

Supporting Statement
U.S. Small Business Administration
Paperwork Reduction Act Submission
Paycheck Protection Loan Program
OMB Control Number 3245-0407

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), authorized the Small Business Administration to guarantee loans made by banks or other financial institutions under a new program under Section 7(a)(36) of the Small Business Act titled the “Paycheck Protection Program” (PPP) to small businesses, certain non-profit organizations, veterans organizations, and Tribal business concerns, independent contractors and self-employed individuals adversely impacted by the Coronavirus Disease (COVID-19) Emergency (First Draw Program). SBA’s authority to guarantee PPP loans expired on August 8, 2020.¹ On December 27, 2020, SBA received reauthorization under the Economic Aid Act (Pub. L. 116-260) to resume guaranteeing PPP loans through March 31, 2021. Among other things, the Economic Aid Act created a new program under Section 7(a)(37) of the Small Business Act – “Paycheck Protection Program Second Draw Loans” (Second Draw Program). On March 11, 2021, the American Rescue Plan Act was enacted amending various PPP statutory provisions. On March 30, 2021, the PPP Extension Act of 2021 (Pub. L. 117-6) was enacted, extending SBA’s PPP program authority through June 30, 2021.²

This information collection is currently approved under the emergency procedures authorized by 5 U.S.C. 3507(j) and 5 CFR 1320.13; this approval is set to expire on January 31, 2022. Although SBA’s PPP program authority has expired, this information collection is still needed for the following reasons: (1) PPP borrowers may apply for forgiveness of their loans up to the date of loan maturity, which may be as late as 2026; (2) SBA may review a PPP loan at any time; and (3) pending litigation may require the collection of information.

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

The information collection consists of the following:

SBA Form 2483, *Paycheck Protection Program Borrower Application Form*, collects information from applicants concerning the ownership of the business and from the applicant’s owners of 20% or more, the loan purpose, any applicable history of prior defaulted government debt (except student loan debt), and any applicable criminal history.

SBA Form 2483-C, *Paycheck Protection Program Borrower Application Form for Schedule C Filers Using Gross Income*, collects information from applicants concerning the ownership of

¹ Authority to provide other benefits under the program, such as loan forgiveness, were not impacted by that date and continued to be available to PPP borrowers.

² Authority to provide other benefits under the program, such as loan forgiveness, were not impacted by this date and continue to be available to PPP borrowers.

the business, the applicant's gross income, the loan purpose, any applicable history of prior defaulted government debt (except student loan debt), and any applicable criminal history.

SBA Form 2484, *Lender's Application - Paycheck Protection Program Loan Guaranty*, collects information from lenders concerning the eligibility of the applicant, the applicant's gross income (if applicable), and the loan terms and conditions. Information collected is used by the lenders to determine the applicants' eligibility to receive a loan and the eligibility of the use of proceeds. SBA uses the information provided by lenders to ensure compliance with Loan Program Requirements (as defined in 13 CFR 120.10), as modified specifically for this program, and the Paycheck Protection Program interim final rules, Frequently Asked Questions, SBA notices, and other applicable guidance.

SBA Form 3506, *CARES Act Section 1102 Lender Agreement*, collects information from federally insured depository institutions, federally insured credit unions, and Farm Credit System regulated agricultural lenders (other than the Federal Agricultural Mortgage Corporation) that do not already participate in the 7(a) loan program. Information collected is used by SBA and the Department of Treasury to determine whether these financial institutions are eligible to participate in the Paycheck Protection Program, and to ensure compliance with the terms and conditions of the Paycheck Protection Program. Approved financial institutions are permitted only to make "covered loans" under the Paycheck Protection Program.

SBA Form 3507, *CARES Act Section 1102 Lender Agreement - Non-Bank and Non-Insured Depository Institution Lenders*, collects information from depository or non-depository institutions and certain service providers that have contracted with insured depository institutions to support their lending activities. Non-Bank and Non-Insured Depository Institutions may submit a request to participate in the PPP loan program. Eligible lenders are authorized to participate in the PPP loan program only, and only for the duration of the program. SBA and the Department of Treasury determine the eligibility of Non-Bank and Non-Insured Depository Institution Lenders.

SBA Form 3508, *Paycheck Protection Program - Loan Forgiveness Application*, SBA Form 3508EZ, *Paycheck Protection Program - PPP Loan Forgiveness Application Form EZ*. A borrower that received a First Draw PPP loan or Second Draw PPP Loan submits the appropriate version of this completed form or the lender's equivalent form to its PPP lender. The information is used to determine whether the application meets the criteria for loan forgiveness.

