Supporting Statement

U.S. Small Business Administration

Paperwork Reduction Act Submission

All 7(a) Loan Programs

(OMB Control # 3245-0348)

OMB clearance is requested for the following forms:

1. SBA Form 1919, Borrower Information Form
2. SBA Form 1920, Lender’s Application for Loan Guaranty
3. SBA Form 1971, Religious Eligibility Worksheet
4. SBA Form 2237, 7(a) Loan Post Approval Action Checklist
5. SBA Form 2449, Addendum for Community Advantage Applicants only

**Introduction:**

During the past three years the current forms were in use, suggested improvements were received from sources such as SBA District Offices, the SBA’s Loan Guaranty Processing Center (LGPC), and Lenders who work directly with Small Business Applicants. This feedback is reflected in the changes to this information collection described below. In addition, the former EIB-SBA Form 84-1, Joint Application for Export Working Capital Guarantee, which was used by SBA for the 7(a) Export Working Capital Program (EWCP), was revised by ExIm Bank, and as of April 23, 2020, it is no longer a joint form but. It is approved for use only by ExIm Bank. Because of this development, the necessary SBA information that was previously included in the joint form has been incorporated into the SBA Form 1919, Borrower Information Form, and the SBA Form 1920, Lender’s Application for Loan Guaranty, as applicable. PLP-EWCP Lenders making EWCP loans under delegated authority were previously required to use SBA Form 1920 in addition to the EIB-SBA Joint Form 84-1; now all Lenders making EWCP loans will use the SBA Form 1920.

**Summary of Changes:**

1. **SBA Form 1919**

The form is now divided into three sections, rather than two, as described below.

**Section I: Business Information**

1. Removed the definitions from the 1st page to avoid confusion.
2. Revised the instructions for how to complete the application.
3. Added selection boxes in appropriate places to identify the type of entity (e.g., ESOP, 401(k) plan, Cooperative) completing the Section.
4. Added fields to identify the purpose of the loan: Purchase Asset, Refinance debt, Working Capital, Export Working Capital, Support Standby Letter of Credit, Renew/Reissue EWCP Loan, Business Acquisition, and Other. Lender is to provide dollar amount for each purpose of the loan.
5. Added a question regarding whether the Applicant is using funds from a 401(k) plan (including a Rollover for Business Start-Up plan) to provide the equity injection for the loan.
6. Added a question asking if the Applicant is going to hire a management company to manage day-to-day operations of the business. (If so, the Applicant must provide a copy of the management agreement to the Lender.)
7. Revised the question asking if any of the Applicant’s products or services are or will be exported to specifically include EWCP loans, and if the loan is an EWCP loan, to require the applicant to provide details of the underlying transactions for which the loan is needed, similar to the requirement on the EIB-SBA Joint Form 84-1.
8. Changed questions 12-16 from “True/False” responses to “Yes/No” responses and revised the language of each question accordingly.
9. Added an additional representation stating that the Applicant is not engaged in any activity that is illegal under federal, state, or local law.
10. Added an additional certification in accordance with the Taxpayer First Act stating that the Lender can use and share the tax information, provided by the Applicant and/or that the Lender obtained from the Internal Revenue Service with SBA for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.
11. Revised a borrower representation to better reflect Congressional intent for the Administrator of the SBA to encourage small businesses to purchase such equipment and supplies.

**Section II: Individual’s Information**

1. Changed Principal Name to “Individual Owner’s Full Legal Name.”
2. Added line: “Applicant Legal Name.”
3. Added wording in the “initial” section for questions 17-20 (each of these questions must be initialed separately) that reads *“must be originally initialed or digitally verified, and not typed.”*
4. Eliminated the requirement to complete SBA Form 912, Statement of Personal History,” if an individual answers “Yes” to questions 18 or 19. (SBA Form 912 is approved under OMB Control Number 3245-0178.)
5. Added language after question 20 (citizenship) to advise the Applicant that businesses with ownership that includes foreign nationals or foreign entities may be eligible only if the business is at least 51% owned and controlled by U.S. citizens and/or those who have LPR status from USCIS whose status will be verified by the Lender in accordance with SBA Loan Program Requirements.
6. Revised the representations and certifications in this section to conform to the changes in Section I.

