

Department of the Treasury  
Departmental Offices  
**State Small Business Credit Initiative**  
OMB Control Number 1505-0227

**A. Justification**

1. Circumstances necessitating the collection of information.

On September 27, 2010, President Obama signed into law the Small Business Jobs Act of 2010 (the "Act"). The Act created the State Small Business Credit Initiative (SSBCI), which was funded with \$1.5 billion to strengthen State programs that support lending to small businesses and small manufacturers. Treasury allocated Federal funds to participating States, territories, the District of Columbia, and municipalities ("Participating States") in order to support statutorily eligible State or municipal capital access programs and other eligible State or municipal credit support programs, including loan guarantee, loan participation, collateral support, and venture capital programs. SSBCI is a one-time program of limited duration.

2. Method of collection and use of data

A. Method of collection and use of data: SSBCI Application.

Because SSBCI is a one-time program under the Act with no new funding in subsequent year appropriations, Treasury will neither accept applications from any new applicants for SSBCI funding, nor accept applications from existing Participating States for additional SSBCI funds above the original allocation. However, Treasury anticipates that some Participating States may wish to use allocated funds for new programs during the SSBCI five year term. For example, a Participating State with approved collateral support and loan guarantee programs may wish to create a venture capital program and re-allocate its funds among the three programs. In that instance, a new, previously unapproved program would be receiving SSBCI funds, and Treasury's Modification Policy requires that the Participating State submit an abbreviated<sup>1</sup> application package for the new program, in addition to an explanation and justification for the proposed change. Treasury will use submitted information to determine if the proposed new program meets eligibility requirements.

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<sup>1</sup> Unless otherwise indicated, Treasury will assume that the narrative responses that the Participating State provided to questions 2D and 5B in its previously approved application are still indicative of the Participating State's plans to provide access to capital to underserved businesses and communities, and of the Participating State's plans to ensure appropriate reporting mechanisms, audits, and other compliance activities. For this reason, Treasury will not require Participating States that request approval for a new State program to submit responses to these questions. However, if there has been a material change to the Participating State's plans in these areas, the Participating State should submit updated responses to these questions

B. Method of collection and use of data: Quarterly and Annual Reporting Requirements in the Allocation Agreement.

Data pertaining to individual loans or investments made by financial institutions participating in approved programs using SSBCI funds will be collected by Treasury through quarterly and annual reports submitted by Participating States. Some information provided in the annual report will dictate whether subsequent reporting is required.

Information provided in the quarterly and annual reports will be used to (1) track compliance with applicable laws and program requirements; and (2) track and report on the effectiveness of the program in meeting its policy objectives. Treasury's per-response burden estimates for the quarterly and annual report are unchanged from its previously approved request.

C. Method of collection and use of data: Quarterly Technical Assistance Review.

Treasury staff will conduct this quarterly-review during individual conference calls with each Participating State in order to determine whether the Participating State may require additional technical assistance from Treasury to launch their program and to document best practices that Participating States have employed when launching new programs. Treasury does not require Participating States to submit anything in writing; all information may be provided by the Participating States orally.

D. Method of collection and use of data: Allocation Agreement for Municipalities.

In addition to the submission of quarterly and annual reports required by all Participating States, as noted in (B), above, the Allocation Agreement for Participating Municipalities will require that municipal applicants applying jointly for SSBCI funds as a consortium shall document and provide to Treasury a copy of a cooperative agreement that details the roles and responsibilities among each municipality as a condition of closing.

Additionally, for any loans or investments made outside of the geographic borders of Participating Municipalities, this Allocation Agreement requires that Participating Municipalities must warrant in writing that such a transaction will result in significant economic benefit to the municipality. This warranty will not be submitted to Treasury, but shall be maintained among the records of the authoring Participating Municipality.

3. Use of information technology.

A. Use of Information Technology: SSBCI Application Data Collection.

For the SSBCI application that Participating States use to request a modification, applicants will complete an interactive application (a fillable PDF form) and return the application via email; regular mail, or electronic mail. Data from applications will be stored electronically.

