

2020
SUPPORTING STATEMENT
OMB Docket No. 0572-New

7 CFR Part 5001
OneRD Guaranteed Loan Program

A. Justification

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

Rural Development is implementing a new consolidated guaranteed loan program. This interim final rule would create a new guaranteed loan program that would combine four existing guaranteed loan programs under one regulatory platform. These four existing programs, described below, are: (1) the Community Facilities Program (0575-0137), (2) the Water and Waste Disposal Program (0572-0122), (3) the Business and Industry Program (0570-0014), and (4) the Rural Energy for America Program (formerly known as the Renewable Energy Systems and Energy Efficiency Improvements Program – 0570-0050) under Title IX, Section 9007 of the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill).

Community Facilities Program. The Rural Housing Service (RHS) is authorized by Section 306 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926) to make loans to public agencies, nonprofit corporations, and Indian tribes for the development of essential community facilities primarily serving rural residents. RHS has been making guaranteed loans through its Community Programs, which was authorized by Congress in 1990. Community Program guaranteed loans are used to finance many types of projects varying in size and complexity from large general hospitals to small firefighting equipment loans. The guaranteed loan program encourages lender participation and provides specific guidance in the processing and servicing of guaranteed Community Facility loans.

Water and Waste Disposal Program. The Rural Utilities Service is authorized by Section 306 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926) to make loans to public agencies, nonprofit corporations, and Indian tribes for the development of water and waste disposal facilities primarily serving rural residents. Water and Waste Disposal Programs (WW), which has been in existence for approximately 60 years, was authorized with the Appropriations Act of 1990, when Congress appropriated funds, to implement the Water and Waste Disposal guaranteed loan program. Water and waste disposal guaranteed loans are used to finance many types of projects varying in size and complexity. The guaranteed loan program encourages lender participation and provides specific guidance in the processing and servicing of guaranteed WW loans.

Business and Industry Program. The Business and Industry (B&I) Guaranteed Loan Program was legislated in 1972 under Section 310B of the Consolidated Farm and Rural Development Act, as amended. The purpose of the program is to improve, develop, or finance businesses, industries, and employment and improve the economic and environmental climate in rural communities. This purpose is achieved through bolstering the existing private credit structure

through the guaranteeing of quality loans made by lending institutions, thereby providing lasting community benefits.

Rural Energy for America Program. The Rural Energy for America Program is authorized under the 2008 Farm Bill to make loan guarantees and grants to farmers, ranchers, and rural small businesses to purchase renewable energy systems and make energy efficiency improvements. The program is designed to help farmers, ranchers, and rural small business reduce energy cost and consumption, develop new income streams, and help meet the nation's critical energy needs.

In an effort to reduce paperwork and make Rural Development forms more consistent with each other, thereby improving customer service, RD has revised the forms in this burden package to accommodate all four programs.

2. Explain how, by whom, and for what purpose the information is to be used.

Lending entities who wish to participate in this program must submit an application and/or certain information to Rural Development. This information will be used to determine their eligibility for participation in this program.

Eligible lenders and their prospective borrowers who are seeking guaranteed loans will have to submit applications with specified information, certifications, and agreements to the State Office. This information will be used to determine borrower eligibility, to determine project eligibility and feasibility, and to ensure that borrowers operate on a sound basis and use funds for authorized purposes.

REPORTING REQUIREMENTS – NO FORMS

Oversight and monitoring (§ 5001.502)

The Agency will employ various oversight and monitoring activities in order to ensure compliance with this part. All lenders involved in any manner with any loan note guarantee issued under this part or under a loan note guaranteed previously issued under a guaranteed loan program identified in § 5001.1 of this part must cooperate fully with the Agency in its oversight and monitoring efforts, including, but not necessarily limited to:

Status Reports. No less than semi-annual status reports as of June 30 and December 31 each year (unless more frequent reports are needed as determined by the Agency to protect the financial interests of the Government) regarding the condition of the lender's guaranteed loan portfolio (including borrower status and loan classification) and any material change in the general financial condition of any borrower since the last report was submitted. The lender must submit these reports within 30 calendar days after the reporting period, using the appropriate Agency online reporting system.

Default Reports. Monthly default reports for each guaranteed loan in monetary default using the appropriate Agency online reporting system are due on the 15th working day of each month.

