

Department of the Treasury  
Departmental Offices  
**State Small Business Credit Initiative**  
1505-0227

**A. Justification**

1. Circumstances necessitating the collection of information.

On March 11, 2021, the President signed the American Rescue Plan Act of 2021 (the “Act”), Pub. L. No. 117-2. Title III, Subtitle C, Section 3301 of the Act provides \$10 billion for the Department of the Treasury (Treasury) to make payments to States (defined to include the District of Columbia), U.S. Territories (Puerto Rico, U.S. Virgin Islands, Guam, Northern Mariana Islands, and American Samoa), and Tribal governments (collectively the “Eligible Jurisdictions”) to help address the economic fallout of the pandemic and lay the foundation for a strong and equitable recovery by providing direct support to eligible jurisdictions for programs that increase access to credit for small businesses. These eligible jurisdictions must submit an application to be considered for approval of SSBCI Capital programs.

Sections 12 U.S.C § 5704(b)(2) and 12 U.S.C § 5705(b)(4)) require Eligible Jurisdictions to submit a complete SSBCI application for Capital funds within 9 months of enactment, which is December 11, 2021. Treasury is seeking approval for the SSBCI Capital Application to streamline the process by which eligible jurisdictions can apply for SSBCI Capital funding. This information collection is vitally important for Treasury to review and approve eligible jurisdictions’ SSBCI Capital programs and distribute eligible jurisdiction funds.

2. Method of collection and use of data:

Treasury will use submitted information to determine if the applicants meet the eligibility requirements in order to receive the SSBCI funds.

**SSBCI Application:**

Treasury will collect information from applicants, which may include eligible states, territories, the District of Columbia, and Tribal governments, through an online application portal. The application includes the collection of eligibility information and program details including:

- Points of contact for the eligible jurisdiction and those administering the program;
- Designation support for the implementing entity as well as any delegation of authority documentation;
- Statement on legal actions that have been taken or will be taken in order to receive SSBCI funds;
- Underserved narrative that details how an applicant plans to use the federal contributions for their approved programs to help provide access to capital for small

businesses in low- and moderate-income, minority, and other underserved communities, including women- and minority-owned small businesses.

- Enrolled loan data table for Capital Access Programs (CAPs), including historic information for programs that have operated before and estimates for the life of the SSBCI program;
- Other Credit Support Programs (OCSP) Information including: a summary of the background of the program, a summary of the program guidelines, a description of the anticipated benefit of the program, a description of how the program will “cause and result” in \$1 of new private credit for every \$1 of SSBCI funds, a description of how the program will ensure a meaningful amount of lender/investor capital is at risk, and a description of how the program will provide credit support that meet all of the requirements regarding borrow and investor size and principal amounts.
- OCSP Additional Considerations including: a description the program’s management team, operational capacity, and internal accounting and administrative controls systems.
- OCSP Independent Financial Audit or Program Financial Statements;
- Leverage Ratio Data tables for all proposed programs, using a provided template;
- Compliance and Oversight narrative describing what reporting mechanisms, audits, or other internal controls and compliance activities (a) the applicant has in place or (b) need to be implemented to enable the applicant to conduct oversight and meet annual and quarterly reporting requirements for the proposed program(s).
- Assurances of Compliance with Civil Rights Requirements;
- Financial institution information for receipt of funds.

The information collected in applications will be used by Treasury staff to evaluate applications and determine eligibility to receive SSBCI funds, as well as distribute funds. Treasury staff may include a review committee that has experts outside of the Department who have signed a nondisclosure agreement and a conflict of interest certification.

### 3. Use of information technology.

Treasury will manage the submission process with the use of existing and widely available technology such as a web portal and e-mail.

### 4. Efforts to identify duplication

There is no overlap among the data collections included in this request. Treasury has not requested any other data collections for the SSBCI program.

### 5. Impact on small entities

This collection of information is not expected to have a significant impact on small entities, however, we believe some of the smaller Tribal governments will require technical assistance on completing the SSBCI Capital Application. We are not aware of any flexibilities in this area due

to the statutory requirement, because of this Treasury will do outreach and education with our Tribal partners. Treasury is also offering Tribal governments the opportunity to apply for SSBCI funding as a group of Tribal governments, thereby, potentially resulting in a single application for a few Tribal allocations.

