

OMB FORM 83-I SUPPORTING STATEMENT

*PAPERWORK REDUCTION ACT SUBMISSION FOR  
U.S. SMALL BUSINESS ADMINISTRATION'S (SBA)  
SMALL BUSINESS INVESTMENT COMPANY (SBIC) PROGRAM*

*INFORMATION COLLECTION 3245-0118*

*SBA FORM 856: DISCLOSURE STATEMENT LEVERAGED LICENSEES  
SBA FORM 856A: DISCLOSURE STATEMENT NON-LEVERAGED LICENSEES*

A. Justification

1. Circumstances necessitating the collection of information. The Office of Investment of the Small Business Administration (SBA) is required to examine small business investment companies (SBICs) pursuant to section 310(c) of the Small Business Investment Act of 1958, as amended, 15 U.S.C. Section 687b(c), and 13 CFR 107.690 to 107.692. The purpose of the examination as stated in the statute is to determine, in part, whether or not the SBIC has engaged “solely in lawful activities and those [activities] contemplated” by title III of the Small Business Investment Act. SBA collects information on Forms 856 and 856A as part of its effort to meet this statutory requirement.

SBA seeks OMB’s approval to revise and extend this collection of information (approved under control Number 3245-0118). The forms have been revised to request the following additional information concerning the management consulting services under questions 8 (Form 856) and 3 (Form 856A): Name of Service Provider (Licensee or Associate), date services began, and description of fees paid by Portfolio Company. The introductory language to SBA Form 856A was also changed but not in a material manner.

2. How, by whom and for what purpose information will be used. The information in SBA Forms 856 and 856A is collected by the Office of SBIC Examinations in advance of an SBIC’s examination and is used by SBA Examiner in all examinations of SBICs as a means of gathering information relevant to the examination. The two versions of the form are tailored to whether or not an SBIC has outstanding leverage (SBA financial assistance); the Form 856A is shorter and is designed for non-leveraged SBICs, which present no financial risk to SBA. The information collected is similar to the type of information that an independent auditor obtains from a client through a management representation letter, as required by generally accepted auditing standards. Obtaining these written representations from management helps to avoid misunderstandings and documents management’s responsibility and accountability for key aspects of an SBIC’s regulatory compliance.
3. Technological collection techniques. The forms can be mailed or emailed to respondents prior to the scheduled examination. Each respondent is an SBIC that is in direct personal contact with an SBA Examiner at the time the information is collected. The completed and signed forms may be returned to the examiner by email or other secure file transfer as arranged with SBA.

4. Avoidance of Duplication. Questions 6 and 7 of Form 856 cover information that is also provided directly to SBA on Form 468 (Annual Financial Statement) by examined SBICs, although not as of the same date. The information collected by the Form 856 is necessary to identify any changes that may have occurred between the Annual Financial Statement date and the examination date.
5. Impact on small businesses or other small entities. There are approximately 303 licensed SBICs, most of which are small entities. The impact of the information collection on these entities is not significant. The information is generally collected by SBA Examiners no more often than once a year from leveraged Licensees and every 18 months from non-leveraged SBICs. The information requested is the type of information that companies would generally maintain in the normal course of business. For non-leveraged SBICs, SBA uses a shorter form that eliminates the collection of financial disclosure information, since these companies present SBA with no financial risk.
6. Consequences if collection of information is not conducted. The collection provides information about an SBIC's operations that either is not reported at all in its financial statements or, if reported, may not be up to date at the time of the examination, including certain contingent obligations, contractual relationships, fees charged for certain services, litigation, and investment transactions involving related parties. Without disclosure of this information, SBA would be unable to evaluate key aspects of an SBIC's financial health and regulatory compliance, increasing the risk of financial loss to the government and/or undetected noncompliance with laws and regulations.
7. Existence of special circumstances. This collection of information requires responses within 10 days of receipt by the respondent. The requested turn-around time is intended to minimize the time involved in conducting each SBIC examination. SBA is required by statute to examine each SBIC at least every two years (15 U.S.C. Section 687b). Due to limited examination staff resources, in order to comply with the statutory mandate, SBA limits the time consumed by each examination as much as possible. SBA believes that the 10-day response time balances the Agency's need to limit the duration of each examination and the time needed by SBICs to respond to the request for information.