Notifications. The lender(s) must notify the Agency by written notification within 15 calendar days of any:

- (i) Loan agreement violation by any borrower, including when the borrower is 30 days past due or is otherwise in default of the covenants in the loan agreement;
- (ii) Permanent or temporary reduction in the interest rate;
- (iii) Downgrade in the lender's loan classification of any guaranteed loan; and
- (iv) Protective advances.

Collection activities report. If a lender is liquidating the assets of a borrower, the lender must also evaluate and provide a report of collection activities regarding the collectability of personal and corporate guarantees.

Preliminary eligibility review (§ 5001.302)

A lender has the option of submitting a preliminary eligibility review to the Agency before it submits the full application for guarantee. The information in the preliminary eligibility review would be used by the Agency to make an informal assessment of project and borrower eligibility for program assistance.

By providing the lender the opportunity to submit a preliminary eligibility review, the Agency may help reduce the cost to the lender and prospective borrower of submitting a full application for guarantee for those projects that do not appear to be eligible or feasible.

Lender responsibilities – General (§ 5001.6)

Lenders are responsible for originating and servicing loans guaranteed by the Agency under this part in accordance with the regulation for those guaranteed loans issued under one of the guaranteed loan programs identified above. Any action or inaction on the part of the Agency does not relieve the lender of its responsibilities.

Lenders can contract for services, but such contracting does not relieve a Lender from its responsibilities as identified in this part or, where applicable, in the applicable guaranteed loan program identified.

If a lender fails to comply with the requirements of this part, the Agency may reduce any loss payment in accordance with the lender's agreement and loan note guarantee.

Lender's responsibilities – Origination (§ 5001.201)

The lender is responsible for originating a guaranteed loan in accordance with the requirements of this part and in accordance with its internal origination policies and procedures to the extent they do not conflict with the requirements of this regulation. For each application, the lender must prepare a credit evaluation that is consistent with Agency standards found in this part. The Agency reserves the right to review the lender's credit evaluation and request additional information. Lender approval does not constitute Agency approval.

Lender's responsibilities – Servicing (§ 5001.501)

The lender is responsible for servicing the entire loan and taking all servicing actions that a reasonably prudent lender would perform in servicing its own portfolio of loans that are not guaranteed. The lender must certify that it will service the guaranteed loan in accordance with this part, its loan servicing policies and procedures, and the lender's agreement. Where a lender's loan servicing policies and procedures address a corresponding requirement in the OneRD regulation or in the lender's agreement, the lender must comply the corresponding requirement in the OneRD regulation, unless otherwise approved by the Agency.

Financial reports

The lender must obtain the borrower's and any guarantor's financial statements required by this regulation and the loan agreement. The Agency may require an annual audited financial statement based on a project's circumstances. States, local governments, Indian tribes, institutions of higher education, and nonprofit organization borrowers who meet the Federal awards expended threshold established in 2 CFR 200, subpart F, "Audit Requirements," during their fiscal year must submit an audit conducted in accordance with 2 CFR 200, subpart F.

The lender must submit financial statements obtained under this section to the Agency within 120 days of the end of the borrower's fiscal year. When the borrower's audit is conducted in accordance with 2 CFR 200, subpart F, audits must be submitted no later than nine months after the end of the borrower's fiscal year or 30 days after the borrower's receipt of the auditor's report, whichever is earlier.

Annual financial statements must be in accordance with accounting practices acceptable to the Agency as prescribed in Section 5001.9 for all borrowers with a guaranteed loan balance in excess of \$600,000. The Lender may determine the type and frequency of financial statements for borrowers with a total guaranteed loan balance below \$600,000, whether initially or once repayments have reduced balance, upon notification and justification to the Agency.

Collateral Inspection and Release

The Lender must inspect the collateral as often as necessary to properly service the guaranteed Loan.

This requirement is needed to ensure that the loan is properly serviced, which reduces Agency risk by helping to ensure the value of the collateral is maintained should the loan go into default and be liquidated.

Transfers and Assumptions

The Agency will only approve a transfer and assumption if the transferee will continue the eligible purpose of the guaranteed loan and such transfer and assumption complies with all applicable conditions.