#### 6. Consequences of less frequent collection and obstacles to burden reduction

SSBCI is statutorily required to have an application. Treasury cannot meet its statutory requirement to fund programs without using an application form to discern eligibility of programs. While Treasury does not anticipate frequent collection of the application form in the future, Treasury must maintain this collection in order to adequately assess requests for modifications that involve the addition of new programs.

#### 7. Circumstances requiring special information collection

There are no special circumstances causing the information collection to be conducted in a manner described in 5 CFR 1320.6.

#### 8. Solicitation of comments on information collection

A request for information was published in the *Federal Register* on Jun 4, 2021 (86 FR 27680) soliciting public comment on effective approaches for the delivery of capital and technical assistance through SSBCI, and Treasury utilized public comments in development of SSBCI policy. <https://www.regulations.gov/document/TREAS-DO-2021-0009-0001>

#### 9. Provision of payments to recordkeepers

No payments or gifts are provided to respondents.

#### 10. Assurance of confidentiality

The SSBCI is subject to all Federal regulations with respect to confidentiality of information.

#### 11. Justification of sensitive questions

No questions of a sensitive nature are asked in the collection's instruments. No personally identifiable information is collected.

#### 12. Estimated burden of information collection

Treasury expects to receive applications from approximately 500 eligible jurisdictions who previously submitted a Notice of Intent. SSBCI estimates the burden of collection to be approximately 5 hours per application response. SSBCI estimates the total one-time burden to be 2,500 hours (500 responses \* 5 hours/program).

<b>Reporting</b>	<b># Respondents</b>	<b># Responses Per Respondent</b>	<b>Total Responses</b>	<b>Hours per response</b>	<b>Total Burden in Hours</b>	<b>Cost to Respondent (\$47.50 per hour*)</b>
SSBCI Capital Application	500	1	500	5 hours	2,500	\$118,750

\* Bureau of Labor Statistics (BLS), U.S. Department of Labor, Occupational Outlook Handbook, Accountants and Auditors, on the Internet at <https://www.bls.gov/ooh/business-and-financial/accountants-and-auditors.htm> (visited December 30, 2020). In 2019, the median pay for accounts and auditors was \$34.40/hour. To account for the fully-loaded employer cost of employee compensation, the median pay is increased by 38%, resulting in a fully-loaded wage rate of \$47.50. According to BLS's Employer Cost for Employee Compensation from September 2020 at <https://www.bls.gov/news.release/pdf/ecec.pdf> (released on December 17, 2020), employers provided 38% of total employee compensation in the form of non-wage compensation (i.e., benefits such as paid leave, health insurance, etc.) for state and local government workers.

### 13. Estimated total annual cost burden to respondents

There is no cost burden associated with the collection of the data. No purchases of equipment or services are necessary to complete these collections.

### 14. Estimated cost to the Federal government.

The cost to the Federal Government is the Treasury staff time and IT systems requirements to develop the application, follow up with participating states, review the applications, determine disbursements, collect reporting data, and report the results.

<b>Item</b>	<b>Cost (\$)</b>
Contract Cost: \$3,000,000	\$3,000,000
*1Staff Salaries [ 20 GS-13 step 1 employees spending approximately 10% of time annually for this administrative and financial data collection] 20 x \$103,690 = \$2,073,800 x 1.4 = \$2,903,320x .10 = \$290,332.	\$290,332
<b>Total</b>	<b>\$3,290,332</b>

### 15. Reasons for change in burden

The burden for this collection of information is due to a new statute.

### 16. Plans for tabulation, statistical analysis and publication

Treasury will conduct numerous types of analysis on this data. These analyses will include assessments of the effectiveness of the program (e.g. reach, amounts funded) as well as compliance checks. It is possible that a review/publication may result from these analyses. In

<sup>1</sup> <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2021/DCB.pdf>

addition, this analysis may be made available to the public for transparency on Treasury's website

17. Reasons why displaying the OMB expiration date is inappropriate

Displaying the OMB expiration date is inappropriate because it will likely create confusion by leading respondents to believe that the agreements sunset as of the expiration date. Non-display of the expiration date is requested.

18. Exceptions to certification requirement

There are no exceptions to the certification statement.