

Supporting Statement for Paperwork Reduction Act Submission
Section 1112 Gross Loan Payment Template
Form XXXX, OMB Control No: 3245-xxxx

A. Justification

1. Circumstances necessitating the collection of information.

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 applicable section of each statute and regulation that mandates or authorizes the collection of information.

Under section 1112(a)(1) of the Coronavirus Aid, Relief and Economic Security Act (the CARES Act), loans that are guaranteed by SBA under Section 7(a) of the Small Business Act (15 USC 636(a)), including loans made under the Community Advantage Pilot Program, but excluding Section 7(a) loans made under section 1102 (36) of the CARES Act (the Paycheck Protection Program), are eligible to receive the debt relief provided under section 1112(c). In accordance with that section, SBA is required to pay the principal, interest, and any associated fees that Borrowers owe on a covered loan that is in a regular servicing status. SBA relies on 7(a) Lenders to provide the necessary loan information in order for SBA to make the payments on behalf of each borrower.

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

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.

Lenders use the *Section 1112 Gross Loan Payment Template* to provide details on loans with an outstanding government guaranty. SBA uses the information to make the Section 1112 payments on behalf of the borrowers. The information also assists SBA in reducing the risk of making overpayments or underpayments on each loan or making payments on loans that are not eligible for the Section 1112 payments. Additionally, the information is a source of reconciliation to identify lack reporting by lenders to SBA for existing potential eligible borrowers.

The information collected includes:

- SBA loan number
- Section 1112 SBA monthly payment date
- Total outstanding gross loan payment amount (including the amounts owed on both the guaranteed portion and non-guaranteed portions of the 7(a) loan)
- Number of gross monthly loan payments included in the total outstanding gross loan payment amount

The Lender must submit the loan information through the CARES Act menu of the 1502 Dashboard on the website of SBA's Fiscal Transfer Agent (FTA) no later than the 10th of the month. The FTA then provides the borrower payment information (i.e. Gross monthly payment) to SBA for processing, and SBA remits the loan payments to the Lender no later than the 25th of the same month.

3. Technological collection techniques.

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.

Section 1112 Gross Loan Payment Template is an excel document, which is currently available to the 7(a) Lenders in an electronic format on the website of SBA's fiscal transfer agent. The completed template is submitted electronically to the FTA (<https://colsonservices.bnymellon.com/>). Lenders also have the option of providing the information by performing loan data entry directly on the FTA's website instead of uploading the Excel template.

4. **Avoidance of duplication.**

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

The template captures the loan level gross monthly payment amount due (guaranteed and unguaranteed portion) for each eligible loan associated with that lender. In addition, it captures the number of payments requested to receive Section 1112 subsidy relief. Each monthly submission represents transaction data that may be different from the prior month and it is not accurately available from other sources.

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

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.

The information collection is submitted by all 7(a) lenders, some of which may be deemed small entities. The information collected has been reduced to the minimum data necessary to monitor individual loan status and evaluate overall program performance. The ability to submit the information electronically reduces the reporting burden on lenders.

6. **Consequences if information is not collected.**

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.

This information collection is necessary for SBA to effectively monitor and manage the aggregate financial risk attributed to the loans made by the lender participants. If the information were not collected, SBA would have to rely on data contained within its system that would not be adequate to make payments accurately and in a uniformly consistent manner for all qualified borrowers.

7. **Existence of special circumstances.**

Explain any special circumstances that would cause an information collection to be conducted in a manner that (1) requires respondents to: report information to the agency more often than quarterly; prepare a written response in fewer than 30 days after receipt of the request for information; 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 secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's

confidentiality to the extent permitted by law, or (2) includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use.

None of these special circumstances are applicable to this reporting requirement.

8. Solicitation of public comment.

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

SBA is requesting emergency approval of this CARES Act related information collection, including waiver of the 60-day public comment notice required by 5 CFR 1320.8.

9. Payments or gifts.

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

Not applicable.

10. Assurances of confidentiality.

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

No assurance of confidentiality is provided to the responding lenders; however, any confidential or privileged loan information that is collected will be protected to the extent permitted by law, including but not limited to the Freedom of Information Act, 5 U.S.C. § 552 and the Right to Financial Privacy Act, 12 U.S.C. § 3401.

11. Questions of a sensitive nature.

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.

The data collected includes small business borrower's name and loan number, .

12. Estimate of the hourly burden of the collection of information.

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.

Between April 2020 and September 2020 (6 months), SBA has made Section 1112 payments for a total of 1,325,148 loans. Currently, there are approximately 4,000 active lenders with an average of 220,858 loans reported monthly. The estimated time to complete the report for each lender is estimated as 15 minutes per response. As part of this information collection, SBA also requires each Lender to provide its ACH depository information to allow SBA to transfer the Section 1112 funds to the Lender. SBA estimates an additional 5 minutes for the approximately 4,000 active lenders to complete the ACH for Section 1112 payment, which is required one time only.

Section 1112 Gross Loan Payment Template	
Estimated Number of Respondents	4,000
Estimated Annual Number of Responses	48,000
Hours per Response	15 minutes
Estimated Annual Burden Hours	12,000
ACH Form	
Number of Respondents	4,000
Number of Responses	4,000
Hours per Response	5 minutes
Estimated Annual Burden Hours	333 (one time only)

Based on a loan officer’s annual salary of \$63,270 broken down to an hourly rate of \$30.42 per hour, the annual cost to respondents would be 12,000 hours x \$30.42 = \$345,040 for Section 1112 Gross Loan Payment Template, and 333 hours x \$30.42 = \$10,140 for one time ACH Form. The \$63,270 is based on statistics from the Department of Labor Occupational Outlook Handbook Earning Survey.

13. Estimate of total annual cost.

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 cost associated with this information collection; lenders already have systems in place to report other loan data to the FTA.

14. Estimated annualized cost to the federal government.

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.

The Federal Government has contracted with its FTA, Colson Services, to assist in implementing Section 1112 of the CARES Act, including the processing of the information collected under this information collection. The additional contracting costs that the Federal Government has incurred for this assistance is \$934,128.30

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

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

Not Applicable, a new collection of data.

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

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.

Business loan data is routinely published on SBA website and may be included in periodic reports to the Congress and/or OMB.

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

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.

OMB expiration date will be displayed.

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

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. Collections of Information Employing Statistical Methods

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

This is not applicable