Mergers

All borrower mergers or consolidations (herein referred to as “mergers”) require approval by the Agency and the lender.

This requirement is needed to provide the Agency necessary information on the new borrower in order to determine compliance with the borrower eligibility criteria, including the ability to repay the guaranteed loan. In addition, this requirement will enable the Agency to monitor the lender’s enforcement of the promissory note and other security instruments, as applicable, and the lender’s loan servicing responsibilities.

Subordination of Lien Position

A lender seeking a subordination of its lien position in collateral must submit a written request to the Agency. The lender must include in the request a financial analysis of the servicing action. The financial analysis must be fully supported by current financial statements, less than 90 calendar days old, of the borrower and guarantors. The lender must receive written Agency approval prior to the subordinations.

This requirement provides information to the Agency to evaluate the request to ensure that the subordination is in the best interest of the Agency in accordance with 7 CFR 5001.510.

Repurchases

The lender is required to notify the Agency of its decision on whether it will repurchase a loan or not, making sure that it notifies the Agency of all repurchases it makes.

This requirement allows the Agency to track responsible parties for the loan, which is important should the loan go into default.

Additional Expenditures and Loans

The lender shall not make additional expenditures on behalf of, or provide new loans to, the borrower without notification to the Agency even though such expenditures or loans will not be guaranteed. The lender shall not approve additional expenditures or new loans where the expenditure or loan will violate, or cause a violation of, any of the loan covenants in the borrower’s loan agreement.

This requirement helps the Agency evaluate any adverse effect on the ability of the borrower to repay the loan, thereby reducing Agency risk.

Protective Advances

The lender is required to obtain the Agency’s written authorization when any protective advance, singularly or cumulatively, amounts to more than \$200,000 or 10 percent of the guaranteed loan, whichever is less.

Protective advances are indicative of potential problems with a loan. If they are greater than \$200,000 or 10 percent of the guaranteed loan, Agency risk is increased to where the Agency needs to approve the protective advance. Thus, this requirement helps to mitigate Agency risk.

Liquidation

If a Lender enters into a liquidation, the lender is required to develop a liquidation plan, in consultation with the Agency, which will include obtaining appraisals. As part of the plan, the lender will be responsible for providing reports to the Agency on the liquidation as it progresses. Further, the lender must notify the Agency of any changes to or deviations from the plan.

The requirement to consult with the Agency allows the Agency to reduce Agency loss. The requirement to provide the Agency with progress reports on the liquidation and notification of any changes to or deviations from the plan will also allow the Agency to reduce Agency loss by informing the Agency of any problems that might require the Agency's attention.

Lenders are required to obtain Agency approval before effecting a compromise settlement.

This requirement allows the Agency to help mitigate Agency loss by requiring its approval of the compromise settlement.

Litigation

In all litigation proceedings involving the borrower, the lender is responsible for protecting the rights of the lender and the Agency with respect to the loan and keeping the Agency adequately and regularly informed, in writing, of all aspects of the proceedings. If the Agency determines that the lender is not adequately protecting the rights of the lender or the Agency with respect to the loan, the Agency reserves the right to take any legal action the Agency determines necessary to protect the rights of the lender and Agency, on behalf of the lender or the Agency. If the Agency exercises this right, the lender must cooperate with the Agency. The Agency will assess against the lender any cost the Agency incurs with such action.

This requirement is important for the Agency to mitigate Agency risk. Through these reports, the Agency will determine if the lender is not adequately protecting the rights of the lender or the Agency, and if this is the case, the Agency can step in to protect its rights and the rights of the lender.

Loss calculations and payments

The Agency is allowed to request, in response to a loss claim, the lender to provide the Agency with a copy of the applicable loan origination and servicing policies and procedures in place for the loan. The lender is required to comply with such requests.

This requirement is important for the Agency to be able to assess the lender's loss claim to ensure that the Agency only pays appropriate loss amounts.

Interest rate changes

The lender is required to seek and obtain Agency approval for any change in the interest rate between the date of issuance of the Conditional Commitment and before the issuance of the Loan Note Guarantee, unless the only change is to the base rate of a variable interest rate.

The lender is required to keep records to allow the Agency to calculate any loss at the reduced rate; to keep records that adequately document the accrued interest claimed; to provide copies of all legal documents to the Agency when making interest rate changes or other legally effective amendment to the promissory note.