This collection includes confidential business and financial information, which is protected to the extent permitted by law. Records are maintained under conditions designed to preclude access by persons other than Agency personnel with a need to know.

8. Solicitation of Public Comment. SBA published a notice in the Federal Register on January 29, 2018, at <https://federalregister.gov/d/2018-01558> (83 FR 4113). The comment period ended on March 30, 2018; SBA received no comments.
9. Payment or gifts. Not applicable. No payment or gifts are provided to respondents.

10. Assurance of confidentiality. No assurances of confidentiality are given to SBICs responding to this collection of information. However, SBIC Examiners maintain the records under conditions designed to preclude access by anyone other than Agency personnel or approved contractors, with a need to know. Generally the information collected will be protected to the extent permitted by law. The financial data in particular is protected from disclosure under the Freedom of Information Act; specifically, exemptions 4, 6 and 8 which allow SBA to withhold financial data on individual companies.
11. Questions of a sensitive nature. The collection of information may include personal financial information, which SBA reviews to determine whether an SBIC has engaged in prohibited conflict of interest transactions. Although this information is needed to fulfill SBA's statutory responsibilities with respect to SBIC examinations, it is not retrieved by individual identifier. The Agency has reviewed the requirements of the Privacy Act and determined there is no need for a Privacy Act system of records for this collection of information.
12. Estimate of the hourly burden of the collection of information. Based on feedback from a small number of respondents, estimates of burden of collection are as follows:

Form 856:

Annual burden hours:

- Number of respondents (leveraged SBICs) – 206
- Number of responses per respondent – 1
- Estimated hours to complete the form per respondent: 1.0 hour
- Burden hours:  $206 \times 1 = 206$  hours

Respondent's Cost for Burden Hours:

Estimated officer's salary = \$132/hour

$206 \text{ burden hours} \times \$132/\text{hour} = \$27,192$

Form 856A:

Annual burden hours:

- Number of respondents (non-leveraged SBICs) – 65
- Number of responses per respondent – 1
- Estimated hours to complete the form per respondent: 0.75 hour
- Burden hours:  $65 \times 0.75 = 48.75$  hours

Respondent's Cost for Burden Hours:

Estimated officer's salary = \$132/hour

$48.75 \text{ burden hours} \times \$132/\text{hour} = \$6435$

Total for Both Form 856 and Form 856A:

Annual burden hours:

- Number of respondents – 271
- Number of responses per respondent – 1
- Estimated hours to complete the form per respondent: 1.0 hrs (Form 856); 0.75 hrs (Form 856A)

- Burden hours:  $(206 \times 1.0) + (65 \times 0.75) = 254.75$  hours

Respondent's Cost for Burden Hours:

Estimated officer's salary = \$132/hour

254.75 burden hours x \$132/hour = \$33,627

13. Estimate of total annual cost burden for submission. No start-up or operating costs.
14. Estimated annualized cost to the Federal government. Estimated cost to Government of examiner's review of completed form:
  - GS-13/Step 5 (based on DC/Baltimore locality) estimated salary: \$53/hour
  - 1.5 hour x 206 = 309 hours x \$53/hour = \$16,377 (Form 856)
  - 1.0 hour x 65 = 65 hours x \$53/hour = \$3,445 (Form 856A)
  - Total estimated cost to government- \$19,822

Explanation of program changes/adjustments in Items 13 or 14 on OMB Form 83-I.

The data reported in the previous Supporting Statement reflect 298 respondents/responses and 138 burden hours. However, the current total inventory is erroneously listed on reginfo.gov as 598 responses and 276 burden hours. This submission reports estimated totals of 271 annual respondents, and 254.75 annual burden hours. These figures coincide with the current estimates for yearly examinations of 206 leveraged examinations plus 65 non-leveraged examinations (total 271 examinations). Additionally, the burden hours for preparing responses have been increased by 0.5 hours per response to account for the additional information required for the management consulting services under question 8 (Form 856) and 3 (Form 856A).

15. Collection of information whose results will be published. Not applicable. The results of this collection of information will not be published.
16. Expiration date for collection of information. Not applicable. The expiration date will be displayed.
17. Exceptions to certifications in Block 19 on OMB Form 83-1. Not applicable. There are no exceptions to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB 83-1.