SBA Form 3508S, *Paycheck Protection Program - PPP Forgiveness Application Form 3508S*. A borrower that received a First Draw PPP loan or a Second Draw PPP loan submits the completed form or lender's equivalent form to its PPP lender. Alternatively, if instructed by its PPP lender, the borrower submits an electronic version of the form through SBA's Paycheck Protection Platform (SBA Platform). The information is used to determine whether the application meets the criteria for loan forgiveness.

SBA Form 3508D – *Paycheck Protection Program Borrower's Disclosure of Certain Controlling Interests*. A First Draw PPP Loan borrower that received a loan before December 27, 2020 uses this form to disclose to SBA that a Covered Individual, as defined in the Economic Aid Act, directly or indirectly held a Controlling Interest, as defined in the Economic Aid Act, at the time the borrower submitted its First Draw PPP Loan application to its PPP lender.

[No Form Number] *Lender Reporting Requirements Concerning Requests for Loan Forgiveness.* Lenders participating in the PPP are required to submit information to SBA to support the small business' requests for forgiveness and the lenders' decisions to approve or deny those requests. SBA will use the information to determine borrowers' and lenders' compliance with PPP requirements and the appropriate amount of loan forgiveness. Additionally, Lenders may opt-in for use of the SBA Platform for borrower submission of the electronic version of SBA Form 3508S under the Direct Borrower Forgiveness Rule (86 FR 40921, July 30, 2021). If the Lender opts-in, the Lender uses the SBA Platform to access borrower forgiveness applications in the SBA Platform, performs reviews of the borrower forgiveness applications in the SBA Platform, issues forgiveness decisions to SBA on these applications, and requests forgiveness payments from SBA on these applications. All Lenders can use the SBA Platform to obtain a COVID Revenue Reduction Score for Second Draw PPP Loans of \$150,000 or less.

[No Form Number] *Lender Reporting Requirements Concerning Requests for Loan Forgiveness.* For a PPP loan of any size, SBA may undertake a review at any time in SBA's discretion. SBA will be conducting an initial review of all loans using an automated review tool. After that initial review, SBA will select a sample of loans for review and will also review loans identified as having indicia of circumvention of eligibility requirements and/or attributes that may be indicative of noncompliance with eligibility requirements, fraud or abuse. When a loan is selected for review by SBA, lenders are required to submit information that will allow SBA to determine whether the loan meets PPP requirements, including borrower eligibility, loan amounts, and eligibility for forgiveness. Some of the requested information (e.g., loan application, forgiveness application and forgiveness supporting documents) will be provided by the borrowers to the lenders.

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

SBA Forms 2483, 2483-C and 2484 are available on the SBA website as PDFs at <https://www.sba.gov/managing-business/forms/lending-forms>. Lenders will also be able to assist applicants by generating the forms through third-party software platforms.

SBA Form 2483: Applicants complete the form (or the lender's equivalent form) and submit it to the lender with any supporting documentation (e.g., listing of any affiliates, details regarding receipt of an SBA EIDL).

SBA Form 2483-C: Applicants complete the form (or the lender's equivalent form) and submit it to the lender with any supporting documentation (e.g., listing of any affiliates, applicant's Schedule C, details regarding receipt of an SBA EIDL).

SBA Form 2484: Lenders complete the form and submit it to SBA electronically via the SBA Platform (forgiveness.sba.gov). Lender must retain the original SBA Forms 2483, 2483-C and 2484 and all supporting documentation in its loan file.

SBA Forms 3506 and 3507: Eligible lenders submit either of these forms as applicable to its circumstances to request approval to participate or determine eligibility for the PPP loan program via email to either DelegatedAuthority@sba.gov or NFRLApplicationForPPP@sba.gov.

SBA Form 3508 and SBA Form 3508EZ: PPP borrowers will submit the requested information directly to their lenders who will determine how the information is submitted.

SBA Form 3508S: PPP borrowers may submit the requested information directly to their lenders who will determine how the information is submitted. Alternatively, for those lenders that opt-in, the borrower will submit the electronic equivalent of the SBA Form 3508S through the SBA Platform.

SBA Form 3508D: PPP borrowers may submit the requested information directly to their lenders who will determine how the information is submitted. Alternatively for those lenders that opt-in, the borrower will submit the form through the SBA Platform.

Lender Reporting Requirements Concerning Requests for Forgiveness: Lenders will submit the requested documentation and other information by uploading them electronically to SBA via the SBA Platform. For the Direct Borrower Forgiveness Rule process, Lenders will submit information through the SBA Platform.