The lender is required to obtain Agency concurrence if there is an increase in interest rate from a variable interest rate to a higher interest rate that is a fixed rate.

Changes in the interest rate can affect the viability of a project. Thus, project risk is addressed by the Agency in approving such changes. The requirements provide sufficient documentation to support any subsequent loss claim activities on the guaranteed loan.

Replacement of loan note guarantee and assignment guarantee agreement (§ 5001.459)

In those incidences where the Loan Note Guarantee or Assignment Guarantee Agreement is lost, stolen, destroyed, mutilated, or defaced, the lender must notify the Agency to request a replacement.

This requirement is necessary to ensure proper documentation of the loan is in place should a problem occur with the loan.

Changes prior to loan closing (§ 5001.457)

Any change in borrower ownership or organization prior to the issuance of the loan note guarantee must meet the applicable guaranteed program's eligibility requirements and must be approved by the Agency.

This requirement helps the Agency evaluate any adverse effect on the loan guarantee, thereby reducing Agency risk.

Termination of the Loan Note Guarantee (§ 5001.524)

The lender is required to submit a written request to the Agency to terminate the guarantee when the lender holds the entire guaranteed portion and the original Loan Note Guarantee is returned to the Agency.

This is one of three options for terminating a loan guarantee.

Borrower eligibility (§ 5001.126)

Community Facilities Program

Evidence of significant community support:

In accordance with 7 U.S.C. 2009h, the evidence shall be in the form of a certification of support for the project from each affected local government. The certification of support should include sufficient information to determine that the essential community facility will provide needed services to the community or communities and will have no adverse impact on other community facilities providing similar services.

Credit elsewhere:

In accordance with 7 U.S.C. 1983, certify in writing, subject to Agency verification, that the borrower is unable to finance the proposed project from their own resources or through commercial credit without a guarantee, at reasonable rates and terms.

The certification of support should include sufficient information to determine that the essential community facility will provide needed services to the community or communities and will have no adverse impact on other community facilities providing similar services.

Water and Waste Disposal Facilities Program

Evidence of significant community support:

In accordance with 7 U.S.C. 2009h, the evidence shall be in the form of a certification of support for the project from each affected local government.

To help mitigate project risk, it is important that a water and waste disposal project have the support of the community.

REPORTING REQUIREMENTS - FORMS **(Specific to the Guaranteed Loan program)**

Form RD 5001-1, "Application for Loan Guarantee"

The Rural Development guaranteed loan program addresses the requirements for submitting applications for loan guarantees. Lenders, with input from the prospective borrowers, must submit an application for guarantee for each project using an Agency-approved application form. The information collected on this form is used by the Agency to determine applicant eligibility for program assistance and to provide financial and other data about the borrower and lender. The information is also needed to allow the Agency to track the loan.

Applications for Guarantee from Approved Lenders

For each loan guarantee request, the lender must submit to the Agency a complete application that is in conformance with §5001.303, and §§ 5001.304 through 5001.307, as applicable.

Lenders must provide an analysis of the scope of the project in relation to the borrower's overall operations. The application and lender's analysis should be supported by adequate documentation as applicable to the project and as listed in 5001.303(d) of this section.

Lender's credit evaluation (§ 5001.202). Submitting the lender's analysis mitigates project and Agency risk by ensuring the financial resources are sufficient to repay the loan.

Appraisals (§ 5001.203). The lender is responsible for ensuring that appraisal values adequately reflect the actual value of the collateral based on an arm's length transaction. Completed appraisals should be submitted when the application is filed. If the appraisal has not been completed when the application is filed, the Lender must submit an estimated appraised value. Prior to the issuance of the loan note guarantee, the estimated value must be supported with an appraisal acceptable to the agency. Appraisals are required to ensure that real property and chattel value is suitably evaluated, thereby reducing Agency loss exposure should the loan go into default.

Feasibility study (§ 5001.303(c)(3)). If the Agency is unable to determine a basis for successful repayment of a guaranteed loan based on the documentation and analysis of the five feasibility study components provided in the lender's analysis, borrower's business plan, or other Project information, or if the proposed project will have significant impacts on existing operations, the Agency may require an independent feasibility study.