B. Collections of Information Employing Statistical Methods

This collection of information does not employ statistical methods.

**Attachments:**

- Federal Register 60-day public comment notice
- Authorizing Statutory and Regulatory Provisions
- SBA Form 856, Disclosure Statement Leveraged Licensees
- SBA Form 856A, Disclosure Statement Non-Leveraged Licensees



information before submission to OMB, and to allow 60 days for public comment in response to the notice. This notice complies with that requirement.

**DATES:** Submit comments on or before March 30, 2018.

**ADDRESSES:** Send all comments to Janet Moorman, Business Development Specialist, Office of Veterans, Small Business Administration, 409 3rd Street, 6th Floor, Washington, DC 20416.

**FOR FURTHER INFORMATION CONTACT:** Janet Moorman, Business Development Specialist, Office of Veterans, [janet.moorman@sba.gov](mailto:janet.moorman@sba.gov) 202-205-7419, or Curtis B. Rich, Management Analyst, 202-205-7030, [curtis.rich@sba.gov](mailto:curtis.rich@sba.gov);

**SUPPLEMENTARY INFORMATION:** OMB Memorandums M-14-06 and M-13-17 provide guidance for agencies to leverage data for statistical purposes in an effort to provide a foundation for evaluation and analysis of programmatic work. The SBA's performance evaluation project will evaluate the performance of VBOCs in an effort to standardize performance across all partners. The methodology of this evaluation includes conducting a VBOC director survey, a client outcome survey, and on-site, in-person interviews with directors, staff, and clients.

*Solicitation of Public Comments:*

Comments may be submitted on (a) whether the collection of information is necessary for the agency to properly perform its functions; (b) whether the burden estimates are accurate; (c) whether there are ways to minimize the burden, including through the use of automated techniques or other forms of information technology; and (d) whether there are ways to enhance the quality, utility, and clarity of the information.

*Summary of Information Collections:*

*Title:* Evaluation of the Veterans Business Outreach Centers.

*Description of Respondents:* Transitioning Service Members.

*Form Number:* N/A.

*Estimated Annual Respondents:* 15,000.

*Estimated Annual Responses:* 2,251.

*Estimated Annual Hour Burden:* 2,313.

**Curtis B. Rich,**  
Management Analyst.  
[FR Doc. 2018-01567 Filed 1-26-18; 8:45 am]  
**BILLING CODE 8025-01-P**

**SMALL BUSINESS ADMINISTRATION**  
[Disaster Declaration #15391 and #15392; New York Disaster Number NY-00179]

**Presidential Declaration Amendment of a Major Disaster for Public Assistance Only for the State of New York**

**AGENCY:** U.S. Small Business Administration.

**ACTION:** Amendment 1.

**SUMMARY:** This is an amendment of the Presidential declaration of a major disaster for Public Assistance Only for the State of New York (FEMA-4348-DR), dated 11/14/2017.

*Incident:* Flooding.  
*Incident Period:* 05/02/2017 through 08/06/2017.

**DATES:** Issued on 01/19/2018.  
*Physical Loan Application Deadline Date:* 01/16/2018.  
*Economic Injury (EIDL) Loan Application Deadline Date:* 08/14/2018.

**ADDRESSES:** Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

**FOR FURTHER INFORMATION CONTACT:** A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205-6734.

**SUPPLEMENTARY INFORMATION:** The notice of the President's major disaster declaration for Private Non-Profit organizations in the State of New York, dated 11/14/2017, is hereby amended to include the following areas as adversely affected by the disaster.

*Primary Counties:* Cayuga, Monroe

All other information in the original declaration remains unchanged.

(Catalog of Federal Domestic Assistance Number 59008)

**James E. Rivera,**  
Associate Administrator for Disaster Assistance.

[FR Doc. 2018-01516 Filed 1-26-18; 8:45 am]  
**BILLING CODE 8025-01-P**

**SMALL BUSINESS ADMINISTRATION**  
**Data Collection Available for Public Comments**

**ACTION:** 60-day notice and request for comments.

**SUMMARY:** The Small Business Administration (SBA) intends to request approval, from the Office of Management and Budget (OMB) for the collection of information described below. The Paperwork Reduction Act

(PRA) requires federal agencies to publish a notice in the **Federal Register** concerning each proposed collection of information before submission to OMB, and to allow 60 days for public comment in response to the notice. This notice complies with that requirement.