**Section III: Entity Owner’s Information (NEW)**

This section is entirely new and was added for the Applicant to disclose the ownership of any entity that has an ownership interest in the Applicant business. This new section consists of identifying information for the entity, disclosure of 100% of the ownership of the entity, five questions similar to those in Sections I and II regarding any existing federal debt, prior loss, etc., and the same representations and certifications as in Sections I and II.

In addition, as set out in SBA’s SOP 50 10 5(K), Subpart B, Ch. 6, the Applicant also must provide to the Lender supporting documentation, including, as applicable, financial statements and/or tax returns; detailed listing of machinery and equipment to be purchased with loan proceeds, as well as detailed listing of collateral; copy of signed purchase agreement, environmental investigation, and cost breakdown of improvements (if real estate is to be purchased with loan proceeds); franchise documents; and verification of immigration status of any non-U.S. citizen owner of the Applicant. For non-delegated loans, the supporting documents are submitted by the Lender to SBA with the application. For delegated loans, the Lender retains the supporting documents in the loan file. They are reviewed by SBA when conducting lender oversight activities or, in the event of default, at time of guaranty purchase.[[1]](#footnote-1)

1. **SBA Form 1920**

**Section A. Processing Method**

1. Revised the titles of the boxes for the Lender to identify the processing option (delegated or non-delegated) and all of the delivery method options for 7(a) loans (e.g., 7(a) Small, SBA Express, Export Express, EWCP, CAPLines, Community Advantage).
2. Added an option for 7(a) Small Loan of $350,000 or less that does not meet the minimum SBA Small Business Scoring Service credit score.
3. Added Permanent Working Capital and Fixed Assets options within the International Trade Loan program.
4. Added the following options for EWCP Loans:
5. Revolving
6. Not Revolving
7. Asset Based
8. Transaction Based
9. Standby Letter of Credit
10. Renewal/Reissuance

**Section C. Business Applicant Information (Parts One and Two)**

* + Part One to be completed only by Eligible Passive Company (EPC), if applicable.
  + Part Two must be completed by the Applicant (or Operating Company, if applicable).

**Section D. Loan Structure Information**

The LIBOR base rate option has been removed and the Fixed Base Rate option has been changed to Fixed Rate.

**Section E. Complete Project Information**

Added the following Uses of Proceeds:

* Export Working Capital (EWCP or Export Express)
* Support Standby Letter of Credit (EWCP or Export Express)
* Refinance Existing EWCP Loan or Export Line of Credit

**Section G. General Eligibility**

Removed section L entirely which Lender must attest that the Applicant is not ineligible business as listed in the SOP 50 10 and [13 CFR 120.110](https://www.ecfr.gov/cgi-bin/text-idx?SID=caf4abe53ff1cb3638c7989563fbfc3d&pitd=20200131&node=pt13.1.120&rgn=div5#se13.1.120_1110), and added a third question under this section: “Lender has reviewed the small business applicant and has determined it is an eligible business”; Lender must answer this question together with the second question.

**Section T. Export Loan Programs**

Revised the International Trade Loan section as follows:

* Conformed eligibility language to SBA Loan Program Requirements and added an eligibility question
* Added language providing that if the collateral is a second lien, the Lender will submit the loan for non-delegated processing
* Added a question on changes of ownership

Revised the Export Express section as follows:

* Deleted an eligibility question that is not applicable to Export Express
* Added a requirement that the Lender comply with any Office of Foreign Assets Control (OFAC) review requirements
* Added a question on changes of ownership

Revised the EWCP section as follows:

* Conformed the 12 months in business question to SBA Loan Program Requirements
* Added a question regarding indirect exports
* Added a question regarding the ExIm Bank Country Limitation Schedule and a requirement that the Lender comply with any OFAC review requirements
* Added a question about eligible uses of proceeds for EWCP
* Added a question about EWCP refinancing requirements
* Added a question about collateral requirements
* Added a question about loan maturity
  + Added a requirement that the Lender must collect and retain additional information, as follows:
    1. Copy of Letter of Credit and/or copy of buyer’s order/contract, if required
    2. Export credit insurance-related material (policy, application, buyer credit limit), if required
    3. Copy of export license(s), if required
    4. Aging of accounts receivable and accounts payable, and inventory reports (dated within 180 days of application)
    5. Cash flow projections with monthly (may be quarterly for asset-based loans) sales projections for the lesser of 12 months or the term of the loan, highlighting the proposed export transaction(s) to be financed

