

SUPPORTING STATEMENT
U.S. Small Business Administration
Paperwork Reduction Act Submission
Community Advantage Pilot Program
OMB # 3245-0361

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

Section 7(a) of the Small Business Act (15 U.S.C. § 636(a)) authorizes the Small Business Administration to guarantee loans made by banks or other financial institutions to qualified small businesses for the purposes of plant acquisition, construction, conversion, or expansion, and/or for the acquisition of land, materials, supplies, equipment, or working capital. OMB Circular A-129 (Policies for Federal Credit Programs and Non-tax Receivables) require a federal agency to among other things, evaluate the character and performance of individuals participating in its federal credit programs and set standards for information required for federal loan programs (copies of relevant provisions are attached). This information collection facilitates SBA's ability to carry out these responsibilities by obtaining necessary information from organizations that wish to participate in SBA's Community Advantage Pilot Program. This information collection consists of the following form:

Form 2301: Community Advantage Lender Participation Application.

Proposed changes to the form are as follows:

Additions:

Section 1. Question 1, SBA added "SBA Intermediary Lending Pilot (ILP) Program Lender" as an eligible type of organization. Also, where appropriate, added reference to the Intermediary Lending Pilot (ILP) Program in the instructions and certifications.

2. How, By Whom, and For What Purpose Information Will 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.

SBA is responsible for providing small business access to capital in an efficient and timely manner, while maintaining its fiduciary responsibility to the taxpayer. This collection of information facilitates SBA's ability to fulfill those responsibilities by ensuring only qualified entities are approved as Community Advantage Lenders. The information collected is used by program managers and top Agency management, to select eligible lenders as participants in the Community Advantage Pilot Program and to conduct lender oversight.

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.

[Form 2301](#) is available on SBA's website in fillable format. The completed format is submitted by mail in paper form or electronically through email, to the nearest SBA District Office as instructed on the form.

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.

The information collected is unique to the individual lender applicant and the circumstances and conditions of its business operation, and to the Community Advantage Pilot Program. There are no other sources of information that are currently available that would meet SBA's purposes. In developing the form, SBA sought to minimize the burden on the applicants by not requesting information that had previously been submitted to SBA for other programs (e.g. audited financial statements submitted under the SBA Microloan, ILP, or 504 Programs).

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 83-1), describe any methods used to minimize burden.

Potential lenders for the Community Advantage Pilot Program are the entities impacted by this data request. As Community Development Financial Institutions (CDFIs), Certified Development Companies (CDCs), Microlenders, and ILP Intermediaries, Community Advantage lenders are familiar with the type of information requested on this form. Therefore, the Agency does not anticipate that this information collection will have a significant economic impact on these entities.

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 the information contained in the forms may compromise the effectiveness of the Community Advantage Pilot Program and allow unqualified lenders to participate in the program, which could impact SBA's default rates and increase the risk in the portfolio..

7. Existence Of Special Circumstances

Explain any special circumstances that would cause an information collection to be conducted in a manner:-

- (i) requiring respondents to report information to the agency more often than quarterly; prepare a written response to a collection of information in fewer than 30 days after receiving 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;*
- (ii) requiring the use of a statistical data classification that has not been reviewed and approved by OMB;*
- (iii) requiring respondents to submit proprietary trade secret, 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; or*
- (iv) that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, and by disclosure and data security policies that are consistent with the pledge, or that unnecessarily impedes sharing of data with other agencies for compatible confidential use;*

SBA requires the submission of proprietary information (e.g. business plan and audited financial statements) to make decisions regarding the organization's capacity to participate in the

Community Advantage Pilot Program while limiting risk to the Agency, the taxpayer, and the lender applicant. SBA maintains the confidentiality of such information to the extent permitted by law, including the Freedom of Information Act (5 USC 552) and other related Federal laws.

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), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received. 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.

A Federal Register public comment notice was published on January 25, 2017 , at 82_ FR8484. The comment period expired on March 27, 2017.. (No comments were received.)

9. Payments or Gifts

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

No gifts or payments are provided to any 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.

No express assurance of confidentiality is provided to the lenders; however, as a matter of course the information collected is protected to the extent permitted by law. Confidential information referenced on this form to be collected from individuals associated with the applicant lenders is collected through a separate OMB approved information collection (SBA Form 1081 – OMB Control # 3245-0080), which includes a notice regarding how SBA protects the individual's information.

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, 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.

This form does not collect information of a sensitive nature.

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

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.

, SBA estimates that it may receive approximately 29 applications each year. The estimated burden hours and costs for Form 2301 are reflected below:

Form 2301: Community Advantage Lender Participation Application (for use by lenders applying to participate in the Community Advantage Pilot Program). The estimated burden hours are 7 hours times 29 applications or 203 hours.

SBA estimates that the person who is most likely to respond to this request for information is the equivalent of a GS-13/Step 5 employee at SBA's Headquarters who is paid at an hourly rate of \$51.48. The estimated annual cost to respondents, therefore, would be 203 hours x \$51.48per hour = \$10,450.

13. Estimate of Total Annual Cost

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

There will be minimal start-up or other costs to the respondents.

14. Estimated Annualized Cost to the Federal Government

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 cost to government would be approximately \$14,035 annually.

It is estimated that a financial analyst (average GS-13/Step-5 at \$51.48per hour) spends approximately 7 hours to screen and analyze the application and to prepare a recommendation. It is estimated that a supervisory financial analyst (GS-14/Step-5 at \$60.83 per hour) spends approximately 2 hours to review the recommendation and to conduct appropriate follow-up. In addition, it is estimated that a staff assistant (GS-12/Step-5 at \$43.29 per hour) would spend approximately 22 minutes to enter and retrieve data to support the decision.

Calculation for the Community Advantage Participation Application

Financial Analysts (GS-13): 7 hours x \$51.48 x 29 applications = \$10,450

Supervisory Financial Analysts (GS-14): 2 hours x \$60.83 x 29 applications = \$3,528

Staff Assistants (GS-12): 22 minutes x \$0.72/minute x 29 applications = \$459

Total = \$14,437

15. Explanation of Program Changes in Items 13 or 14 on OMB Form 83-I

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

The previous PRA submission did not include the expanded eligibility criteria. Incorporating the eligibility change, SBA revised the estimated annual number of applications (SBA Form 2301) from 25 to 29 applications.

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.

Except for summary data that might be included in various agency reports this information will not be published.

17. Expiration Date for Collection of this Data

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; expiration date will be displayed..

18. Exceptions 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.

Because each lender application is unique to the individual applicant, SBA cannot employ a statistical survey methodology to obtain the required information.

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.