Business plan (§ 5001.303(c)(9)). Unless the information is contained in the feasibility study or in the credit evaluation, a business plan should be submitted to show how the project will operate and remain viable. This requirement may be omitted when guaranteed loan funds are used exclusively for debt refinancing.

Affirmative Fair Housing Marketing Plan (§ 5001.303(c)(10)). If the application is for 5 or more residential units, including nursing homes and assisted-living centers, and that is in conformance with 7 CFR 1901.203(c)(3).

Current credit reports or equivalent (§ 5001.303(c)(2)). This is required to help mitigate Agency risk by ensuring that the borrower is a "good credit risk."

Financial statements (§ 5001.303). These are required to help mitigate Agency risk by ensuring that the borrower is generating sufficient cash flow to repay all of its obligations, including the guaranteed loan.

Environmental information (§ 5001.207(a)(2)(i)). This information is required to allow the Agency to fulfill its environmental review obligations under other regulatory requirements.

In sum, the information required to be submitted in the application and its supporting documentation allows the Agency to mitigate project and Agency risk by allowing the Agency to evaluate the project for its credit worthiness and merit.

Under the Rural Development guaranteed loan program, lending entities must be approved in order to participate. To be approved, most lending entities must submit an application for lender approval. This form also allows approved lenders to apply for preferred lender status for the Business and Industry Guaranteed Loan program.

All regulated lending entities who wish to participate in the guaranteed loan programs are considered approved lenders must submit a written summary of their loan origination and servicing policies and procedures as long as they are in good standing with its regulator.

For non-regulated lenders (5001.130 (c)), the Agency may approve a lending entity that does not meet the criteria of a regulated lender to become an approved lender for a period of up to 5 years. Non-regulated lending entity eligibility will expire on January 31 of the fifth year after the date of Agency approval.

Under this guaranteed loan program, lenders that have been approved for participation in this program may submit an application under all 4 programs in the regulation.

Form RD 5001-2, “Lender’s Agreement”

This form is the signed agreement between the Agency and the lender setting forth the lender’s loan responsibilities. Each lender will execute the form once.

Form RD 5001-3, “Conditional Commitment”

The form is used by the Agency to provide notice to the lender and lender acceptance that the guarantee request is approved subject to the conditions established by the Agency and listed on the form.

Form RD 5001-5, “Unconditional Guarantee”

This form is for an owner or other influential person of the borrower guaranteeing the debt of the borrower. It is completed by the lender for the benefit of the Agency.

Form RD 5001-6, “Assignment Guarantee Agreement”

The form is the signed agreement between the Agency, lender, and holder, setting forth the terms and conditions of an assignment of all or a portion of the guaranteed portion of a loan.

Form RD 5001-7, “Guaranteed Loan Borrower Status”

The lender is to submit periodic reports on the condition of its Agency guaranteed loan portfolio (including borrower status and loan classification) and any material changes in the general financial condition of the lender since submitting the last periodic report.

Form RD 5001-8, “Guaranteed Loan Borrower Default Status”

Lenders use this form to inform Rural Development of the status of borrowers in default.

5001-9 “Guaranteed Loan Closing Report”

This form is prepared for each loan for each instance of guarantee issuance, payment of guaranteed loan fees, or consolidation of guaranteed loans. The Guaranteed Loan Closing Report must accompany all guarantee fee payments.

Form RD 5001-10, “Guaranteed Loan Report of Loss”

The Agency requires the lender to use this form to process estimated and final reports of loss on guaranteed loans.

Form RD 5001-11A, “Guaranteed Loan Report of Loss – Estimated Loss”

Lenders use this form to report an estimated loss on a guaranteed loan to the Rural Development.

Form RD 5001-11B, “Guaranteed Loan Report of Loss – Final Loss or Bankruptcy Reorg (w/ no collateral)”

Lenders use this form to report a Final Loss or Bankruptcy with no collateral on a guaranteed loan to the Rural Development.

Form RD 5001-11C, “Guaranteed Loan Report of Loss – Bankruptcy Reorg (w / collateral)”

Lenders use this form to report a loss on a guaranteed loan to the Rural Development in a Bankruptcy Reorganization with collateral.