Lenders are also required to prepare a credit memorandum that documents their eligibility and credit analysis of the application. For non-delegated loans, the Lenders’ credit memorandum is submitted to SBA with the application. For delegated loans, the Lender retains the SBA Form 1920, all supporting documentation, and the credit memorandum in its file. SBA reviews the documents when conducting lender oversight activities and, in the event of default, at time of guaranty purchase. [[2]](#footnote-2)

1. **SBA Form 1971**

Revised the language of this form for clarity. In addition, the signature block has been changed to add the signature of the Applicant and remove the recommendation and signature of the processing center or local SBA Counsel, as the process has been changed so that all of these forms are submitted to the Office of General Counsel-Litigation in SBA Headquarters for review. This form is completed to aid in the process to determine the eligibility of a Small Business Applicant with a religious component.

1. **SBA Form 2237**

The information is being submitted to SBA via E-Tran (a secure web site where lenders can enter loan information for a single loan or send multiple applications simultaneously via an XML (Extensible Markup Language) file transfer) or SBA One (an SBA automated lending platform that assists

Added Loan Modification instructions section following Lender’s information. OIT remains involved party with respect to submission of loan modification requests on IT, EE, and EWCP loans.

1. **SBA Form 2449**
2. Removed “Startup Business (Not Opened)” option. Changed the option from “New Business (2 years or less)” to “Startup/New Business (2 years or less);”
3. Added “Opportunity Zone” and “Rural Area” as additional targeted underserved markets where the Small Business Applicant is located;
4. Changed “Small Business Applicant ownership meets the SBA Veterans Advantage requirements” to “Veteran Owned Business;”
5. Changed “Marketing/Sales” to “Marketing/Sales/Social Media” and “eCommerce” to “Web Site/eCommerce;”
6. Replaced “Bank or Other Lending Institution” to “Microloan Intermediary” and “Community Advantage Lender;” and
7. Changed “Web-Based Tutorials” to “Web-Based Training.”

**A. Justification**

1. *Explain the circumstances that make the collection of information necessary.*

Section 7(a) of the Small Business Act (15 U.S.C. 636) 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, including acquisition of land, material, supplies, equipment, and working capital” (a copy of this provision is attached). The 7(a) loan program regulations at 13 CFR Part 120 establish the requirements that prospective small businesses and lenders are to comply with when applying for an SBA-guaranteed loan. This collection of information is also necessitated by requirements imposed on SBA by OMB Circular A-129 (Policies for Federal Credit Programs and Non-tax Receivables), to among other things, evaluate the character and performance of individuals participating in its federal credit programs (copy of this provision is attached). In addition, the collection of information for the purpose of the export loan programs, EWCP, International Trade and Export Express, is necessary under Sec. 636(a)(14), (16), and (34), respectively, to determine eligibility of an applicant and compliance with program requirements.

1. *How, by whom, and for what purpose will the information be used.*

**SBA Form 1919**

This form is currently approved for use with the 7(a) loan program and it is the first step in the SBA 7(a) loan origination process. The form is completed by the Small Business Applicant for submission to an SBA Participating Lender. The form is comprised of questions that help determine whether the Applicant and the requested financing are eligible and, if so, what areas may require additional exploration or documentation by the SBA Participating Lender. In order to determine loan eligibility, SBA, through the Lender, collects information about the Applicant and its principal(s), their indebtedness, current or previous government financing, and certain other matters. The information collected also facilitates background checks as authorized by Section 7(a)(1)(B) of the Small Business Act (15 U.S.C. 636(a)(1)(B).)

In addition, as part of a Risk Based Review, the SBA uses the information on this form and supporting documents to ensure Lenders are originating loans in compliance with SBA Loan Program Requirements, as defined in 13 CFR 120.10. Data can be extracted from the form to compile reports used by SBA management (Executive, Senior, and Mid-Level) and entities with oversight authority over the SBA. The entities use the data to evaluate the effectiveness of the 7(a) loan program in meeting the needs of various demographics, as well as the safety and soundness of the SBA’s policies and procedures.