Lender Reporting Requirements for Loan Reviews: Lenders will submit the requested documentation and other information by uploading them electronically to SBA via the SBA Platform.

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, applicant or borrower, including principals, and to the circumstances of each particular PPP loan.

5. Impact on small businesses or other small entities.

This information collection impacts a substantial number of small businesses and other small entities. However, the information collected is designed to lessen the burden by requesting the minimum information necessary for SBA and lenders to make prudent decisions. The fact that the information is submitted electronically and not in paper form, also helps to mitigate any burden on borrowers and lenders.

6. Consequences if information is not collected.

Failure to collect the information requested could result in improper payments if loans are issued to applicants that are not eligible or for purposes that are not authorized, or forgiveness payments are remitted to lenders for ineligible borrowers or ineligible amounts. Failure to collect the information could also impact SBA's ability to ensure its lending partners are complying with Loan Program Requirements applicable to the PPP.

7. Existence of special circumstances.

None of the 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 December 2, 2021. The comment period closed on January 31, 2022. 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. SBA incorporated various statements required by law and executive orders to advise respondents of, among other things, the protections against disclosure of sensitive and confidential information under 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. SBA will use responses provided by the borrowers to assist in maintaining confidentiality, including applicable “Freedom of Information Act” exemptions.

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.

The estimated annual burdens based on the information below is as follows:

<u>Total number of Respondents:</u>	<u>9,524,061</u>
<u>Total number of Responses:</u>	<u>44,384,854</u>
<u>Total Hours:</u>	<u>12,947,044</u>
<u>Total Hour Cost for Respondents:</u>	<u>\$589,090,457</u>
<u>Total Cost for Federal Government:</u>	<u>\$196,057,952</u>

SBA Form 2483

The total estimated number of respondents for this form is 9,279,434 based on the number of PPP applications submitted through May 31, 2021, which includes an estimate that 3.0% of applications were not approved, and does not include 2,605,000 applicants that submitted a PPP Second Draw application on SBA Form 2483-SD. Each respondent submits one application. Estimated time to complete SBA Form 2483 is 8 minutes, yielding 1,237,258 total annual burden

hours. The estimated annual cost burden is \$56,295,239. These estimates are based on a sample testing by 1 or more individuals who were not familiar with the form.

Estimated cost used is the salary for a GS-11, Step 1 Federal employee's annual salary of \$72,539 or \$34.76 hourly rate based on the 2022 General Schedule for Sacramento California (Base), plus estimated fringe benefits of 30.9% of salary, for a total hourly rate of \$45.50. 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.

SBA Form 2483-C

The total estimated number of respondents for this form is 239,160. Each respondent submits one application. Estimated time to complete SBA Form 2483 is 8 minutes, yielding 31,888 total annual burden hours. The estimated annual cost burden is \$1,450,904. These estimates are based on a sample testing by 1 or more individuals who were not familiar with the form.

Estimated cost used is the salary for a GS-11, Step 1 Federal employee's annual salary of \$72,539 or \$34.76 hourly rate based on the 2022 General Schedule for Sacramento California (Base), plus estimated fringe benefits of 30.9% of salary, for a total hourly rate of \$45.50. 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.

SBA Form 2484

As of May 31, 2021, there were approximately 5,467 lenders that made PPP loans. Each approved loan requires the lender to complete and submit one SBA Form 2484. Since an SBA Form 2484 must be submitted with each SBA Form 2483, lenders will submit an estimated 9,218,594 Forms 2484. The SBA estimates these lenders will take an average of 25 minutes to complete the form for total burden hours of 3,841,081. The annual estimated costs equal \$174,769,186.

Estimated cost used is the salary for a GS-11, Step 1 Federal employee's annual salary of \$72,539 or \$34.76 hourly rate based on the 2022 General Schedule for Sacramento California (Base), plus estimated fringe benefits of 30.9% of salary, for a total hourly rate of \$45.50. 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.

SBA Form 3506

For the purpose of the PPP loan program, all federally insured depository institutions, federally insured credit unions, and Farm Credit System regulated agricultural lenders (other than the Federal Agricultural Mortgage Corporation) are eligible to participate in the Paycheck Protection Program. As of May 31, 2021, 775 eligible lenders submitted this form to apply to participate. The burden associated with the review of this agreement is estimated at 10 minutes for a total estimated burden of 129 hours. The estimated cost burden for these lenders is \$5,870.

Estimated cost used is the salary for a GS-11, Step 1 Federal employee's annual salary of \$72,539 or \$34.76 hourly rate based on the 2022 General Schedule for Sacramento California

(Base), plus estimated fringe benefits of 30.9% of salary, for a total hourly rate of \$45.50. 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.

