

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

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 (March 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 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 (December 27, 2020), to provide additional Advances subject to certain conditions. Specifically, Section 331 of the Economic Aid Act requires 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. SBA created this information collection (Form 3514) to collect the information necessary to implement the Targeted EIDL Advance authority, which was approved on an emergency basis on January 21, 2021.

Section 5002 of the American Rescue Plan Act of 2021, Pub. L. 117-21 (March 11, 2021) provided SBA new authority to make 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. In order to implement this new authority and enable eligible applicants to request the supplemental funding, SBA revised SBA Form 3514 on April 21, 2021.

With this submission SBA is requesting final approval of the collection of information under standard processing procedures. There are no revisions to this information collection.

- 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 is collected from applicants (small businesses and nonprofits) that are eligible to apply for a Targeted EIDL Advance. SBA uses the information in determining whether 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. This information collection 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, SBA 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.***

SBA received emergency approval of this information collection, including waiver of the required comment period to facilitate moving forward with providing financial assistance to small businesses affected by the COVID-19 pandemic. That approval expires on July 31, 2021. The required 60-day public comment notice was published in the Federal Register at 85 FR 42063 (February 23, 2021); copy is attached. The comment period closed 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 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.***

Through July 2021, SBA received approximately 2,165,332 applications, or approximately 360,889 applications per month. SBA estimates that between August 2021 and December 2021, the agency will receive an additional 1,804,443 applications. Therefore, SBA estimates the total number of responses for this information collection to be 3,969,775 annually.

Calculation:

The COVID-19 Targeted EIDL Advance Application, SBA Form 3514 takes an estimated 30 minutes to complete. 3,969,775 respondents at 30 minutes each yields 1,984,888 public burden hours.

PUBLIC BURDEN-Cost

Estimated cost used is the salary for a GS-9, Step 1 Federal employee's annual salary of \$53,433 or \$25.60 hourly rate based on the 2021 General Schedule for the Rest of the U.S., plus estimated fringe benefits of 29.6% of salary, for a total hourly rate of \$33.18. The GS-9, Step 1 represents the minimal level of expertise that is required to respond.

The annual hourly cost estimate is $1,984,888 \times \$33.18 = \mathbf{\$65,858,567}$

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. Estimated contractor support costs for processing 3,969,775 applications is \$186,579,425.

SBA will also incur costs associated with the use of approximately 500 government employees to assist with Targeted EIDL Advance processing. The estimated hours for 500 employees working 40 hours per week for 20 weeks is 800 hours. These employees will also work an estimated 10 hours of overtime per week, for 20 weeks, for a total of 200 overtime hours.

Estimated SBA staff cost is determined by taking the salary for a GS-9, Step 1 Federal employee's annual salary of \$53,433 or \$25.60 hourly rate based on the 2021 General

Schedule for Rest of the U.S., plus estimated fringe benefits of 31 percent of salary, for a total hourly cost of \$33.54. Overtime costs are estimated at 1.5 times regular salary costs, or \$50.30 per hour. Calculation for estimated cost of federal government work is presented in the table below.

Number of Employees	Number of Hours	Hourly Wage (includes benefits of 31%)	Total Cost
500	800	\$33.54	\$13,416,000
500 (Overtime)	200	\$50.30	\$ 5,030,000
		Total	\$18,446,000

Estimated total annualized cost to the Federal Government for contractor support and staff is \$205,025,425.

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

The burden reported with this submission is lower than previously reported. Initial burden hours were based on anticipated program participation. The hours have now been adjusted to reflect actual performance plus an estimated amount for future use, based on rate of applications to date.

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