**SBA Form 1920**

The information collected on SBA Form 1920 is primarily used to ensure basic eligibility and processing requirements are met. The form guides the Lender through required information about the Small Business Applicant and its principal(s) with the purpose of ensuring all applicable 7(a) loan program eligibility and specific processing requirements are met. The processing requirements determine whether the Lender may process the loan under its delegated authority, and among other things, the maximum pricing, maximum term, and the maximum SBA guaranty percentage depending on the processing method.

In addition, as part of a Risk Based Review, the SBA uses the information on this form, and supporting documents, to ensure Lenders are originating loans in compliance with SBA Loan Program Requirements as it pertains to eligibility and credit standards. Data can also be extracted from the form to compile reports used by SBA management (Executive, Senior, and Mid-Level) and entities with oversight authority over the SBA. The data is primarily used to evaluate the effectiveness of the 7(a) loan programs in meeting the needs of various demographics, geographic and industry performance, the safety and soundness of the SBA’s policies and procedures.

**SBA Form 1971**

This form is completed by the Lender for 7(a) loans and by the Certified Development Company (CDC) for 504 loans when a Small Business Applicant has a religious component. Prior to submitting an application to the SBA loan processing center (non-delegated) or processing a loan under delegated authority, the SBA Lender must submit the completed SBA Form 1971 and supporting documentation to the Associate General Counsel for Litigation at [Form1971Review@sba.gov](mailto:Form1971Review@sba.gov) for a final Agency decision on eligibility. Such supporting documentation includes, SBA Lender’s Credit Memorandum; the Applicant’s business plan; any mission statement of the Applicant; and, where applicable, a detailed statement of Applicant’s curriculum. SBA may request additional documentation as needed to complete the eligibility review. Upon approval by SBA, the SBA Lender may proceed to submit the application to the SBA loan processing center (non-delegated) or process the loan under its delegated authority. The form is reviewed by SBA when conducting lender oversight activities or, in the event of default on a 7(a) loan, at time of guaranty purchase request.

**SBA Form 2237**

The information requested on this form is used by Lenders to communicate loan changes to the SBA regarding routine modifications (increase/decrease loan amount and/or guaranty percentage; cancellation of a loan approval; changes to the loan term/ maturity; and name (legal and/ or trade) and address changes). With advances in electronic collection, the physical form is no longer submitted. On delegated loans, the information is now input by the Lender into SBA One/ E-Tran, and on non-delegated loans, Lenders work directly with personnel at the applicable SBA loan processing center or for EWCP, the Office of International Trade, usually via email, who input the information into SBA One or E-Tran. The information is pertinent to the SBA to ensure that the Agency’s records reconcile with the Lender’s as well as with the loan documents.

**SBA Form 2449**

SBA Form 2449 is submitted to SBA electronically by the Community Advantage Lender and is used to collect information about the Small Business Applicant and any management and technical assistance training or counseling the Applicant may have received in connection with a Community Advantage Pilot Program loan. In addition, the form is used to ensure the Lender is complying with SBA Loan Program Requirements for the Community Advantage Pilot Program.

1. *Technological collection techniques*

**SBA Form 1919**

This form is available on the SBA website as a PDF (fillable form) (<https://www.sba.gov/managing-business/forms/lending-forms/borrower-information-form>). Lenders are also able to assist respondents by generating the form through many third-party software platforms and SBA One.

After respondents complete the form, Lenders with delegated authority are required to retain it in the respective loan file. For loans processed under non-delegated authority, the form must be submitted electronically to the SBA’s LGPC.

**SBA Form 1920**

This form is also available on the Agency’s website as a PDF (fillable form) (<https://www.sba.gov/sites/default/files/SBA_1920.pdf>).

Certain sections of SBA Form 1920 must only be completed if applicable. After the Lender completes its internal processes, it must input the information from SBA Form 1920 into SBA One or E-Tran.

