

U.S. Small Business Administration  
Paperwork Reduction Act Submission  
Supporting Statement for  
Affiliation Worksheet - Paycheck Protection Program  
OMB Control Number (3245-0416)

**A. Justification**

SBA is requesting emergency review of revisions to this information collection that are critical to the review of loans made under the Paycheck Protection Program. These revisions are necessary to incorporate Second Draw PPP Loans and the expanded eligibility and affiliation waivers and revised size standards provided for in the Economic Aid Act and American Rescue Plan Act and to provide additional guidance to assist nonprofit organizations in applying the rules of affiliation. SBA has been conducting loan reviews; therefore, the ability to revise the information collected without having to go through the standard Paperwork Reduction Act review procedures is necessary to ensure borrowers have the information to make information decisions. The revised information collection also will enhance the integrity of the program and improve SBA's oversight and monitoring responsibilities.

SBA has made the following revisions to the information collection:

- Added two additional affiliation waivers to the table in Part B, Section I for eligible news organizations and internet-only publishing organizations and added a new note to this section stating that the same affiliation waivers apply to First Draw and Second Draw PPP Loans;
- Added language to Section II stating that only the employee-based size standard is applicable to Second Draw PPP Loans and added a note setting forth the applicable size standards for Second Draw PPP Loans;
- Revised the note explaining the size standards applicable to First Draw PPP Loans;
- Added language to notes 9-12, which explain the bases of affiliation, to provide guidance to assist nonprofit organizations in applying the affiliation rules; and
- Changed all footnotes to endnotes to prevent the tables from breaking across pages and improve readability of the form.

**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 7(a) program titled the "Paycheck Protection Program" (PPP) 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 and Venues Act (Economic Aid Act), Pub. L. 116-260, and the American Rescue Plan Act (ARPA), Pub. L. 117-2, among other things, added authority for Second Draw PPP Loans under Section 7(a)(37) of the Small Business Act, expanded eligibility for PPP loans to additional businesses and nonprofit organizations, changed the size standards for certain industries to permit calculations based on each physical location rather than in the aggregate, and revised the affiliation waivers available to certain businesses and nonprofit organizations. Borrowers with affiliates, as defined in SBA's regulations at 13 CFR 121.301(f), were required to disclose such affiliation when they applied for a PPP loan and certify that they were eligible to receive the loan under the SBA's rules in effect at the time the application was submitted. This information collection is necessary to provide additional information regarding the size of a borrower and its affiliates to help SBA evaluate the certification during any loan review.

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

SBA Form 3511, *Affiliation Worksheet* – During SBA’s loan review process, SBA will be reviewing the borrower’s eligibility certification, including the borrower’s compliance with size and affiliation requirements. If SBA determines that supplemental information is necessary, to evaluate the borrower’s eligibility certification, the borrower will be required to complete and submit the Affiliation Worksheet.

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

Borrowers will submit the requested information directly to their Lenders who will determine how the information is submitted. After receiving the forms from the borrowers, Lenders will submit the forms by uploading them electronically to SBA via the Paycheck Protection Platform.

**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 borrower, including its affiliates and to the circumstances of each particular PPP loan.

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

This information collection impacts a substantial number of small businesses. However, the information collected is designed to lessen the burden on both small businesses and 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 borrowers and lenders.

**6. *Consequences if information is not collected.***

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

**7. *Existence of special circumstances.***

The form provides that borrowers must submit the completed worksheet within 10 days of receipt from the lender. Under the Loan Program Requirements applicable to the PPP, SBA will, subject to any SBA review of the loan or loan application, remit the appropriate forgiveness amount to the lender, plus any interest accrued through the date of payment, not later than 90 days after the lender issues its decision to SBA. SBA requires that the borrower submit the information within 10 days so that the lender can provide the information to SBA and SBA can receive and review the information within the required statutory timeframe.

**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). If the emergency request is approved, SBA will subsequently publish the notice in the Federal Register.

**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 requested from all borrowers who answered “yes” to question 3 on the borrower’s application as well as from those borrowers who did not respond in the affirmative, but who, based on the information available to SBA, have affiliates. As a result, SBA estimates that approximately 37,500 borrowers will complete and submit the Affiliation Worksheet in connection with SBA loan reviews. The estimated time to respond is 45 minutes, yielding 28,125 total burden hours, with an estimated cost of \$949,500.

The Affiliation Worksheet will be reviewed for completeness and submitted to SBA by the Lender. SBA estimates 15 minutes to review for completeness and submission of this document, for a total of 9,375 hours. Total estimated costs for responding lenders are \$316,500. At this time, SBA estimates that approximately 5,000 Lenders will review and submit Affiliation Worksheets. Total burden hours for borrowers and lenders are 37,500.

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Estimated cost is 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 3511, Affiliation Worksheet

SBA estimates approximately 37,500 worksheets will be submitted and reviewed by contractors and SBA staff. Cost of this contractor review of the Affiliation Worksheet is \$3,455,750.

SBA estimates time for SBA staff to review the Affiliation Worksheet to be 20 minutes, for a total of 12,500 hours. Based on an hourly rate of \$33.76, total cost of SBA staff review of the Affiliation Worksheet will be \$422,000. Estimated SBA staff cost is 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).

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

The total burden hours have increased. This is because SBA received additional program authority to make new PPP loans after the information collection was approved in December 2020 and SBA has guaranteed approximately 6 million additional PPP loans since that date.

***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.