

SMALL BUSINESS ADMINISTRATION (SBA)
Supporting Statement for Paperwork Reduction Act Submission (Emergency)
COVID-19 Targeted EIDL Advance Application, SBA Form 3514
OMB Control Number 3245-0419

SBA is requesting approval of non-substantive revisions to this information collection. These revisions, as described below, will facilitate implementation of recent amendments by the American Rescue Plan Act that authorize SBA to provide additional EIDL Advances to eligible entities.

Justification

- 1. *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 appropriate section of each statute and regulation mandating or authorizing the collection of information.***

The *Coronavirus Aid, Relief, and Economic Security Act*, Pub. L. 116-136 (April 27, 2020) authorized SBA to provide an Advance of up to \$10,000 to applicants who applied for an economic injury disaster loan (EIDL) in response to the COVID-19 pandemic. SBA developed a streamlined information collection to implement this EIDL Advance authority, including a Self-Certification for Verification of Eligible Entity for Emergency EIDL Advance, SBA Form 3503, along with several other forms used to collect information for COVID-EIDL loans. (OMB Control Number 3245-0406). On July 10, 2020, SBA revised this information collection to remove all references to the EIDL Advance, because the appropriated funds for the EIDL Advance program had been exhausted.

On December 27, 2020, SBA received additional funds under the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, (Economic Aid Act), Pub. L. 116-260, Div. N, Title III, Sec. 323 to provide additional Advances subject to certain conditions. Specifically, Section 331 of the Economic Aid Act required SBA to provide Targeted EIDL Advances (Targeted EIDL Advance) to certain entities that previously received an EIDL Advance of less than \$10,000; entities that previously applied for a COVID-EIDL, but did not receive an EIDL Advance because there were no funds available; and to new COVID-EIDL applicants, subject to the availability of funds. Eligible entities must be located in a low-income community, must have 300 or fewer employees, must have economic losses of greater than 30 percent, and must meet all other eligibility requirements applicable to EIDLs.

On March 11, 2021, section 5002 of the American Rescue Plan Act of 2021, Pub. L. 117-21, further revised the EIDL Advance authority. Under this revised authority, SBA is required to provide supplemental Targeted EIDL Advances to certain small businesses and nonprofit organizations (Supplemental Targeted Advances). These entities must meet the same eligibility requirements as entities eligible to receive a Targeted EIDL

Advance, except that the applicants for a supplemental advance must have ten or fewer employees and must have suffered greater than 50 percent economic loss.

Summary of Revisions:

In order to implement this new supplemental funding authority SBA is making the following changes to SBA Form 3514:

- adding a question at the end of Section C, New Information to enable eligible applicants to request the supplemental funding – (a “yes” or “no” response)
 - New applicants for a Targeted EIDL Advance will see this new question on the intake application that they complete in the application portal. For those entities that have already applied for a Targeted EIDL Advance, SBA will invite them to re-enter the application portal to confirm that they are requesting a Supplemental Targeted Advance.
- updating the statement regarding use of collected information to include a reference to the new supplemental funding;
- clarifying the instructions regarding the required bank information required from sole proprietors;
- revising Section A, Question 8 to remove a question that is inconsistent with SBA’s current COVID-relief policy.
- revising the burdens for the information collection to report the estimated increase in the number of respondents applying for the supplemental funds. (See Item #12)

2. *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.*

The information will be collected from applicants (small businesses and nonprofits) that are eligible to apply for a Targeted EIDL Advance. SBA’s Office of Disaster Assistance (ODA) will use the information to determine whether applicants meet the eligibility requirements and to inform the decision to approve or disapprove the application.

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, 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.*

Applications for the Targeted EIDL Advance are submitted electronically through a portal managed by the company with which SBA has contracted to provide application processing services.

4. *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.*

Every effort is being taken to minimize the collection burden. Some information has been previously submitted to SBA in connection with a previous COVID-EIDL/Advance application. However, Section 331(c) of the Economic Aid Act authorizes SBA to collect any information that would enable the Agency to verify the identity of the applicant for a Targeted EIDL Advance, even if that information had been submitted previously.

5. ***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.***

This information collection impacts small businesses; however, providing the information will not have a significant economic impact on them. The requested information is designed to collect the minimum information necessary to prudently process the application.

6. ***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 will only be collected once at the time of application for assistance. If this information were not collected, ODA could not process the requests for financial assistance because there would be no basis upon which to make the eligibility determination. Since this information is only collected once, it cannot be collected less frequently.

7. ***Explain any special circumstances that would cause an information collection to be conducted in a manner, etc.***

No special circumstances exist.

8. ***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.***

With this submission, SBA is seeking emergency approval of this information collection, including waiver of the required public comment notices. Prior to expiration of the emergency approval, SBA will publish the waived notices in the Federal Register to solicit public feedback and will resubmit this information collection to OMB to address any public comments and make any necessary revisions.

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

There are no payments made or gifts given to respondents.

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

The application informs applicants that information collected is protected to the extent permitted by law, including the Privacy Act, 5 U.S.C. 552a and the Freedom of Information Act, 5 U.S.C. 552. SBA maintains personally identifiable information in SBA's Privacy Act System of Records (SBA 20).

11. ***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.***

This information collection does not request information of a sensitive nature.

12. ***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.***

The hour and cost burdens are based on the total estimated number of applicants for the Targeted EIDL Advance and applicants for the Supplemental Targeted Advance.

The Targeted EIDL Advance is limited to those entities that received less than a full \$10,000 EIDL Advance or that did not receive any EIDL Advance funding. The estimated number of respondents is 8,625,250. The Supplemental Targeted Advance, however, is available to entities that received a full \$10,000 EIDL Advance and meet all other eligibility requirements described above. SBA estimates this population to be 233,750.

Total estimated respondents = 8,859,000 (8,625,250+ 233,750)

Response time per application= 30 minutes

Total revised estimated hour burden = 4,429,500 hours

Cost: The cost estimate for a respondent is based on GS 9, step 1 (\$25.60 per hour-RUS), which is the minimal level of expertise that is required to respond. The revised annual hourly cost estimate is 4,429,500 x \$25.60 = \$113,395,200.

13. ***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.***

No additional annual costs beyond those identified in #12 above are anticipated.

14. ***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.***

SBA has a contract for services related to processing COVID EIDL loans and Advances. The estimated contract cost to process each Targeted EIDL Advance application is \$47.00. SBA will also incur costs associated with the use of approximately 500 government employees to assist with Targeted EIDL Advance processing. The estimated costs for these employees based on the GS-9, Step -1 rate of pay in the 2021 “Rest of the United States” (RUS) for a minimum of 20 weeks, 40 hour regular time and 10 hours overtime hours, weekly.

Calculation:

Contract services: 8,859,000 applicants x \$47 = \$416,373,000

Direct government employees regular pay: 500 employee x \$25.60 x 800 reg. hours (20 weeks x 40) = \$10,240,000

Direct government employees OT pay: 500 employee x \$ 38.40 x 200 reg. hours (20 weeks x 10) = \$3,840,000

Estimated total annualized cost to the Federal Government: \$430,453,000

15. ***Explain 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.

16. ***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.***

SBA will publish Advance data, including recipient name, addresses, and amounts received. The information is published on the USASpending.gov website pursuant to the requirements of the Data Act.

17. ***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.***

SBA will display the expiration date of OMB approval.

- 18. 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 to the certification statement.

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

Not Applicable