After completion of this form, Lenders are required to retain the original in the respective loan file. For loans processed under non-delegated authority, the form must be submitted electronically to the SBA’s LGPC. For loans processed under a Lender’s delegated authority, the form is not submitted to the Agency but must be signed by an authorized Lender official and retained in the respective loan file.

**SBA Form 1971**

This form is available on the Agency’s website as a PDF (fillable form) ( <https://www.sba.gov/sites/default/files/2019-09/Form%201971.pdf>). The form is completed and executed by both the Lender and the Applicant and is submitted to the Agency, when required, electronically (by email).

**SBA Form 2237**

The information on this form is only collected electronically through E-Tran or SBA One.

**SBA Form 2449**

The information on this form is only collected electronically through SBA One or E-Tran.

1. *Avoidance of duplication*

The information collected is unique to each Small Business Applicant, its principals and the circumstances of the particular loan. All information must be collected by the Lender during the origination of an SBA loan and there are no other sources for this information.

1. *Impact on small businesses or other small entities*

**SBA Form 1919**

This form is completed by small businesses and their owners, some of which are small entities. The Agency is cognizant of the burden completing the form places on the respondents. As the revised SBA Form 1919 was drafted, the Agency made a concerted effort to ensure the form was user friendly without sacrificing function.

**SBA Form 1971**

This form is completed by the Lender and small business Applicant. The Agency is cognizant of the burden completing the form places on the respondents and streamlined the form as much as possible. The information, however, is necessary to determine eligibility of the small business Applicant for SBA financial assistance.

**SBA Forms 1920, 2237, and 2449**

These forms are completed by Lenders, some of which are small. The Agency is cognizant of the burden completing the form places on its lending partners and continues to work with them to determine ways to reduce that burden. The Agency has limited the information collected to that which is necessary to make informed decisions about the loan application.

1. *Consequences if information is not collected.*

Failure to collect the information contained in the forms would likely compromise the 7(a) program’s effectiveness and contribution to the nation’s economy. Collection of the information allows the Agency to provide small businesses access to capital in an efficient and timely manner while complying with its statutory and regulatory authority and maintaining its fiduciary responsibility to the taxpayer.

The information is only collected once per application. As the forms collect information on eligibility and credit standards established by SBA Loan Program Requirements, not completing the required forms in their entirety at the time the application is submitted to the Lender or SBA may result in loans being guaranteed which are not eligible or creditworthy and create the potential for improper payments to occur. Failure to collect the information could also impact SBA’s ability to ensure its lending partners are complying with SBA Loan Program Requirements.

1. *Existence of special circumstances*

Except as noted below, none of the iterated circumstances are applicable to this information collection:

(a) Lenders submit loan data to SBA for its loan guaranty approval on a loan by loan basis. Because Lenders want SBA to approve loans on a rolling basis, they submit information more than once a quarter.

(b) Respondents, both loan Applicants and Lenders, are not typically required to retain records, other than government documents or tax records, for more than three years. The only exception is customary record retention requirements levied upon Lenders, typically by the primary federal regulator (e.g. Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, National Credit Union Association, Small Business Administration), as it pertains to loan documents.

1. *Solicitation of public comment.*

On March 23, 2020, SBA published the required 60-day notice and request for comments in the Federal Register at 85 FR 16450. SBA did not receive any comments in response to the notice; a copy of the notice is attached. However, as noted above, the Agency received feedback from the lending community on SBA Forms 1919 and 1920 in particular. The changes discussed above reflect that feedback. SBA continues to engage with the Lenders in an effort to identify future enhancements.

1. *Payments or gifts.*

No gifts or payments are provided to any respondents.

1. *Assurances of confidentiality.*

The information collected is protected to the extent permitted by law. SBA incorporated various statements required by law and executive orders to advise each respondent (both the loan Applicant(s) and Lenders) of, among other things, the protections against disclosure of sensitive and confidential information under the “Freedom of Information Act” (5 U.S.C. § 552), “Right to Financial Privacy Act of 1978” (12 U.S.C. § 3401), and the Privacy Act (5 U.S.C. § 552a).

