

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 3245-0379  
SBA FORM 2428: FINANCING ELIGIBILITY STATEMENT FOR USAGE OF ENERGY  
SAVING DEBENTURE*

A. Justification

1. Circumstances necessitating the collection of information.

The Office of Investment of the Small Business Administration (SBA) licenses and regulates small business investment companies (SBICs) pursuant to Title III, Part A of the Small Business Investment Act of 1958 as amended (SBIA), 15 U.S.C. Sections 671-687(m), and 13 CFR Part 107. The Energy Independence and Security Act of 2007 (Energy Act), Public Law 110-140, Title XII, section 1205, authorized SBICs licensed after September 30, 2008, to issue “Energy Saving Debentures” for the purposes of making “Energy Saving Qualified Investments” as defined in 13 CFR 107.50. Section 1206 of the Energy Act also authorized SBA to make this same category of SBICs eligible for additional leverage if they have made energy saving qualified investments in smaller enterprises.

In order to qualify as an “Energy Saving Qualified Investment” the Small Business receiving the proceeds of Energy Saving Debentures must be “primarily engaged” in business activities that reduce the use or consumption of non-renewable energy sources (“Energy Saving Activities”). In many cases, the SBIC will be able to determine that a proposed investment qualifies by meeting specific criteria listed in the definition. However, if the proposed investment does not meet the specific criteria, the SBIC can still request a determination from SBA as to whether it qualifies. To make this determination, SBA must collect certain information about the business and activities of the Small Business.

2. How, by whom, and for what purpose information will be used.

This information collection is used by SBICs requesting a pre-financing determination of eligibility by SBA, as to: (1) whether a particular activity in which a Small Business is engaged is an Energy Saving Activity, as defined in 13 CFR 107.50, and as used in 13 CFR 107.610(f)(2); and/or, (2) whether a Small Business is “primarily engaged” in Energy Saving Activities, as described in the definition of Energy Saving Qualified Investment in §107.50 and as used in §107.610(f)(3). The SBIC must provide supporting evidence of the Small Business’s eligibility based upon information provided by the Small Business, and the Small Business providing the information must certify that it is true and correct.

3. Technological collection techniques.

SBA Form 2428 is available electronically, either on SBA’s web site or by email upon request. SBICs may return the completed form to SBA by email – either to the general SBIC email address ([sbic@sba.gov](mailto:sbic@sba.gov)) or as directed by the Office of SBIC Operations Financial Analyst assigned to the SBIC.

4. Avoidance of Duplication.

The information collected by Form 2428 is necessary to SBA in determining whether the Small Business is “primarily engaged” in Energy Saving Activities or whether a particular activity in which a Small Business is engaged is an Energy Saving Activity. This information is not reported in any other format. Therefore, there is no duplication of information with this form.

5. Impact on small business or other small entities.

There is no significant impact on a substantial number of Small Businesses or other small entities. The information on the form must be certified by the Small Business in which the SBIC proposes to invest. There are currently 302 active SBICs, with roughly 200 SBICs issuing leverage and eligible to issue Energy Saving Debentures to make Energy Saving Qualified Investments. SBA estimates the number of instances per year that may require an SBIC to seek a pre-financing determination from SBA at 5.

6. Consequences if collection of information is not conducted.

There is no similar information available that can be used to accomplish the purposes of this collection. If the information was not collected, businesses that do not conform to SBA eligibility criteria could benefit from use of the Energy Saving Debenture, a riskier security than the standard debenture.

7. Existence of special circumstances.

An SBIC that wants to use an Energy Saving Debenture to make an Energy Saving Qualified Investment to a Small Business that does not satisfy the criteria listed in the SBIC program regulations will be required to submit the form prior to the provision of assistance to the Small Business, so that SBA may determine whether the proposed financing meets the eligibility requirements. The form must be completed in conjunction with a specific financing, and based on SBA’s experience with the usage of the Energy Saving Debenture, it is very unlikely that any SBIC will request a determination of eligibility, and if so, no more than once a quarter.

8. Solicitation of public comment.

SBA published the required notice in the Federal Register on February 15, 2018, at 83 FR 6917. The comment period ended on April 16, 2018; SBA received no comments.

9. Payment or gifts.

No payments or gifts are provided to respondents.

10. Assurance of confidentiality.

Generally the information collected will be protected to the extent permitted by law. The information collected includes financial data and product information of the portfolio company, which 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.

No questions of a sensitive nature are asked. 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.

Of the currently 302 active SBICs, SBA estimates that about 200 are eligible to issue Energy Saving Debentures to make Energy Saving Qualified Investments. Of those 200 SBICs, SBA estimates the number of instances per year that would require a pre-financing determination of eligibility from SBA at no more than 5 responses per year.

SBA estimates the burden of this collection of information as follows: an applicant will complete this collection once for each prospective Energy Saving Qualified Investment that requires SBA to make a pre-financing determination of eligibility. SBA estimates that the time needed to complete this collection will average 10 hours.

SBA estimates that the cost to complete this collection will be approximately \$187 per hour (based on an estimated annual salary of \$375,000). Total estimated aggregate burden is 50 hours per annum costing a total of \$9,350 for the year.

13. Estimate of total annual cost burden.

There is no cost to respondents exclusive of the cost of the hour burden given in item 12.

14. Estimated annualized cost to the Federal government.

The annualized cost to the Federal government for this collection is estimated as follows:

Cost of analysis by financial analyst (GS-13 Step 5): 8 hrs @ \$52.66	\$ 421.28
Supervisory review: 2 hrs @ \$62.23 (GS-14 Step 5) + 1 hr @ \$73.20 (GS-15 Step 5)	\$197.66
Total cost per response to Federal government	0619
Estimated number of responses	5
Total annual cost to Federal government of application review	03,095

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

Not applicable. There are no changes.

16. Collection of information whose results will be published.

Not applicable. The results of this collection of information will not be published.

17. Expiration date for collection of information.

Not applicable. The expiration date will be displayed.

18. Exceptions to certifications in Block 19 on OMB Form 83-I.

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. Collection 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 2428: Financing Eligibility Statement for Usage of Energy Saving Debentures