Form RD 5001-11D, “Guaranteed Loan Report of Loss – Interest Loss / Recovery / or Voluntary Payment”

Lenders use this form to report an Interest loss, Recovery or a Voluntary Payment on a guaranteed loan to the Rural Development.

RD Form 5001-12, “Certificate of Non-Relocation and Market and Capacity Information Report”

This form is completed by the applicant and used by the Agency to obtain Department of Labor clearance on loan requests in excess of \$1 million that will increase direct employment by more than 50 employees, which conforms with the requirements of paragraphs (d)(2), (d)(3), and (d)(4) in 7 U.S.C. § 1932.

The information is used to determine if competing businesses would be adversely affected by the Federally guaranteed loan.

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

Rural Development currently uses the Guaranteed Loan System (GLS), which provides the agency the ability to capture and manage information and data associated with its guaranteed loan programs but, GLS remains a proprietary system wherein data is input, processed, and managed, internally.

In support of the final rule, Rural Development plans on modifying its GLS system to enable the electronic collection of certain data elements associated with processing and servicing agency guaranteed loans that lenders who participate in the program typically provide. Additionally, Rural Development is currently developing a “cradle to grave” IT system for guarantee loans. The system will, when fully built-out, allow for: real-time initial eligibility determinations; on-line application completion and submission from participating lenders; application review, processing and loan obligation by the Agency; and tracking and processing of all servicing activities, including the payment of periodic fees by the lenders.

Rural Development acknowledges that some of the data to be collected will necessarily have to be provided by the guaranteed loan borrower; however, these are guaranteed loan programs administered and delivered through participating lenders and the Agency will exclusively rely on these lenders, not borrowers, to provide information.

4. Describe efforts to identify duplication.

Rural Development extensively reviewed current forms from all four programs to identify common, unique, and outdated data elements both between programs and between existing forms. Rural Development then developed a new set of forms to eliminate unnecessary and duplicative information. Rural Development further attempted to avoid duplication of its requirements and the burden by developing a unified platform under the OneRD program.

5. If the collection of information affects small businesses or other small entities, describe the methods used to minimize the burden.

The information collection required for this initiative places little or nominal burden on small entities beyond that performed in normal business practice. Lenders making loans without guarantees typically require as much as or almost as much information from a business applicant. Rural Development is using industry-standardized data elements and documents, supplementing them with Government-wide forms that are familiar to many applicants.

6. Describe the consequences to 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.

The information collected under these programs is the minimum necessary to conform to the requirements of the program regulations established by law; not collecting the information would result in fewer loans through these programs and would run counter to Rural Development's mission. Failure to collect proper information less frequently could result in improper determinations of eligibility or improper use of funds.

7. Explain any special circumstances that would cause the collection of information to be conducted in a manner:

- a. Requiring respondents to report information to the agency more often than quarterly. Under the final rule, lenders are required to submit loan default status reports on a monthly basis if a loan is in default. This is required to allow the Agency to quickly address delinquent loans to reduce potential Agency loss. There are no other information requirements that require specific reporting on more than a quarterly basis.
- b. Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it. There are no specific information collection requirements that require less than 30 days response from the lender.
- c. Requiring respondents to submit more than an original and two copies of any document. There are no information requirements that require more than an original and two copies.
- d. Requiring respondents to retain records for more than 3 years. There are no such requirements.
- e. Not using statistical sampling. There are no such requirements.
- f. Requiring use of statistical data classification that has not be reviewed and approved by Office of Management and Budget (OMB). No such requirements exist.
- g. Requiring a pledge of confidentiality that is not supported by authority 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. There are no such requirements.
- h. Requiring respondents to 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 permissible by law. There are no such requirements.

8. Comments on Agency's notice in the Federal Register and efforts to consult with persons outside the Agency to obtain their views on the availability of data, frequency of collection, the clarity of the instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

This is a new information collection and comments will be requested through the imbedded 60-day notice in the final rule.

Through its normal course of business in implementing the four current programs being consolidated into the final rule, the Agency talked with lenders using the programs on many issues, including the paperwork burden associated with guaranteed loan making. These lenders included national, regional, and community lenders; nontraditional lenders; national lending and banking associations; economic and/or community development organizations; and other Federal agencies associated with credit making activities. The Agency obtained this input through listening sessions and a Human Experience lab with Agency personnel from State offices and the national office as well as Lenders for consideration in developing the final rule.

