

Supporting Statement
U.S. Small Business Administration
Paperwork Reduction Act Submission
Paycheck Protection Loan Program
OMB Control Number 3245-XXXX

A. Justification

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

Section 1102 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Pub. L. 116-136 (March 27, 2020), authorized the Small Business Administration to guarantee loans made by banks or other financial institutions under the “Paycheck Protection Program” (PPP), as codified in section 7(a)(36) of the Small Business Act. On December 27, 2020, SBA received authorization to guarantee loans under an additional program, the PPP Second Draw Program, which is codified at section 7(a)(37) of the Small Business Act. (Pub. L. 116-260, Div. N, title III, sec. 311). Under this program, “Second Draw PPP Loans” may be made to borrowers that previously received a PPP loan under section 7(a)(36) of the Small Business Act (“First Draw PPP Loans”) and have used or will use the full amount of their initial PPP loan for authorized purposes on or before the expected date of disbursement of the Second Draw PPP Loan. In order to implement this Second Draw Loan program, it is necessary to create the new application forms described below. There is an urgent need to make these forms available as soon as possible since the authority for the program expires on March 31, 2021. Accordingly, SBA is requesting that this submission for OMB review and approval be processed under the emergency procedures set forth in 5 CFR 1320.13.

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

This information collection consists of:

(1) SBA Form 2483-SD (Paycheck Protection Program Second Draw Application Form), which collects information from Applicants regarding continued eligibility and the justification for the amount of the second draw request. Information collected is used by lenders to determine the applicants’ eligibility to receive a Second Draw Loan and the eligibility of the use of proceeds; and

(2) SBA Form 2484-SD (Paycheck Protection Program Second Draw Lender’s Application for 7(a) Loan Guaranty), which collects information from lenders concerning the eligibility of the Applicant, and the loan terms and conditions. SBA uses the information provided by lenders to ensure compliance with Loan Program Requirements (as defined in 13 CFR 120.10), as modified specifically for the Second Draw Program and any applicable Paycheck Protection Program interim final rules, Frequently Asked Questions, SBA notices, and other applicable guidance.

Applicants and Lenders will also submit information approved under the collection of information approved for the Paycheck Protection Program (OMB Control Number 3245-0407), including information related to loan reviews and requests for loan forgiveness.

3. Use of automated, electronic, mechanical, or other technological collection techniques.

SBA Forms 2483-SD and 2484-SD are available on the SBA website as PDFs at <https://www.sba.gov/managing-business/forms/lending-forms>. Lenders will also be able to assist applicants by generating the forms through third-party software platforms.

SBA Form 2483-SD: Applicants complete the form (or the lender's equivalent form) and submit it to the lender with any supporting documentation

SBA Form 2484-SD: Lenders complete the form and submit it to SBA electronically via E-Tran. Lender must retain the original forms and all supporting documentation in its loan file.

4. Avoidance of duplication.

There are no known sources of information that could be used in lieu of the requested information. The data requested is unique to each lender, applicant or borrower, including principals, and to the circumstances of each particular PPP Second Draw loan.

5. Impact on small businesses or other small entities.

This information collection impacts a substantial number of small businesses and other small entities. However, the information collected is designed to lessen the burden by requesting the minimum information necessary for SBA and lenders to make prudent decisions. The fact that the information is submitted electronically and not in paper form, also helps to mitigate any burden on borrowers and lenders.

6. Consequences if information is not collected.

Failure to collect the information requested could result in improper payments if loans are issued to Applicants that are not eligible or for purposes that are not authorized, or forgiveness payments are remitted to lenders for ineligible borrowers or ineligible amounts. Failure to collect the information could also impact SBA's ability to ensure its lending partners are complying with the applicable Loan Program Requirements.

7. Existence of special circumstances.

None of the circumstances are applicable.

8. Solicitation of public comment.

In order to quickly implement the Second Draw Program, SBA is requesting emergency approval of this new information collection pursuant to 5 CFR 1320.13; this request includes waiver of the required 60-day and 30-day public comment notices. SBA will follow the standard procedures required by the Paperwork Reduction Act, including publication of the notices before the emergency approval expires.

9. Payment or gift to respondents.

No gifts or payments are provided to any respondents.

10. 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 respondents 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), where applicable. SBA will use responses provided by the borrowers to assist in maintaining confidentiality, including applicable “Freedom of Information Act” exemptions.

11. Questions of a sensitive nature.

Information that is retrieved by a personal identifier is maintained in SBA’s Privacy Act System of Records governing the disclosure of such information, specifically SBA 21--Loan System. See Federal Register Notice 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), for details regarding routine uses and other terms governing the use of the information.

12. Estimate of the hourly burden and cost burden for the collection of information.

The estimated annual burdens based on the information below is as follows:

- Total number of Respondents: 2,605,460
- Total number of Responses: 5,200,000
- Total Hours: 1,430,000
- Total Hour Cost for Respondents: \$48,276,800
- Total Cost for Federal Government: \$42,288,000

SBA Form 2483-SD

The total estimated number of respondents for this form is 2.6 million, based on the number of applications SBA estimates will be submitted for the Second Draw Program. The estimated time for each applicant to review the form, gather the necessary information and complete the application is 8 minutes, yielding 346,667 total annual burden hours. The estimated annual cost burden is \$11,703,467.

Estimated costs are determined by taking the salary for a GS-11, Step 1 Federal employee’s annual salary of \$70,459 or \$33.76 hourly rate based on the 2021 General Schedule for Sacramento California (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.

These estimates are based on a sample testing by 1 or more individuals who were not familiar with the form.

SBA Form 2484-SD

There are approximately 5,460 lenders making First Draw PPP loans. Each approved loan requires one SBA Form 2484 to be completed by the lender. Since a Form 2484-SD must be submitted with each Form 2483-SD, lenders will submit an estimated 2.6 million Forms 2484-SD. The SBA estimates these lenders will take an average of 25 minutes to complete the form for total burden hours of 1,083,333. The annual estimated costs equal \$36,573,333.

Estimated costs are determined by taking the salary for a GS-11, Step 1 Federal employee's annual salary of \$70,459 or \$33.76 hourly rate based on the 2021 General Schedule for Sacramento California (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.

13. Estimate of total annual cost excluding cost included above in number 12.

There are no start-up, capital or other costs to respondents as a result of this information collection. Lenders must maintain loan documentation in their files; however, SBA does not have enough information to reasonably determine the lenders' estimated cost to retain this information.

14. Estimated annualized cost to the federal government

SBA Form 2483-SD and SBA Form 2484-SD

All Second Draw Loans are approved under delegated authority by the participating lenders. Lenders must submit limited information electronically to SBA. If the application meets the eligibility requirements, SBA's ETRAN system generates a loan number without prior review of the application information by SBA. Contractor support for the collection of loan applications will be \$42,288,000.

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

This is a new collection of information

16. Collection of information whose results will be published.

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.

This is not applicable; expiration date will be displayed.

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

There are no exceptions.

19. Collections of Information Employing Statistical Methods

This is not applicable.

