

Supporting Statement
American Rescue Plan Act of 2021 Section 1005 Loan Payment (ARPA)
OMB control number: 0560-0300

Background

FSA is requesting OMB approval to continue the collection for 3-year. Section 1005 of the American Rescue Plan Act (ARPA) (Pub. L. 117-2) directs the Farm Service Agency (FSA) to provide payments to socially disadvantaged borrowers who have ARPA-eligible Farm Loan Programs (FLP) and Farm Storage Facility Loan Program (FSFL) loans. ARPA-eligible FLP loan programs are those made under the Consolidated Farm and Rural Development Act's Title A, B and C. FSA published a Notice of Funding Availability (NOFA) on May 26, 2021, (86 FR 28329 – 28332) to announce the requirements for direct FLP and FSFL loans.

1. Circumstances that make the collection of information necessary.

On March 11, 2021, the ARPA was signed into law by President Joseph Biden. Section 1005 of the ARPA provides to pay up to 120 percent of ARPA-eligible FSA direct FLP and FSFL loan balances as of January 1, 2021, to FSA borrowers who belong to socially disadvantaged groups as defined in section 2501(a) of the Food, Agriculture Conservation, and Trade Act of 1990 (7 U.S.C. 2279(a)). Section 1005 of ARPA applies only to the borrowers who identify as American Indian, Alaskan Native, Asian, Black, African American, Native Hawaiian, or Pacific Islander by race and/or Hispanic or Latino by ethnicity as noted in FSA's records.

2. How, by whom, and for what purpose is information used.

The information collection is submitted by borrowers to the local FSA office serving the county in which their business is headquartered. The information collected is necessary to ensure that borrowers are eligible to receive ARPA and the loans are eligible for ARPA payment.

The information collection requirement is described below and on the attached Reporting and Recordkeeping Requirements.

FSA-2601, American Rescue Plan Act of 2021 (ARPA) Section 1005 Loan Payment

Agency employees complete the loan section of FSA-2601 and send it to borrowers identified on FSA records as eligible recipients with ARPA eligible loans. FSA-2601 also includes the information for borrowers to accept, discuss with FSA before making a decision, or decline the financial assistance as follows:

- FSA's calculation of 120 percent of the outstanding balance owing on eligible loans as of January 1, 2021;
- explains:
 - that the borrower is eligible for ARPA;
 - FSA's calculation of ARPA; and

- remaining balances on loans which are not ARPA eligible (if any)
- provides borrowers with 60 days to select one of the following options and return it to FSA:
 - accept the payment calculations and request payment and:
 - self-certify racial and/or ethnic eligibility
 - acknowledge that ARPA is subject to public disclosure
 - acknowledge probable tax liability
 - assign payment to FSA for the amount of the ARPA eligible debt as of January 1, 2021. The balance will be sent to the borrower.
 - schedule a meeting to discuss with FSA before making a decision; or
 - decline ARPA.

All liable parties must sign FSA-2601 accepting FSA's ARPA calculations and requesting payment/assignment or declining ARPA.

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 decisions for adopting this means of collection. Also describe any consideration of information technology to reduce burden.

The borrower-executed FSA-2601 must be returned to the FSA county office, to enter the information into the automated Online Payment (OLP) system which will process the payments. The executed FSA-2601 must be returned via by email, mail or fax.

4. Describe efforts to identify duplication. Show specifically why similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

FSA provides FSA-2601 to eligible borrowers with information specific to their account. Borrowers verify the information FSA provides with their own records and choose one of the available response options. As each borrower's information is unique and specific to their account, there is no other information collection already available that can serve the purpose as described in Item 2.

5. Methods to minimize burden on small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods to minimize burden.

The information collected does not adversely impact small businesses or other small entities. While various program areas within FSA share data, information collection required to carry out Section 1005 of ARPA would typically not be available from another agency. Therefore, the potential to share data is limited. There are 17,000 small entities or businesses in the information collection .

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or conducted less frequently, as well as any technical or legal obstacles to reducing burden.

The NOFA requires the minimum information for FSA and the eligible borrower by discussing, making a decision, or declining the financial assistance. The collection of information is needed to carry out the requirements of Section 1005 of ARPA, as-needed basis, and is used to document the borrower's eligibility for ARPA loan payment.

