

Supporting Statement for Paperwork Reduction Act Submission  
OMB Control Number 3245-0084  
SBA Form 700, Home and Business Loan Inquiry Record

Summary of Changes.

SBA has made the following changes to this information collection:

**SBA Form 700 Home:**

- Modified the Purpose statement at the top of the form to clarify the intended use of the information collected, including the social security number.
- Box 2b: Added a second telephone number option. This allows a second contact record which will be used to provide better customer service.
- Box 3: Added Date of Birth. The DOB question, along with other data, helps to confirm identity.
- Box 5: Removed “optional” from email address question to encourage more email addresses to be provided. This allows us to provide better customer service to the disaster survivor if follow-up is necessary.
- Box 7: Removed “separated” as a marital status option because it is not needed.
- Box 8: Changed “spouse” to “joint applicant” to remove confusion and help to ensure that non-spousal joint applicants, provide the data as well. Additionally, SBA will now collect the SSN and DOB of the joint applicant to confirm identity.
- Box 9: Changed “Dependents” to “Household Size.” This will remove confusion regarding a key question SBA uses to determine whether an application should be issued.
- Box 11: Modified this section to only ask about total annual income of the applicant and joint applicant; source of income, as well as breakout by weekly, monthly and annual deemed unnecessary.
- Boxes 13 and 14: Removed the request for prospective applicants’ signatures because they are unnecessary at the preliminary interview stage. The description of the information in current Box 16 regarding receipt of paper application was revised and moved to this field.
- Box 15: Removed “Type of Interview” question, because information is no longer needed.
- Box 16: Revised “Application Given” to read “Paper Application Issued.”
- Removed “SBA Use Only” section as it is no longer needed or used to determine whether the disaster survivor is a candidate for a disaster loan.

**SBA Form 700 Business:**

- Modified the Purpose statement at the top of the form to clarify the intended use of the information collected.
- Box 2: Removed “optional” from email address question to encourage more email addresses to be provided. This allows us better customer service to the disaster survivor.
- Box 12: Removed “Application Requested” section as it is no longer used.

- Box 13: Revised “Application Issued” to read “Paper Application Issued on” with a date box. The Method section has been removed because it is no longer needed.

A. Justification

1. *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 appropriate section of each statute and regulation mandating or authorizing the collection of information.*

The Small Business Administration (SBA) is authorized by section 7(b) of the Small Business Act, as amended, 15 U.S.C. 636(b), (copy of which is attached), to make loans to disaster survivors. The requirement for the use of this form is contained in the Standard Operating Procedure (SOP) for Disaster Assistance, SOP 50 30 9, (copy attached).

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 SBA Form 700 is a two-part form; one part is used for home loan inquiries and the other for business loans inquiries. SBA’s Office of Disaster Assistance (ODA) uses the Form 700 to make an initial determination of whether disaster survivors seeking assistance for disaster damage are likely to be eligible for an SBA loan. This information is also used as a filter to identify those applicants who would not qualify for SBA assistance and therefore would be referred to FEMA for possible grant assistance. In addition, the information is used as a historical record in the aftermath of the disaster event for various informational purposes, including requests for information from Members of Congress, etc. and for use as a follow up tool for contacting survivors who are preliminarily deemed eligible to see if they need assistance in filling out a loan application.

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. Also describe any consideration of using information technology to reduce the burden.*

SBA will be changing the process for collecting this information. The paper version of the form will still be used to collect the information in certain instances (primarily when there is no access to the internet or no electricity, etc.). However, this information collection will be automated as part of the electronic Disaster Loan Application Portal). Prospective applicants who are Summary Decline will not need to complete any additional information, thereby reducing their potential burden; however, they will continue to be referred to FEMA. The other prospective applicants will be directed to complete the application. Some of the data from this information collection will automatically populate the application.

4. *Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for the purposes described in item 2 above.*

ODA staff work closely with federal, state, local, or private organizations that provide relief for disaster-related purposes in an effort to try to constantly streamline the process during disasters so that there is no unnecessary duplication in the collection of information. For applicants who have already registered with FEMA during a Presidential declaration, there may be minimal duplication in the collection of basic applicant information. SBA cannot rely solely on the information collected by FEMA for purposes of this form, because SBA requires more detailed financial information in order to make a preliminary eligibility determination.

5. *If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.*

Some of the potential applicants are small businesses; however, because only limited information is collected (e.g., name, address, phone number, income, debts, etc.), the impact is minimal. Collection of this information simplifies the application process for those disaster survivors who decide to apply for assistance. The collected information is entered into SBA's electronic database and automatically transfers to the disaster loan application, which reduces the amount of information that must be entered at the application phase.

