

Supporting Statement
U.S. Small Business Administration
Paperwork Reduction Act Submission
Paycheck Protection Loan Program
OMB Control Number 3245-0417

SBA is requesting emergency approval of revisions to the Paycheck Protection Program (PPP) information collection. The revisions, described below, implement changes made under the interim final rule titled “Business Loan Program Temporary Changes; Paycheck Protection Program Revisions to Loan Amount Calculation and Eligibility” (Loan Amount and Eligibility Rule).

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 the changes under the Loan Amount and Eligibility Rule, it is necessary to create the new application form and revise the existing forms as 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.

Summary of Changes

To implement changes made under the Loan Amount and Eligibility Rule, SBA has developed a new application form, SBA Form 2483-SD-C, PPP Second Draw Application Form for Schedule C Filers Using Gross Income. Second Draw PPP Loan applicants who are Schedule C filers and elect to calculate their loan amount based on gross income will use this application form.

SBA Form 2483-SD, PPP Second Draw Application Form, has been revised to:

- Remove the one-year lookback eligibility restriction for non-financial fraud felonies
- Remove the eligibility restriction for delinquent Federal student loan debt
- Provide that applicants who are Schedule C filers and elect to calculate their loan amount based on gross income must use SBA Form 2483-SD-C
- Add the “per location” exception to the employee-based size standard box
- Clarify that applicants and owners can use an ITIN
- Add instructions on calculating the number of employees

- Use the term “Applicant” consistently throughout

On February 17, 2021, SBA made a *de minimis* change to SBA Form 2483-SD by relocating the optional demographic information collection box from the last page of the form to the first page of the form.

SBA Form 2484-SD, PPP Second Draw Lender’s Application for 7(a) Loan Guaranty, has been revised to conform to the changes made to SBA Form 2483 and to collect the additional information provided by the applicant under the new SBA Form 2483-SD-C.

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.

(2) SBA Form 2483-SD-C (PPP Second Draw Application Form for Schedule C Filers Using Gross Income), which collects information from applicants regarding continued eligibility, the justification for the amount of the second draw request, and the applicant’s gross income.

(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, the applicant’s gross income (if applicable), 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, 2483-SD-C 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 2483-SD-C: 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 the Paycheck Protection Platform (forgiveness.sba.gov). 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: 2,605,506
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: \$33,216,000

SBA Form 2483-SD

The total estimated number of respondents for this form is 2.1 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 280,000 total annual burden hours. The estimated annual cost burden is \$9,452,800.

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 2483-SD-C

The total estimated number of respondents for this form is 500,000. The estimated time for each applicant to review the form, gather the necessary information and complete the application is 8 minutes, yielding 66,667 total annual burden hours. The estimated annual cost burden is \$2,250,667.

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 5,506 lenders making PPP loans. Each approved loan requires one SBA Form 2484-SD to be completed by the lender. Since a Form 2484-SD must be submitted with each Form 2483-SD or 2483-SD-C, 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, 2483-SD-C 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 \$33,216,000.

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

There are no changes in the total burden hours. The estimated number of respondents using the 2483-SD-C will be drawn from the population of respondents that were previously estimated to use the 2483-SD. ***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.