

U.S. Small Business Administration
Paperwork Reduction Act Submission
Supporting Statement for
Lender Certification for Reinstatement or Correction of
Paycheck Protection Program (PPP) Loan
OMB Control Number 3245-0415

A. Justification

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 temporary 7(a) program titled the “Paycheck Protection Program” 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, Nonprofits, and Venues Act (Economic Aid Act), Pub. L. 116-260, renewed SBA’s authority to make PPP loans and added authority for second draw PPP loans under section 7(a)(37) of the Small Business Act.

SBA’s authority to approve PPP loan guaranty applications expired on June 30, 2021. However, a PPP lender can use this information collection (SBA Form 3512) to request (1) reinstatement of a PPP loan that was cancelled in SBA’s ETRAN system due to the lender’s data input error, and/or (2) correction of the lender’s data input error in the SBA Loan Approval Amount of a PPP loan in ETRAN or the Platform. SBA may correct mathematical or data input errors after program authority expires, subject to the availability of funds for obligation. OMB Circular A-11, § 145.3 Preparation, Submission, and Execution of the Budget (8/6/2021). See also 31 U.S.C. § 1553(a).

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

SBA Form 3512, *Lender Certification for Reinstatement or Correction of Paycheck Protection Program (PPP) Loan* – Lenders that cancelled a PPP loan in SBA’s ETRAN system due to the lender’s data input error or made a data input error in the SBA Loan Approval Amount of a PPP loan field on ETRAN or the SBA Paycheck Protection Platform (the “Platform”) will use this form to request that the SBA Loan Approval Amount be corrected or that an erroneously cancelled loan be reinstated. SBA will use the information provided in the SBA Form 3512, Lender Certification for Reinstatement or Correction of Paycheck Protection Program (PPP) Loan, to evaluate the nature of the lender’s error and to determine whether the SBA Loan Approval Amount should be corrected or whether the loan should be reinstated, subject to availability of funds.

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

Lenders will submit SBA Form 3512 via email to sba3512@sba.gov.

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 lender, and to the circumstances of each particular PPP loan.

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

This information collection impacts some lenders that are small entities. However, the information collected is designed to lessen the burden on 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 lenders.

6. *Consequences if information is not collected.*

Failure to collect the information requested could prevent SBA from having the information necessary to make an appropriate decision regarding whether to reinstate a PPP loan that was cancelled in SBA's ETRAN system due to a lender's data input error or correct a lender's data input error in the SBA Loan Approval Amount of a PPP loan on ETRAN or the Platform.

7. *Existence of special circumstances.*

None of the special circumstances are applicable.

8. *Solicitation of public comment.*

SBA published the 60-day notice required under 5 CFR 1320.8(d) in the Federal Register on June 29, 2021, at 86 FR 34299. The comment period ended on August 30, 2021; no comments were received.

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.*

Lenders must submit a separate Form 3512 for each PPP loan for which a reinstatement or correction is requested. There are approximately 5,460 lenders that have made PPP loans. SBA estimates that 1,350 lenders will submit this form. SBA estimates that lenders will submit approximately 4,000 requests of reinstatement or correction. The estimated time to respond is 30 minutes, yielding 2,000 total burden hours, with an estimated cost of \$87,340.

Estimated cost used is 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), plus estimated fringe benefits of 29.36% of salary, for a total hourly rate of \$43.67. 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. SBA does not have enough information to reasonably determine if there is any added cost to Lenders to retain information specific to this information collection that Lenders would not routinely retain in their normal course of business.

14. Estimated annualized cost to the federal government

SBA estimates approximately 4,000 requests will be submitted by lenders and reviewed by contractors and SBA staff. Cost of this contractor review of the Lender Certification is \$276,000.

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), plus estimated fringe benefits of 31% of salary, for a total hourly cost of \$44.23. Based on an hourly rate of \$44.23, total cost of SBA staff review of the Lender Certification will be \$88,460. Total cost to the Federal Government is estimated at \$364,920.

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

The total burden hours and any or cost to respondents as reported in items 13 and 14 respectively have not changed.

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.

The 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.