Additionally, during the 6-month approval period, the Agency will contact a minimal of three listening sessions with OneRD Applicants (i.e., Lenders) to solicit specific feedback regarding the application burden. Since this is a new program, potential applicants do not have first-hand experience to offer such information at this time.

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

No payments or gifts were provided to respondents, including no remuneration of contractors or grantees.

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

No assurance of confidentiality was provided to respondents for the information required. When necessary, the Agency will process any and all requests for release of records and information in accordance with the Privacy Act of 1974. However, in some instances, the information collected under the provisions of this program is not considered to be of a confidential nature. For example, organizations, such as not-for-profit entities and public bodies from which information is collected, are ordinarily required to make their activities available for public scrutiny.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private.

The information collected does not contain any questions of a sensitive nature such as sexual behavior, religious beliefs, or other matters commonly considered private.

12. Provide estimates of the hour burden of the collection of information.

Based on the current funding levels of the four programs, the burden for collecting information under the unified guaranteed loan program is estimated to average approximately 740

respondents annually filing 12,380 responses. A total of 52,242 hours per year were estimated to be required to complete these responses; thus, averaging about 3.4 hours per response. The cost per hour used was \$47.60, which was calculated by using the Wage rate from the May 2018 National Occupational Employment and Wage Estimates, https://www.bls.gov/oes/current/oes_nat.htm/ wage group 13-2072, loan officer. \$36.67/hour plus 29.8% for benefits for a total of \$47.60/hr.

Based on this data, the estimated cost of burden under the OneRD guaranteed loan program is \$2,391,507.30. The following summarizes these estimates.

Number of respondents:	740
Total annual responses:	12,380
Number of hours per response:	3.42
Total hours:	50,242
Cost per hour:	\$47.60
Total annual cost:	\$2,391,519.20

The attached spreadsheet provides the specific estimates for the entire program.

13. Provide an estimate for the total annual cost burden to the respondents or recordkeepings resulting from the collection of information.

There are no capital and start-up costs or operations and maintenance costs associated with this collection.

14. Provide estimates of annualized cost to the Federal Government.

RD estimates that each of the loans issued under the OneRD Guaranteed Loan Program requires approximately 50 hours for cumulative documents cleared under this package, and that a total of 2,960 hours are required annually for review. National Office staff performs 296 hours (10%) of the total and field staff loan analysts perform approximately 2,664 hours (90%). Wage rates are \$41.66 and \$55.75 respectively based on the hourly wage rates for field loan analysts (GS 12, Step 5) for the locality pay are of the “Rest of United States” and for national office loan specialists (GS 13, Step 5) for the locality pay area of Washington-Baltimore-Northern Virginia. The estimated rate of cost of total benefits for civilian Federal Government employees is 36.25%¹ for percentage of benefits as a portion of total hourly wage and was provided by the OMB Memoranda referenced in the footnote below. RD estimates the cost to the Federal Government to administer the activities of this program to be \$18,184.88 per year. A breakdown of the costs to the Federal Government to administer this program is as follows:

Wage Category	Hourly Wage and Benefits	Hours	Cost of Burden
National Office Loan Specialist GS 13, Step 5	\$75.96	296	\$22,484.16
Field Staff Loan Analyst	\$56.76	2664	\$151,208.64

GS 12, Step 5			
Cost to Federal Government			\$173,6924.80

¹ Cost of total benefits as a percentage of total hourly compensation for civilian Federal Government employees exceeds that of private sector employees. OMB Memoranda indicate that the total Federal civilian position full fringe benefit cost factor is 36.25% See OMB Memoranda M-08-13 (March 11, 2008).

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

This is a new information collection, will be replacing four currently approved information collection packages; 0570-0069, 0670-0067, 0572-0122, and 0575-0137.

16. For collection of information whose results will be published, outline plans for tabulation and publication.

Rural Development has no plans to publish information collected under the provisions of this program.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

N/A

18. Explain each exception to the certification statement in identified in item 19 of OMB 83-I.

There are no exceptions to the certification.

B. Collection of Information Employing Statistical Methods.

This collection does not employ statistical methods.