

Department of the Treasury  
Information Collection Request – Supporting Statement

CARES Act Loan and Payroll Support Programs  
OMB No. 1505-0263

**A. Justification**

1. Circumstances necessitating the collection of information

On March 27, 2020, the President signed the “Coronavirus Aid, Relief, and Economic Security Act” or the “CARES Act,” (P.L. 116-136) which provides emergency assistance and health care response for individuals, families and businesses affected by the COVID-19 pandemic, and provides emergency appropriations to support executive branch agency operations during the COVID-19 pandemic.

The Act authorizes the Secretary of the Treasury to make loans, loan guarantees, and other investments that do not exceed \$500 billion in the aggregate to provide liquidity to eligible businesses, States, and municipalities related to losses incurred as a result of coronavirus. Section 4003(b)(1)-(3) authorizes the Secretary to make loans and loan guarantees available to passenger air carriers and cargo air carriers, as well as certain related businesses, and businesses critical to maintaining national security. As part of the loan and payroll support agreements, applicants will need to maintain records for a period of 2, 5, or 10 years, depending on the loan type, as well as submit compliance reports quarterly to ensure funding is used in accordance with the agreements and aid statutory reporting requirements.

**Applications for loans and loan guarantees under section 4003(b)(1)-(3)**

Section 4003 of the CARES Act authorizes the Secretary of the Treasury to make loans, loan guarantees, and other investments that do not exceed \$500 billion in the aggregate to provide liquidity to eligible businesses, States, and municipalities related to losses incurred as a result of coronavirus. Potential borrowers under Section 4003(b)(1)-(3), for which loans, loan guarantees, and other investments may not exceed \$46 billion in the aggregate, include passenger and cargo air carriers, eligible businesses certified under part 145 of title 14, Code of Federal Regulations, and approved to perform inspection, repair, replace, or overhaul services, and ticket agents (as defined in section 40102 of title 49, United States Code), and businesses critical to maintaining national security.

The application and minimum requirements are issued pursuant to Section 4003(c)(1)(B) of the Act, which requires the Secretary to publish application procedures and minimum requirements for making loans, loan guarantees, and other investments under Sections 4003(b)(1)-(3). The Secretary may supplement these procedures and requirements at a later date.

**Applications for payroll support under sections 4112 and 4113 of the Act**

Under section 4112 of the Act, Treasury will provide payments to passenger air carriers, cargo air carriers and contractors (as defined under Section 4111 of the Act) exclusively for the continuation of payment of employee wages, salaries, and benefits. To carry out this responsibility, Treasury will issue applications, forms, terms, and conditions pursuant to Section 4113(b) of the Act, which authorizes the Secretary to establish terms and conditions and requires the Secretary to publish streamlined and expedited procedures for applicants not later than 5 days after the date of enactment of the Act.

Air carriers and contractors that receive financial assistance agree to comply in a timely fashion with information requests by the Department or the Department of Transportation to verify compliance with statutory, regulatory, contractual or other requirements of applicants that receive assistance under this act, including (but not limited to) those specified under Sections 4113, 4114, 4115, 4116 and 4117 under the act. Such requests may include any details related to compensation received by the Secretary pursuant to Section 4117.

Pursuant to agreements executed under the payroll support program, recipients will be required to report to the Department and keep records.

Recipients will submit quarterly certifications and reports, including, among other things, copies of the recipient's IRS Form 941, summaries of any changes in employee headcount, changes in the aggregate amount spent by the recipient on wages, salary, and benefits, changes in total compensation for, and any severance pay and benefits upon termination of, corporate officers and employees of the recipient and any affiliate, and the reasons for any such changes. Recipients will also report on other matters that may materially affect the recipient's compliance with the program and also provide to Treasury other program compliance information that Treasury may request. The recipient and affiliates will also provide Treasury, the Treasury Inspector General, and other entities as authorized by Treasury access to documents, papers, or other records, including electronic records, in connection with audits. In addition, recipients will report any action to commence a bankruptcy or insolvency proceeding in any jurisdiction.

Recipients and affiliates will retain records pertinent to the receipt of payroll support and compliance with the program, including but not limited to information necessary to substantiate factual representations made in the recipient's application for payroll support, including ledgers and sub-ledgers. While electronic storage of records (backed up as appropriate) is preferable, the recipient and affiliates may store records in hardcopy (paper) format.

A recipient and the Department may enter into a withdrawal agreement to memorialize the binding terms and conditions applicable to the recipient after the termination of the agreement.