There is no regular reporting schedule related to this information collection. If the information were not collected, FSA would be unable to meet the Congressional mandate.

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

- **Requiring respondents to report information to the agency more often than quarterly;**

None.

- **Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**

None.

- **Requiring respondents to submit more than an original and two copies of any document;**

None.

- **Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**

None.

- **In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**

None.

- **Requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**

None.

- **That includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data**

security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or

None.

- **Requiring respondents to submit proprietary trade secret, other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

None.

8. Describe efforts to consult with persons outside the Agency to obtain their view on the availability of data, frequency of collection, the clarity of instructions and record keeping, disclosure, or reporting format (if any), and on data elements to be recorded, disclosed, or reported.

The Notice of Funding Availability that included the 60-day notice was published in the Federal Register on May 26, 2021 (86 FR 28329). There were 12 received comments but they are not related to the information collection request.

FLP consulted with the 3 customers state offices and have no comments on the collection:

1. Lonnie Terbush, 580-481-4254, Oklahoma.
2. Elizabeth Santillan Jenkins, (530) 218-8404, California.
3. Carlos Ugalde, 786-307-1377, Florida.

9. Explain any decision to provide any payment or gift to respondents.

There is no payment or gift given to respondents.

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

The form that serves as information collection instrument contains FSA's Privacy Act statement identifying circumstances under which the information collected may be released. This statement is based on the Privacy Act, the Freedom of Information Act and the FSA System of Records that has been published in the Federal Register. The policies, as well as a copy of the System of Records Notice for the Applicant/ Borrower- SORN FSA-14 published on March 22, 2019 (84 FR 10775), are published in FSA handbooks (2-INFO and 3-INFO). No further assurance of confidentiality is provided.

11. Provide additional justification for any question of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

No questions of a sensitive or personal nature are included in the information collection instrument.

12. Provide estimates of the hour burden of the collection of information.

FSA estimates that up to 24,000 borrowers may apply for ARPA (this number includes FSFL borrowers).

FSA is estimating it will take eligible borrowers an average of 0.25 hours per response. The annual burden for completing the application is 6,000 hours (24,000 responses x 0.25 hours).

The estimate of hour burden of this information collection is as follows:

Total Number of Unduplicated Respondents	24,000.
Reports Filed Per Person	1.
Total Annual Responses	24,000.
Total Annual Burden Hours	6,000.

The estimate of annual cost for the information collections is as follows:

Respondent's Cost Per Hour - Farmers	\$53.71.
Total Annual Respondent Cost – Farmers (6,000X\$53.71)	\$322,260.
Total	\$322,260.

Respondent cost per hour was derived by using U.S. Bureau of Labor Statistics Occupational Employment and Wages, May 2020, 11-9013 Farmers, Ranchers, and Other Agricultural Managers. The U.S. mean household income, as measured by the Bureau of Labor, is \$41.35. Fringe benefits for all private industry workers are an additional 29.9 percent, or \$12.36, resulting in a total of \$53.71 per hour. The estimated cost is \$322,260 (\$53.71 x 6,000).

13. Provide an estimated of the total annual cost burden to the respondents or recordkeepers resulting from the collection of information.

There are no capital, startup, or ongoing operation or maintenance costs associated with this information collection to respondents or record-keepers.

14. Provide estimates of annualized cost to the Federal Government.

The cost of form development, printing and distribution is minimal because the form is computer generated, however, FSA employees review the information on FSA-2601 and verify its accuracy. Employee cost per response is equal to 1 hour for completion of the FSA-2601 multiplied \$26.72 (estimated FLP county employee average hourly wage, based on 2021 General Schedule, Grade 11, Step 1). Fringe benefits for all government workers are an additional 31 percent, or \$8.43, resulting in a total of \$35.15 per hour.

The total annualized cost to the Federal Government is

$\$35.15 \times 24,000 = \$855,860.$

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

There are no changes to the burden hours since the last OMB approval.

16. For collection of information whose results will be published, outline plans for the tabulation and publication.

There are no plans to publish the results.

17. If seeking approval to not display the expiration date for the OMB approval of information collection, explain the reasons that display would be inappropriate.

FSA displayed the OMB expiration date on FSA-2601.

18. Explain each exception statement to the certification statement identified in Item 19 on OMB Form 83-I.

There are no exceptions requested.