

U.S. Small Business Administration
Paperwork Reduction Act Submission
Supporting Statement for
Lender Certification for Reinstatement or Correction of
Paycheck Protection Program (PPP) Loan
OMB Control Number 3245-0415

A. Justification

SBA is requesting emergency review of a non-substantive revision to this information collection, which is critical to allowing Paycheck Protection Program (PPP) lenders to request (1) reinstatement of a PPP loan that was cancelled in SBA's ETRAN system due to the lender's data input error, and/or (2) correction of the lender's data input error in the SBA Loan Approval Amount of a PPP loan on ETRAN or the Paycheck Protection Platform (Platform), subject to availability of funds. SBA's authority to approve new PPP loan guaranty applications expired on May 31, 2021, and SBA's authority to approve pending PPP loan guaranty applications expires on June 30, 2021. Under Section 145.3 of OMB Circular A-11, Preparation, Submission, and Execution of the Budget (7/10/20), SBA may correct data input errors after program authority expires. See also 31 U.S.C. § 1553(a). SBA has been accepting forgiveness decisions from lenders and making forgiveness payments on PPP loans, therefore the ability to revise this information collection without having to go through the standard Paperwork Reduction Act review procedures will enable SBA to expeditiously review and correct lender data input errors, if appropriate. This will enhance the integrity of the program and improve SBA's oversight and monitoring responsibilities.

SBA has made the following non-substantive revisions to the information collection:

- Revised the form to include references to approval of PPP loans through the Platform, which is new for 2021.
- Clarified that corrections and reinstatements are subject to availability of funds.
- Deleted the sentence that states that SBA's program authority for PPP expired on August 8, 2020. That sentence referred to the expiration date of the 2020 program authority. The 2021 program authority expires in full on June 30, 2021.
- Clarified that an ITIN is an acceptable TIN for the Borrower.

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, authorizes SBA to guarantee loans made by banks or other financial institutions under a new temporary 7(a) program titled the "Paycheck Protection Program" to small businesses, certain non-profit organizations, veterans' organizations, Tribal business concerns, independent contractors and self-employed individuals adversely impacted by the Coronavirus Disease (COVID-19) Emergency. The Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Economic Aid Act), Pub. L. 116-260, renewed SBA's authority to make PPP loans and added authority for second draw PPP loans under section 7(a)(37) of the Small Business Act. A PPP lender can use this form to request (1) reinstatement of a PPP loan that was cancelled in SBA's ETRAN system due to the lender's data input error, and/or (2) correction of the lender's data input error in the SBA Loan Approval Amount of a PPP loan on ETRAN or the Platform. The form itself contains examples of the types of lender requests for reinstatement or correction that can be submitted on the form. SBA will rely on the information submitted on this form to evaluate the lender's request. SBA's authority to approve PPP loan guaranty applications expires in full on June 30, 2021. Under Section 145.3 of OMB Circular A-11, Preparation,

Submission, and Execution of the Budget (7/10/20), SBA may correct data input errors after program authority expires. See also 31 U.S.C. § 1553(a).

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

SBA Form 3512, *Lender Certification for Reinstatement or Correction of Paycheck Protection Program (PPP) Loan* – Lenders that cancelled a PPP loan in SBA’s ETRAN system due to the lender’s data input error or made a data input error in the SBA Loan Approval Amount of a PPP loan on ETRAN or the Platform will use this form to request that the SBA Loan Approval Amount be corrected or that an erroneously cancelled loan be reinstated. SBA will use the information provided in the SBA Form 3512, *Lender Certification for Reinstatement or Correction of Paycheck Protection Program (PPP) Loan*, to evaluate the nature of the lender’s error and to determine whether the SBA Loan Approval Amount should be corrected or whether the loan should be reinstated, subject to availability of funds.

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

Lenders will submit the requested information directly to the appropriate SBA Loan Center.

4. *Avoidance of duplication.*

There are no known sources of information that could be used for the PPP in lieu of the requested information. The data requested is unique to each lender, and to the circumstances of each particular PPP loan.

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

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

6. *Consequences if information is not collected.*

Failure to collect the information requested could prevent SBA from having the information necessary to make an appropriate decision regarding whether to reinstate a PPP loan that was cancelled in SBA’s ETRAN system due to a lender’s data input error or correct a lender’s data input error in the SBA Loan Approval Amount of a PPP loan on ETRAN or the Platform.

7. *Existence of special circumstances.*

None of the special circumstances are applicable.

8. *Solicitation of public comment.*

SBA is requesting emergency review and approval of this information collection pursuant to the procedures in 5 CFR 1320.13. This request includes waiver of the 60-day notice required by 1320.8(d).

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 including 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.

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.

This information collection will be used by a lender to request (1) reinstatement of a PPP loan that was cancelled in SBA’s ETRAN system due to the lender’s data input error, and/or (2) correction of the lender’s data input error in the SBA Loan Approval Amount of a PPP loan on ETRAN or the Platform. Lenders must submit a separate form for each PPP loan for which a reinstatement or correction is requested. There are approximately 5,460 lenders that have made PPP loans. SBA estimates that 1,350 lenders will submit this form. SBA estimates that lenders will submit approximately 4,000 forms. The estimated time to respond is 30 minutes, yielding 2,000 total burden hours, with an estimated cost of \$67,520.

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. The PPP 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 3512, Lender Certification for Reinstatement or Correction of Paycheck Protection Program (PPP) Loan

SBA estimates approximately 4,000 lender certification forms will be submitted by lenders and reviewed by contractors and SBA staff. Cost of this contractor review of the Lender Certification is \$276,000.

SBA estimates time for SBA staff to review the Lender Certification to be 30 minutes, for a total of 2,000 hours. 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). Based on an hourly rate of \$33.76, total cost of SBA staff review of the Lender Certification will be \$67,520.

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

The total burden hours have not changed.

16. Collection of information whose results will be published.

Aggregated results from this information collection may be included in business loan data that is routinely published on SBA's website or 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.