896
Review/Transcription/Clerical	\$23.34	14	17	\$5,555
Mailing Cost \$25 each	\$25		17	\$425
Subtotal				0
Loan Prerequisites for Release and Advance of Funds				
Collection/Transcription/Review	\$23.34	25	17	\$9,920
Mailing @ \$5 per response	\$5		17	85
Subtotal				\$10,005
Total				\$223,927

Mergers and Acquisitions:

Respondents with merger/acquisition proposals must submit the required information itemized in the attached spreadsheet which totals an estimated 279.5 (259.5 hours plus the 16 hours required for Form 507, Report on Telephone Acquisition itemized below). The program estimates that

respondent time required to submit information related to Acquisitions and Mergers is divided 40 percent of the respondent time, or 111.8 hours, requires managerial time for analysis and preparation; approximately 45 percent, 125.8 hours, requires the attention of a business and financial analyst; and approximately 15 percent of the respondent time, or 41.9 hours, involves tasks requiring an administrative/clerical staff for review/ transcription and mailing and the cost calculation is as follows:

Costs to Respondent for Mergers Acquisitions			
Category	Wage/Benefits	Hours Required	Costs
Manager	\$61.23	111.8	\$6,846
Financial Analyst	\$50.31	125.8	6,329
Admin/Clerical	\$23.34	41.9	978
Mailing			5
Total		0	0

Total annualized cost to respondents for this information collection is \$238,085, as shown below:

TOTAL RESPONDENT COST	
Loan Requirements and Preloan Data Collection	\$213,922
<u>Loan Prerequisites for Advance and Release of Funds</u>	\$10,005
<u>Costs to Respondents for Acquisition/Mergers</u>	\$14,158
	0

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information:

(a) Total capital and start-up cost component (annualized over its expected useful life); and (b) Total capital and start-up cost component (annualized over its expected useful life).

There are no capital/start-up or operation/maintenance and purchase of services components involved with this collection.

14. Provide estimates of annualized cost to the Federal Government.

The estimated annualized cost to the Federal Government to collect and evaluate this information is estimated to be \$77,454. Based on past experience and interviews with the agency staff, it is estimated that Loan requirements and Preloan Data Collection requires 3 hours of time by a Manager GS 15/Step 5 (\$69.56 per hour), and 6 hours of time by a Program Analyst at GS 13/Step 5 (\$50.04 hourly wage), and 72 hours from a Loan Specialist at GS 11/Step 5 wage rate (\$35.11). Loan Processing and Advance of Funds requires one-half hour of time for Manager review, one hour of Program Analyst time and 5 hours of time from a Loan Specialist to process. Information related to Mergers and Acquisitions requires one hour for Manager time review, 1 ½ hours of Program Analyst time and 6 hours of time from the loan specialist. Wage rates used to calculate federal costs are found at the Office of Personnel Management, 2016 General Schedule tables at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/>

[pdf/2016/DCB_h.pdf](#). With the addition of the cost of benefits¹, the Manager hourly total compensation is \$94.78; the Program Analyst hourly compensation is \$68.18, and the Loan Specialist hourly compensation is \$47.84. The cost calculation to the Federal government for this information collection is shown below:

Federal Government Cost related to Loan Requirements and Preloan Data Collection				
Category/Task Description	Wage/Benefit	Hours required	Number of Respondents	Totals
Review by Manager GS 15/5	\$94.78	3	17	\$4,834
Program Analyst GS 13/5	\$68.18	6	17	\$6,954
Loan Specialist GS 11/5	\$47.84	72	17	\$58,556
Printing and Mailing Cost \$35 each	\$35		17	\$595
Subtotal				0
Federal Cost Related to Loan Processing and Advance of Funds				
Category	Wage/Benefit	Hours required	Respondents	
Review by Manager GS 15/5	\$94.78	.5	17	\$806
Program Analyst GS 13/5	\$68.18	1	17	\$1,159
Loan Specialist GS 11/5	\$47.84	5	17	\$4,066
Subtotal				\$6,031
Federal Government Cost Related to Mergers Acquisitions				
Category	Wage/Benefits	Hours Required	Respondent	Costs
Review by Manager GS 15/5	\$94.78	1	1	\$95
Program Analyst GS 13/5	\$68.18	1.5	1	\$102
Loan Specialist GS 11/5	\$47.84	6	1	\$287
Subtotal				\$484
Total				\$77,454

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

This renewal package requests an extension of a currently approved collection. There is a program adjustment an overall increase of 1,463 estimated burden hours (from 3,224 to 4,687) because of program adjustment in the estimate of response times. The agency has seen a reduction in the number of applications for this loan program over the last several years (from 40 to 18): Respondents submitting loan requirements and preloan information decreased from 36 to 17 and respondents submitting proposals for acquisition and merger were reduced from 4 to 1 (based upon FY13-FY15 average). Overall, the decrease in the number of respondents was primarily due to completion of projects that were funded under the American Recovery and Reinvestment Act of 2009 (Recovery Act). In this act, RUS established the Broadband Initiatives Program (BIP) which extended loans, grants, and loan/grant combinations to facilitate broadband deployment in rural areas. During the same time period, the National Telecommunications and Information Administration (NTIA) also established the Broadband Technology Opportunities Program (BTOP) which made grants available for deploying broadband infrastructure in unserved and underserved areas in the United States, enhancing broadband capacity at public computer centers, and promoting sustainable broadband adoption projects. The Notice of Funds

¹ Cost of total benefits as a percentage of total hourly compensation for Federal Government employees has been calculated by multiplying 36.25% by the hourly OPM wage in accordance with OMB Memorandum M-08 13.

Availability (NOFA) and solicitation of applications was released in July, 2009 resulting in many applications. The programs funded under the Recovery Act have all completed construction as of late 2015, and as many of the recipients of both BIP and BTOP funding were also candidates for USDA loans, the agency expects loan applications to now rise with the completion of these programs.

While no changes occurred in the program, an adjustment was required to more accurately estimate the response times reported by respondents. In interviews with respondents, they reported that the hours previously reported should be increased because the estimated times for gathering materials was greater than listed in the last information collection, particularly with regard to construction cost estimates and environmental requirements. Estimated response times were increased from 79 to 259.5 per response for loan requirements and preloan procedures and from 95 to 275.5 for respondents submitting acquisition and merger proposals.

16. For collection of information whose results will be published, outline plans for tabulation and publication.

There are no plans for publication.

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

The agency is not seeking such approval.

18. Explain each exception to the certification statement identified in item 19 on OMB Form 83-I.

None requested.

B. Collection of Information Employing Statistical Methods.

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

This collection does not employ statistical methods.