1. *Questions of a sensitive nature.*

SBA Forms 1919 and 1920 collect information about each applicable principal’s veteran status, gender, race, ethnicity, and criminal record. The veteran status, gender, race, and ethnicity are collected for program reporting purposes only; disclosure is voluntary and has no bearing on the credit decision. However, SBA’s collection of information concerning a respondent’s criminal history is authorized by section 7(a)(1)(B) of the Small Business Act (15 U.S.C. 636(a)(1)(B)) and is necessary to ensure an ineligible loan to an Associate of poor character is not guaranteed by SBA.

SBA maintains a Privacy Act System of Records governing the disclosure of an individual’s loan related personal information. See attached Federal Register Notice SBA-21, Loan System, at 74 FR 14890 (April 1, 2009) as amended by notices published at 77 FR 15835 (03/16/2012) and 77 FR 61467 (10/09/2012).

1. *Estimate the hourly burden of the collection of the information.*

**SBA Form 1919**

Each 7(a) loan requires at least one SBA Form 1919 to be completed. The Small Business Applicant (the business) and any co-applicant (if applicable) complete Section I of SBA Form 1919 and each individual owner completes Section II. Each entity owner of the Applicant completes Section III. To estimate the number of owners completing Sections II and III of the form, a random sample of E-Tran applications were reviewed. These loans were entered into E-Tran by the end of Fiscal Year 2019. Based on the result, SBA estimates that the typical respondent will fill out Section I - Business Information once, Section II - Individual Owner Information, and Section III – Entity Owner Information if necessary

To determine the number of applications, SBA used data for approved loans which reflected that the average annual decrease between Fiscal Year 2017 and 2019 (most recent three full years) was 5,261 loans per year. To estimate the number of forms collected annually, the average annual decrease was added to the highest production year during the three-year period (FY2017: 62,430 loans) for an estimated annual form collection of 57,169.

Assuming one Business Information Section, one Individual Owner Information Section, and one Entity Owner Information Section are completed for each application, SBA estimates the form will take an average of 15 minutes to complete. The average was derived by having three individuals who were not familiar with the form complete it under timed conditions.

In 2019, SBA processed 188 EWCP applications. Since EWCP loan applicants will now be using this form, the total estimated annual hour burden for Form 1919 will increase by the 62 hours attributed to those applications. However, the hour burden for Form 1919 will not be significantly affected because the total number of EWCP applications for FY 2019 was minimal.

Estimated cost is determined by taking the salary for a GS-11, Step 1 Federal employee’s annual salary of $67,574 or $35/hour based on the 2019 General Schedule (Base). The GS-11 pay grade is utilized in preparing this estimate as it is equivalent to the position normally held by a white-collar employee in a mid-level position.

|  |  |  |  |
| --- | --- | --- | --- |
| *Estimated Number of forms collected annually* | | | |
| A | FY2020 (estimated) | | 57,169 |
|  | | | |
| *Estimated Burden Hours* | | | |
| B | Number of minutes to complete form | | 15 |
| C | Total number of minutes to complete form (annually) | | 857,535 |
| D | Converted to hours | C/60 minutes | 14,292 |
|  | | | |
| E | GS-11, Step 1 loan officers’ hourly rate | | $ 35 |
| F | Annual cost to respondents | D x E | $ 500,220 |

**SBA Form 1920**

Each 7(a) loan requires one SBA Form 1920 to be completed by the Lender. Thus, Lenders will submit an estimated 57,169 forms annually. The SBA estimates these Lenders will take an average of 25 minutes to complete the form at an average cost of $35/hour. This estimated cost is based on the same rate as the SBA Form 1919. In 2019, SBA processed 188 EWCP applications. Since EWCP loan applicants will now be using this form, the total annual hour burden estimate for all EWCP applications is 4,700 minutes or 78 hours. The Estimated Burden Hours for SBA Form 1920 will not be materially affected by adding EWCP to the SBA Form 1920 because the total number of EWCP applications for Fiscal Year 2019 was minimal and PLP-EWCP Lenders already were required to use the Form 1920.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| *Estimated Number of forms collected annually* | | | | |
| A | | FY2020 (Estimated) | | 57,169 |
|  | | | | |
| *Estimated Burden Hours* | | | | |
| B | Number of minutes to complete form | | | 25 |
| C | Total number of minutes to complete form (annually) | | | 1,429,225 |
| D | Converted to hours | | C/60 minutes | 23,820 |
|  | | | | |
| E | | GS-11, Step 1 loan officers’ hourly rate | | $ 35 |
| F | | Annual cost to respondents | D x E | $ 833,700 |

