

SMALL BUSINESS ADMINISTRATION (SBA)
Supporting Statement for Paperwork Reduction Act Submission
Declaration of Identify Theft, SBA Form 3513
OMB Control Number 3245-0418

A. 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.***

As authorized by the Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Paycheck Protection Program and Health Care Enhancement Act, and the new Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, the Small Business Administration (SBA) has been providing COVID-19 Economic Injury Disaster Loans (EIDL) to provide working capital for small businesses, private nonprofits, and small agricultural enterprises who suffered substantial economic injury as a result of the Coronavirus pandemic, and Paycheck Protection Program (PPP) loans to help small businesses retain their employees during the economic downturn caused by the pandemic as well as to help businesses cover a portion of their standard operating expenses during the pandemic. SBA has received more than 18 million disaster loan applications and more than 10 million PPP loan applications, and a small percentage of those applications may be a result of identity theft. In an effort to ensure SBA is taking the appropriate action for individuals who have indicated they have been the victim of identity theft, the individual will need to provide an affidavit to SBA indicating no involvement in the filing of the loan application, and that they did not receive or have knowledge of who received the loan funds.

Changes to the form since the last submission are to add declarations for claims of identity theft for PPP loans and to clarify its use for all disaster loans and disaster declarations (not limited to COVID use). This will allow the Agency to use the same form for all identify theft claims.

- 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 those individuals (or their representative) who, without their knowledge or authorization, had an application submitted to SBA utilizing their personal information. The Office of Disaster Assistance (ODA) and Office of Capital Access (OCA) will review the information contained in the affidavit to determine whether there was identity theft involved for EIDL applications, and PPP applications, respectively. If SBA, the appropriate office will take the necessary steps to stop all billing statements, release any UCC Security filings, and to ensure that loan information will not be publicly reported in the name of the identity theft victim or in the case of a PPP loan, provide the Lender with a certification of confirmed identity theft for credit

resolution. This affidavit will also be provided to the Office of Inspector General and other enforcement agencies in any legal action going forward.

- 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.**

SBA would provide the individual claiming identity theft with a link to this affidavit, SBA Form 3513. The individual would be able to complete the form, download the form, and send the completed, signed form back to SBA via e-mail to the appropriate designated e-mail address.

- 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. None of the information being requested in this form has been provided previously to SBA with the requirement to attest to the truthfulness of the statements.

- 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, it will not have a significant economic impact on them. The requested information is designed to collect the minimum information necessary for SBA to determine the validity of an identity theft claim and take all necessary steps to ensure identity theft victims are not responsible for the loan.

- 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 need to be collected once. If this information were not collected, SBA could not take the necessary steps to declare this as identity theft, stop billings to the identity theft victim, and release any UCC filings from the legitimate business that was not the recipient of the SBA loan funds, and for PPP loans, the information collected ensures increased reliability for the Lender to provide a timelier remedy. It also provides SBA with a certification to prevent the reporting of federal debt in the event the SBA loan defaults through no fault of the victim. 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.***

Comments were solicited in a Federal Register notice published on February 23, 2021, in 86 FR 11042, copy attached. The comment period closed on April 26, 2021, and no comments were received.

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 declaration 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.***

Calculation:

SBA estimates that the Form 3513 will be filled out by approximately 60,000 individuals claiming identity theft annually (50,000 individuals for EIDL and 10,000 for PPP). This estimate is based on the existing identity theft claims SBA has received to date, plus a projection of new claims expected. The form takes an estimated 15 minutes to complete. 60,000 respondents x 15 minutes = 15,000 public burden hours.

PUBLIC BURDEN-Cost

The cost estimate for a respondent is based on GS 9, step 1 (\$25.60 per hour-Rest of the United States - RUS), which is the minimal level of expertise that is required to respond. The annual hourly cost estimate is 15,000 x \$25.60 = **\$384,000**.

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 will incur costs associated with the approximately 60,000 affidavits. The estimated cost is \$1,268,700 based on the RUS GS-11, Step 5 overtime rate of pay, \$42.29 per hour, for a minimum of 30 minutes per person.

$60,000 \times .50 = 30,000 \times \$42.29 =$ Estimated total cost to the Federal Government = **\$1,268,700**

15. ***Explain reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.***

There are no program changes. The burden hours are increased due to the additional volume provided by using the form for all loan programs.

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.***

There are no plans for tabulation, statistical analysis, and publication.

- 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.

Part B: Collection of Information Employing Statistical Methods

Not Applicable