**DATES:** Submit comments on or before March 30, 2018.

**ADDRESSES:** Send all comments to Michael Donadieu, Director, Office of Small Business Investment Companies, Small Business Administration, 409 3rd Street, 7th Floor, Washington, DC 20416.

**FOR FURTHER INFORMATION CONTACT:** Michael Donadieu, Director, Office of Small Business Investment Companies, 202-205-7281, [michael.donadieu@sba.gov](mailto:michael.donadieu@sba.gov), or Curtis B. Rich, Management Analyst, 202-205-7030, [curtis.rich@sba.gov](mailto:curtis.rich@sba.gov);

**SUPPLEMENTARY INFORMATION:** Small Business Administration (SBA) Forms 856 and 856A are used by SBA examiners as part of their examination of licensed small business investment companies (SBICs). This information collection obtains representations from an SBIC's management regarding certain obligations, transactions and relationships of the SBIC and helps SBA to evaluate the SBIC's financial condition and compliance with applicable laws and regulations.

*Solicitation of Public Comments:*

SBA is requesting comments on (a) Whether the collection of information is necessary for the agency to properly perform its functions; (b) whether the burden estimates are accurate; (c) whether there are ways to minimize the burden, including through the use of automated techniques or other forms of information technology; and (d) whether there are ways to enhance the quality, utility, and clarity of the information.

*Summary of Information Collection:*

*Title:* Disclosures Statement Leveraged Licensees; Disclosure Statement Non-leveraged Licensees.

*Description of Respondents:* SBA Examiners.

*Form Numbers:* SBA Forms 856 and 856A.

*Total Estimated Annual Responses:* 598.

*Total Estimated Annual Hour Burden:* 276.

**Curtis B. Rich,**  
Management Analyst.  
[FR Doc. 2018-01558 Filed 1-26-18; 8:45 am]  
**BILLING CODE 8025-01-P**

**CORRESPONDING STATUTORY AND REGULATORY PROVISIONS  
INFORMATION COLLECTION 3245-0118**

*SBA FORM 856: DISCLOSURE STATEMENT LEVERAGED LICENSEES  
SBA FORM 856A: DISCLOSURE STATEMENT NON-LEVERAGED LICENSEES*

- 310(c) of the Small Business Investment Act of 1958, as amended;
- 15 U.S.C. Section 687b(c); and,
- 13 CFR 107.690 to 107.692

**310(c) of the Small Business Investment Act of 1958**

(c) Each small business investment company shall be examined at least every two years in such detail so as to determine whether or not--

- (1) it has engaged solely in lawful activities and those contemplated by this title;
- (2) it has engaged in prohibited conflicts of interest;
- (3) it has acquired or exercised illegal control of an assisted small business;
- (4) it has made investments in small businesses for not less than 1 year;
- (5) it has invested more than 20 per centum of its capital in any individual small business, if such restriction is applicable,
- (6) it has engaged in relending, foreign investments, or passive investments; or
- (7) it has charged an interest rate in excess of the maximum permitted by law:

Provided, That the Administration may waive the examination (A) for up to one additional year if, in its discretion, it determines such a delay would be appropriate, based upon the amount of debentures being issued by the company and its repayment record, the prior operating experience of the company, the contents and results of the last examination and the management expertise of the company, or (B) if it is a company whose operations have been suspended while the company is involved in litigation or is in receivership.

**15 U.S.C. Section 687b(c)**

(c) Examinations of small business investment companies

Each small business investment company shall be examined at least every two years in such detail so as to determine whether or not--

- (1) it has engaged solely in lawful activities and those contemplated by this subchapter;
- (2) it has engaged in prohibited conflicts of interest;
- (3) it has acquired or exercised illegal control of an assisted small business;
- (4) it has made investments in small businesses for not less than 1 year;
- (5) it has invested more than 20 per centum of its capital in any individual small business, if such restriction is applicable;
- (6) it has engaged in relending, foreign investments, or passive investments; or
- (7) it has charged an interest rate in excess of the maximum permitted by law:

Provided, That the Administration may waive the examination

(A) for up to one additional year if, in its discretion, it determines such a delay would be appropriate, based upon the amount of debentures being issued by the company and its repayment record, the prior operating experience of the company, the contents and results of the last examination and the management expertise of the company, or

(B) if it is a company whose operations have been suspended while the company is involved in litigation or is in receivership.