6. *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.*

Information is only collected once, at the time of a request for assistance from a survivor. Information collected for this form also simplifies the application process for those disaster survivors who decide to apply for assistance, because the information collected for this form is entered into SBA's electronic database and automatically transfers to the disaster loan application. If information is not collected, many disaster survivors will fill out applications unnecessarily.

7. *Explain any special circumstances that would cause an information collection to be conducted in a manner, that, among other things, requires respondents to: report information more often than quarterly; prepare a written response in fewer than 30 days after receipt of 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; or submit proprietary trade secret, or other confidential information unless the agency can demonstrate it has procedures to protect the confidentiality of the information to the extent permitted by law.*

There are no special circumstances.

8. *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 in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.*

*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 record keeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed or reported.*

*Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years-even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.*

A copy of the Federal Register notice soliciting comments is attached (84 FR 57141), dated October 24, 2019. The comment period closed December 23, 2019 and no comments were received.

ODA participates with other Federal and private organizations that provide disaster assistance in seeking ways to more efficiently deliver our services.

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

No payments or gifts are provided to respondents.

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

The information collected on Form 700 is protected to the extent permissible by law, including where applicable the Privacy Act and the Freedom of Information Act. Privacy Act information becomes a part of SBA's System of Records SBA 20- Disaster Loan Case Files (copy attached).

11. *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.*

Questions of a sensitive nature, such as gross income and debts, are asked on this form. This sensitive information is collected from the disaster survivor in order to obtain the

information necessary to make a preliminary threshold determination regarding eligibility for a disaster loan.

This collection also requests Social Security Numbers. Providing Social Security Numbers at the preliminary eligibility stage is voluntary. However, Executive Order 9397, as amended, allows SBA to use the Social Security Numbers to distinguish between people with the same or similar name who may have already applied for assistance. In addition, because the Social Security Number is that common denominator collected by both SBA and FEMA, use of the number also facilitates referral of survivors who are not eligible for SBA assistance to FEMA for other types of federal assistance. Using this information allows SBA to more quickly and accurately provide assistance to disaster survivors.

12. *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.*

The number of respondents is based on the average number of Summary Declines and applications accepted for the last 4 Fiscal Years (FY 2016 – FY 2019).

<u>FY</u>	<u>Summary Declines</u>	<u>Applications Accepted</u>	<u>Total</u>
16	19,519	64,744	84,263
17	28,035	115,597	143,632
18	76,339	278,814	355,153
19	<u>17,220</u>	<u>81,093</u>	<u>98,313</u>
	141,113	540,248	<b>681,361</b>

Divided by 4 = **170,340** Average number of responses per year (**number of respondents**)

170,340 respondents x .25 (15 minutes typical response time) = **42,585 burden hours**

Cost to the public is based on the 2018 median household income in the US as reported by the US Census Bureau, the latest data available. The income is **\$59,055**, which is equivalent to a GS-9, Step 6 (**\$28.75** per hour). The annualized cost to the respondents for the information collection burden is calculated as follows:

$$15 \text{ minutes } (.25) @ \$28.75 \text{ per hour} = \$7.18$$

$$42,585 \text{ hours} \times \$7.18 = \mathbf{\$305,760 \text{ respondent cost}}$$

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

There is no additional annual cost burden.

14. *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.*

It is estimated that 3% of responses are collected via paper form. The estimate of the time necessary to assess the response for paper forms completed is 15 minutes, based on observations of the actual time it takes to do so and the typical grade is GS-9, Step 1 (\$24.65 per hour). Approximately 97% of the responses are collected through the Disaster Loan Application Portal and because of embedded business rules, no assessment is needed.

Annualized cost to Federal Government for 170,340 total responses:

**Paper responses** (3%) = 5,110 responses at 0.25 hours per response = 1277.5 hours @ \$24.65 per hour = \$31,490, plus 30 percent for overhead (\$9,447) = **\$40,937**

**Electronic responses** (97%) = 165,230 responses at 0 hours per response = 0 hours, plus 30 percent for overhead = **\$49,569.**

**Total estimated cost to Federal Government = \$40,937 + \$49,569 = \$90,506**

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

The annual burden information reported in number 13 increased since the last submission due to an increase in applications compared to the last submission. Fiscal years 2017 and 2018 saw substantial increased activity due to Hurricanes Harvey, Irma, and Maria. This type of increased activity is expected every four to five years, on average.

16. *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.*

No results will be published.

17. *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.*

Expiration date will be displayed.

18. *Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submission," of OMB Form 83-I.*

There are no exceptions.

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

N/A