## 2. Use of the data

The information reported to the Department will allow the Department to make decisions in connection with applications for loans, loan guarantees, and payroll support, as well as to comply with any reporting or transparency requirements under the CARES Act or other applicable Federal statutes, regulations, agreements, or in response to inquiries by the Pandemic Response Accountability Committee established by the CARES Act, or by the Department's Inspector

General for payroll support under sections 4112 and 4113 of the Act and by the Special Inspector General for Pandemic Recovery for loans and loan guarantees under section 4003 of the Act. The information reported will also enable the Department to audit recipients' compliance with the statutory, regulatory, and contractual obligations under the program.

### 3. Use of Information Technology

Treasury will manage the application submission process with the use of existing and widely available technology such as e-mail and web-based forms.

### 4. Efforts to identify duplication

The information collections are under new statutory mandates. The information is not known to overlap with any other data collected under any other information collections at Treasury. Furthermore, the information collection is tailored to leverage data that already exists at Department of Transportation and collect only the additional data that is necessary.

### 5. Impact on small businesses and entities

This collection of information may affect small entities. However, Treasury will attempt to minimize burden on small businesses and entities to the greatest extent practicable.

### 6. Consequences of less frequent collection and obstacles to burden reduction

Collection is at a minimum. Applicants will submit a limited amount of information that should be readily available to the applicant in the ordinary course of business. If the Department did not collect these applications, it would be unable to provide vital benefits to businesses impacted by the COVID-19 pandemic.

### 7. Circumstances requiring special information collection

There are no special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines.

### 8. Solicitation of comments on information collection and justification for expedited processing pursuant to 5 CFR 1320.13

On July 16, 2020, Treasury published a notice in the Federal Register at 85 FR 43300, soliciting public review and comment for a 60 day period. Treasury received no comments.

### 9. Provision of payments to record keepers

No payments or gifts are provided to respondents.

10. Assurance of confidentiality

Information collected will be confidential to the extent appropriate and consistent with the Freedom of Information Act and other applicable law.

11. Justification of sensitive questions

No sensitive questions are asked of respondents.

12. Estimate of the hour burden of information collection.

The application and reporting burden estimates are as follows:

<b>Reporting</b>	<b># Respondents</b>	<b># Responses Per Respondent</b>	<b>Total annual Responses</b>	<b>Hours per response</b>	<b>Total Burden in Hours</b>	<b>Cost to Respondent (\$48.80 per hour*)</b>
Loan and Payroll Support Application and Agreements	1,000	1	1,000	2	2,000	\$67,780
Compliance Reporting and Recordkeeping	1,100	4	4,400	4	17,600	\$596,464
<b>TOTAL</b>	<b>2,100</b>		<b>5,400</b>		<b>19,600</b>	<b>\$732,024</b>

\* Bureau of Labor Statistics, U.S. Department of Labor, Occupational Outlook Handbook, Accountants and Auditors, on the Internet at <https://www.bls.gov/ooh/business-and-financial/accountants-and-auditors.htm> (visited March 28, 2020). Base wage of \$33.89/hour increased by 44% to account for fully-loaded employer cost of employee compensation (benefits, etc.)

13. Estimated total annual cost burden to respondents

There are no annualized capital/startup costs for the eligible recipients to provide the information in the application.

14. Estimated cost to the federal government.

There will be no annualized capital/start-up costs for the government to receive this information. The below table reflects the estimated time for a GS-13, Step 1 to review the information collected.

Collection Instrument	Number of Responses	Average Review Time per Response (in hours)	Total Time to Review (in hours)	Average Hourly Wage Rate <sup>1</sup>	Total Annual Government Cost
Loan and Payroll Support Application and Agreements	1,000	40	40,000	\$49.19	\$1,967,600
Compliance Reporting and Recordkeeping	4,400	40	176,000	\$49.19	\$8,657,440
<b>Total</b>	<b>5,400</b>		<b>216,000</b>		<b>\$10,625,040</b>

15. Reasons for change in burden

The changes to the collection since the previous OMB approval are to include a withdrawal agreements as part of the application forms. The withdrawal agreements are used to terminate the application. Additionally, the burden estimates have been reduced based on better estimates of the number of responses received.

16. Plans for tabulation, statistical analysis and publication

The 4003 programs are subject to review by the Special Inspector General for Pandemic Recovery, GAO, a Congressional Oversight Commission and mandated public reporting by Treasury. See sections 4018, 4020, and 4026 of the Act. The 4112/4113 programs are also subject to reporting requirements including, but not limited to, those specified under Section 4118 of the Act.

17. Display of the expiration date for OMB approval

Treasury plans to display the expiration date for OMB approval of the information collection on all instruments.

<sup>1</sup> Wage rate from the 2020 GS-pay scale table for Washington-Baltimore-Arlington, DC-MD-VA-WV-PA, [https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2020/DCB\\_h.pdf](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2020/DCB_h.pdf),

18. Exceptions to certification requirement

There are no exceptions to the certification statement.

Part B. Describe the use of statistical methods such as sampling or imputation.

This collection does not employ statistical methods.