**SBA Form 1971**

The SBA estimates the respondents will take an average of 5 minutes to complete the form at an average cost of $35/hour.

|  |  |  |  |
| --- | --- | --- | --- |
| *Estimated Number of forms collected annually* | | | |
| A | FY2020 (Estimated) | | 10 |
|  | | | |
| *Estimated Burden Hours* | | | |
| B | Number of minutes to complete form | | 5 |
| C | Total number of minutes to complete form (annually) | | 50 |
| D | Converted to hours | C/60 minutes | 1 |
|  | | | |
| E | GS-11, Step 1 loan officers’ hourly rate | | $ 35 |
| F | Annual cost to respondents | D x E | $ 35 |

**SBA Form 2237**

The SBA estimates that every loan booked in 2019 will require data regarding a change to be input at some point. Respondents will take an average of 5 minutes to complete the form at an average cost of $35/hour.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| *Estimated Number of forms collected annually* | | | | |
| A | | FY2020 (Estimated) | | 57,169 |
|  | | | | |
| *Estimated Burden Hours* | | | | |
| B | Number of minutes to complete form | | | 5 |
| C | Total number of minutes to complete form (annually) | | | 285,845 |
| D | Converted to hours | | C/60 minutes | 4,764 |
|  | | | | |
| E | | GS-11, Step 1 loan officers’ hourly rate | | $ 35 |
| F | | Annual cost to respondents | D x E | $ 166,740 |

**SBA Form 2449**

Each 7(a) Community Advantage loan requires one SBA Form 2449 to be completed by the Lender. There were 870 Community Advantage loans processed in FY2019; the estimate below accounts for growth of slightly more than 10%.

The SBA estimates the respondents will take an average of 5 minutes to complete the form at an average cost of $35/hour.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| *Estimated Number of forms collected annually* | | | | |
| A | FY2020 (Estimated) | | | 957 |
|  | | | | |
| *Estimated Burden Hours* | | | | |
| B | Number of minutes to complete form | | 5 | |
| C | Total number of minutes to complete form (annually) | | 4,785 | |
| D | Converted to hours | C/60 minutes | 80 | |
|  | | | | |
| E | GS-11, Step 1 loan officers’ hourly rate | | $ 35 | |
| F | Annual cost to respondents | D x E | $ 2,800 | |

1. *Estimate of total annual cost.*

There is no appreciable cost burden other than as reported in number 12 above. There is no appreciable cost burden to the respondent to submit electronically or by paper. The Lender must maintain the original of the forms in the respective loan files; however, the cost to retain the forms does not materially contribute to the overall file retention cost.

1. *Estimated annualized cost to the federal government*

When required, all forms are electronically submitted to the Agency; therefore, there is no appreciable collection cost associated with this information. The cost for the staff necessary to review the forms exists whether or not these particular forms are remitted to the Agency for review.

1. *Explanation of program changes in items 13 or 14 on OMB Form 83-I.*

With the updates on form 1919, 1920, and 2237 the total hour burden is 42, 957 hours, with number of responses of 171,574. The current total hour burden on record at OMB is 43,155 hours, with number of responses of 205,080.

As a result, the total hour burden decreased by 198 hours which caused by the streamlining of questions on form 1919, 1920, and 2237.

The total number of responses changed due to: (1) The 7(a) loan program, with the exception of the Paycheck Protection Program under 7(2)(36), has been declining in recent years and is anticipated to continue declining.

1. *Collection of information whose results will be published.*

Except for summary data that may be included in various Agency reports (e.g. number of loans processed using this form) this information will not be published.

1. *Expiration date for collection of this data.*

This is not applicable; expiration date will be published.

1. *Exceptions to the certification on Block 19 on OMB Form 83-I.*

There are no exceptions.

1. *Collections of Information Employing Statistical Methods*

This is not applicable.

1. This is not a new reporting or recordkeeping requirement. [↑](#footnote-ref-1)
2. This is also not a new reporting or recordkeeping requirement. [↑](#footnote-ref-2)