B. Use of Information Technology in the Quarterly and Annual Report Data Collection.

For the quarterly and annual reports, Participating States that receive funds will upload these reports via an existing Treasury information technology platform. Treasury will store this information electronically.

C. Use of Information Technology in the Quarterly Technical Assistance Review Data Collection.

Participating States will provide information orally only. Treasury will transcribe the notes of the conversation using Microsoft Word or via a fillable PDF. Data will be stored electronically. This is a quarterly collection from each Participating State, that will reoccur until December 2016.

D. Use of Information Technology in the Allocation Agreement for Municipalities.

Participating Municipalities will provide copies of their cooperative agreement via email to Treasury. Data will be stored electronically. This is a one-time collection from each consortium of municipalities applying for SSBCI participation in a single application prior to closing. Warrants certifying that a loan or investment made outside of municipal borders will not be collected by Treasury.

4. Efforts to identify duplication

There is no overlap among the data collections included in this request. Treasury has not requested any other data collections for the SSBCI program.

5. Impact on small entities

This collection of information is not expected to have a significant impact on small entities. Many of the entities that will be providing the transaction-level data will be familiar with the types of information requested based upon their experience with existing state programs as well as the more extensive data collected by the Small Business Administration's lending and credit support programs.

6. Consequences of less frequent collection and obstacles to burden reduction

SSBCI is statutorily required to have an application and annual reporting. Treasury cannot meet its statutory requirement to fund programs without using an application form to discern eligibility of programs. While Treasury does not anticipate frequent collection of the application form in the future, Treasury must maintain this collection in order to adequately assess requests for modifications that involve the addition of new programs. Reporting elements specified in the

Act limit the degree to which the reporting requirements in the SSBCI Allocation Agreement can be reduced below the current level.

Section 3009 of the Small Business Jobs Act requires that Treasury provides technical assistance to Participating States and to generally disseminate best practices in program design. Because the rapid deployment of funds to small businesses unable to access capital due to the financial crisis is a primary objective of the legislation, Treasury believes it is important to pro-actively monitor any barriers in program implementation among the Participating States in order to facilitate a resolution. Additionally, because the SSBCI is a program of limited duration, it is important that Treasury have a mechanism for collecting data related to the implementation of Approved State Programs at the front-end of the SSBCI program period in order to a) provide technical assistance to overcome any implementation challenges, if possible; b) document the implementation best practices among Participating States; and c) to identify any policy obstacles to Treasury needs to assess prior to the termination of the program.

Section 3004 of the Act gives specific permission for municipalities to apply jointly for SSBCI funds as a consortium, under specific conditions. Treasury has identified specific considerations related to how municipalities participate in the SSBCI that differ from States, particularly related to the use of allocated funds. Both the cooperative agreement and the warranty for extra-municipal loans and investments are intended to document these differences in use of allocated funds and will assist Treasury and the Office of Inspector General in conducting oversight of the program.

#### 7. Circumstances requiring special information collection

There are no special circumstances causing the information collection to be conducted in a manner described in 5 CFR 1320.6.

#### 8. Solicitation of comments on information collection

A *Federal Register* notice soliciting public comment will be published, and Treasury will address comments received.

#### 9. Provision of payments to recordkeepers

No payments or gifts are provided to respondents.

#### 10. Assurance of confidentiality

The SSBCI is subject to all Federal regulations with respect to confidentiality of information.

#### 11. Justification of sensitive questions

No questions of a sensitive nature are asked in the collection's instruments. No personally identifiable information is collected.

12. Estimated burden of information collection

A. Estimated burden of information collection: SSBCI Application

Treasury expects to receive applications only from those Participating States wishing to modify their SSBCI Allocation Agreements to add new programs. Because Treasury will not, in general, require Participating States to provide an updated response to questions 2D and 5B on the application (which address outreach to Low and Moderate Income communities and compliance activities, respectively), Treasury estimates the total annual burden to be 72 hours (8 modifications/year \* 9 hours/program).