**Examinations of Licensees by SBA for Regulatory Compliance**

**§ 107.690 Examinations.**

SBA will examine all Licensees for the purpose of evaluating regulatory compliance.

**§ 107.691 Responsibilities of Licensee during examination.**

You must make all books, records and other pertinent documents and materials available for the examination, including any information required by the examiner under Sec. 107.620(c). In addition, the agreement between you and the independent public accountant performing your audit must provide that any information in the accountant's working papers be made available to SBA upon request.

**§ 107.692 Examination fees.**

**(a) General.** SBA will assess fees for examinations in accordance with this § 107.692. Unless SBA determines otherwise on a case by case basis, SBA will not assess fees for special examinations to obtain specific information.

**(b) Base Fee.**

**(1)** The Base Fee will be assessed based on your total assets (at cost) as of the date of your latest certified financial statement, including if requested by SBA in connection with the examination, a more recently submitted interim statement. For purposes of this section, Base Fee means the Minimum Base Fee plus 0.024% of assets at cost, rounded to the nearest \$100, not to exceed the Maximum Base Fee. The Minimum and Maximum Base Fees are adjusted annually as follows:

Time period (Based on the examination start date)	Minimum base fee	Maximum base fee for non-leveraged SBICs	Maximum base fee for leveraged SBICs
December 13, 2017 to September 30, 2018	\$6,000	\$22,500	\$26,000
October 1, 2018 to September 30, 2019	7,000	25,000	32,000
October 1, 2019 to September 30, 2020	8,000	27,500	38,000
October 1, 2020 to September 30, 2021	9,000	30,000	44,000

**(2)** In the table in paragraph (b)(1) of this section, a Non-leveraged SBIC means any SBIC that, as of the date of the examination, has no outstanding Leverage or Leverage commitment, has no Earmarked Assets, and certifies to SBA that it will not seek Leverage in the future. Beginning on October 1, 2021, SBA will annually adjust the Minimum Base Fee and Maximum Base Fees using the Inflation Adjustment and will publish a Notice prior to such adjustment in the Federal Register identifying the amount of the fees.

**(c) Adjustments to Base Fee.** In order to determine the amount of your examination fee, your Base Fee, as determined in paragraph (b) of this section, will be increased based on the following criteria:

**(1)** If you were not fully responsive to the letter of notification of examination (that is, you did not provide all requested documents and information within the time period stipulated in the notification letter in a complete and accurate manner, or you did not prepare or did not have available all information requested by the examiner for on-site review) after a written warning by the SBA, you will pay an additional charge equal to 15% of your Base Fee;

**(2)** If you maintain your records/files in multiple locations (as permitted under § 107.600(b)), you will pay an additional charge equal to 10% of your Base Fee; and

**(3)** For any regulatory violation that remains unresolved 90 days from the date SBA notified you that you must take corrective action (as established by the date of the notification letter) or such later date as SBA sets forth in the notice, you will pay an additional charge equal to 5% of the Base Fee for every 30 days or portion thereof that the violation remains unresolved after the cure period, unless SBA resolves the finding in your favor.

**(d) Fee additions table.** The following table summarizes the additions noted in paragraph (c) of this section:

Examination fee additions	Amount of addition – % of base fee
Non-responsive	15%.
Records/Files at multiple locations	10%.
Unresolved Findings	5% of Base Fee for every 30 days or portion thereof beyond the 90 day cure period or such later date as SBA sets forth in the notice for each unresolved finding.

**(e) Delay fee.** If, in the judgment of SBA, the time required to complete your examination is delayed due to your lack of cooperation or the condition of your records, SBA may assess an additional fee of \$700 per day. Beginning on October 1, 2021, SBA will annually adjust this fee using the Inflation Adjustment and will publish a Notice prior to such adjustment in the Federal Register identifying the amount of the fee.