B. Estimated Burden of the Quarterly and Annual Reports

SSBCI anticipates that 56 participating states will receive funds. The estimated time to complete a quarterly report is 1 hour. Therefore, the estimated annual burden associated with quarterly reports is 224 hours (56 Participating States \* 4 quarterly reports/year \* 1 hour/report).

Each annual report will require, on average, 5.42 hours of a Participating State’s time, for a total annual burden of 304 hours (56 Participating States \* 5.42 hours/report).

Table 1 below illustrates how SSBCI estimated that the average annual burden for the narrative portion of the annual report is 2.42 hours.

**Table 1**

Collection	Estimated Burden	Number of Respondents	Total Hours
Purpose of the Allocation	.33 hour	56	18.48
Underserved Communities	.33 hour	56	18.48
Staffing	.10 hour	56	5.6
Loss Rates	.33 hour	56	18.48
Job Creation and Retention	.33 hour	56	18.48
Post Allocation Agreement Activity	.50 hour	56	28
Feedback	.50 hour	56	28
	2.42 Hours	56	135.52

Table 2, below, illustrates that SSBCI estimates that the average annual burden for the transaction-level informatoin collected in the report is 3.0 hours.

**Table 2**

Collection	Estimated Burden	Number of	Total Hours
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		Respondents	
All transaction level data	3 hours	40	120 hours

C. Estimated Burden of the Quarterly Technical Assistance Review

SSBCI anticipates that 56 Participating States will receive funds. The estimated time to participate in the conference call, which SSBCI staff use to complete the Quarterly Technical Assistance Review, is 1 hour. Therefore, the estimated annual burden associated with the Quarterly Technical Assistance Review is 224 hours (56 Participating States \* 1 hour/call x 4 times per year).

D. Estimated Burden of the Allocation Agreement for Participating Municipalities

Three applicants have submitted a cooperative agreement. The estimated time to complete this document was 40 hours per agreement, for a net, one-time total of 120 hours.

Municipalities that have applied for the SSBCI program anticipate a total of 20 loan or investment transactions per year. SSBCI estimates that approximately 20% of these transactions may occur outside of the boundaries of applicant municipalities and that for each applicable transaction, the warranty will take approximately 1 hour to complete. Therefore, the estimated annual burden associated with warrants will take 4 hours (20 transactions \* .20 \* 1 hour/transaction)

E. Estimated Combined Annual Burden

Table 3

Collection	Total annual burden
Application modifications	72
Quarterly reports	224
Annual report	304
Quarterly Technical Assistance Review	224
Allocation Agreement for Participating Municipalities	4
Total	828

13. Estimated total annual cost burden to respondents

There is no cost burden associated with the collection of the data. No purchases of equipment or services are necessary to complete these collections.

14. Estimated cost to the Federal government.

The cost to the Federal Government is the Treasury staff time and IT systems requirements to develop the application, follow up with participating states, review the applications, determine disbursements, collect reporting data, and report the results.

15. Reasons for change in burden

Adjustments in the number of respondents are being made to reflect a reduction in the number of states and municipalities participating in the program. Resulting response burden decreases are reflected.

16. Plans for tabulation, statistical analysis and publication

Treasury will conduct numerous types of analysis on this data. These analyses will include assessments of the effectiveness of the program (e.g. reach, amounts funded) as well as compliance checks. It is possible that a review/publication may result from these analyses. In addition, this analysis will be made available to the public for transparency.

From the annual reports of participants' performance, SSBCI will develop a final report based on state responses or will publish the submissions as an addendum to the final annual report with all other SSBCI performance data.

17. Reasons why displaying the OMB expiration date is inappropriate

Displaying the OMB expiration date is inappropriate because it will likely create confusion by leading respondents to believe that the agreements sunset as of the expiration date. Non-display of the expiration date is requested.

18. Exceptions to certification requirement

There are no exceptions to the certification statement.