SBA Form 3507

For the purpose of the PPP loan program, a non-insured depository or non-depository financing provider may be eligible to participate in the PPP loan program. As of May 31, 2021, 169 non-insured depository or non-depository lenders and service providers submitted this form to apply to participate in the PPP loan program. SBA estimates that for the 169 applicants it will take approximately 25 minutes to review, complete and submit the application to SBA for a total estimated hour burden of 70 hours. The annual cost to complete the form will be \$3,185.

Estimated cost used is the salary for a GS-11, Step 1 Federal employee's annual salary of \$72,539 or \$34.76 hourly rate based on the 2022 General Schedule for Sacramento California (Base), plus estimated fringe benefits of 30.9% of salary, for a total hourly rate of \$45.50. 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.

SBA Form 3508

SBA assumes that an estimated 591,180 borrowers, approximately 5.0% of the total number of First Draw PPP Loan and Second Draw PPP Loan borrowers, will submit this application to request forgiveness for all or a portion of their PPP loan. The estimated time for each borrower to respond is 180 minutes to review and complete the form for a total hour burden estimate of 1,773,539 hours. Total estimated cost burden is \$80,696,025. This estimate is based on sample testing by individuals who are not familiar with the form.

Estimated cost used is the salary for a GS-11, Step 1 Federal employee's annual salary of \$72,539 or \$34.76 hourly rate based on the 2022 General Schedule for Sacramento California (Base), plus estimated fringe benefits of 30.9% of salary, for a total hourly rate of \$45.50. 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.

SBA Form 3508EZ

SBA assumes that an estimated 1,773,539 borrowers, approximately 15.0% of the total number of First Draw PPP Loan and Second Draw PPP Loan borrowers, will submit this streamlined application to request forgiveness for all or a portion of their PPP loan. The estimated time for each borrower to respond is 20 minutes to review and complete the form for a total hour burden estimate of 591,180 hours. Total estimated cost burden is \$26,898,690. This estimate is based on a sample testing by individuals not familiar with the form.

Estimated cost used is the salary for a GS-11, Step 1 Federal employee's annual salary of \$72,539 or \$34.76 hourly rate based on the 2022 General Schedule for Sacramento California (Base), plus estimated fringe benefits of 30.9% of salary, for a total hourly rate of \$45.50. 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.

SBA Form 3508S

SBA assumes that 9,458,875 borrowers, or approximately 80.0% of First Draw PPP Loan and Second Draw PPP Loan borrowers, with loans of \$150,000 and less will use this SBA Form 3508S to apply for forgiveness for all or a portion of their PPP loan. For those lenders that opt-in, the Direct Borrower Forgiveness Rule allows the borrower to submit the electronic equivalent of the SBA Form 3508S through the SBA Platform. SBA estimates that approximately 2.5 million borrowers will submit SBA Form 3508S or its equivalent directly through the SBA Platform.

The estimated time for each borrower to respond is 15 minutes to review and complete this form, whether submitting the form to a lender or through the SBA Platform, for a total hour burden of 2,364,719 hours. Total estimated cost burden is \$107,594,715. This estimate is based on a sample testing by individuals not familiar with the form.

Estimated cost used is the salary for a GS-11, Step 1 Federal employee's annual salary of \$72,539 or \$34.76 hourly rate based on the 2022 General Schedule for Sacramento California (Base), plus estimated fringe benefits of 30.9% of salary, for a total hourly rate of \$45.50. 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.

SBA Form 3508D

SBA assumes that approximately 350 First Draw PPP Loan borrowers will submit this borrower's disclosure of certain controlling interests. The estimated time for each borrower to respond is approximately 5 minutes to review and complete the form for a total hour burden estimate of 29 hours. Total estimated cost burden is \$1,320. This estimate is based on a sample testing by individuals not familiar with the form.

Estimated cost used is the salary for a GS-11, Step 1 Federal employee's annual salary of \$72,539 or \$34.76 hourly rate based on the 2022 General Schedule for Sacramento California (Base), plus estimated fringe benefits of 30.9% of salary, for a total hourly rate of \$45.50. 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.

Lender Reporting Requirements Concerning Requests for Forgiveness

The assumption is that all 11.824 million First Draw PPP Loan and Second Draw PPP Loan borrowers will submit a request for loan forgiveness (5% are estimated to use SBA Form 3508, approximately 15% are estimated to use SBA Form 3508EZ, and the remaining 80% are estimated to use the SBA Form 3508S). Additionally, SBA estimates that 350 First Draw PPP Loan borrowers will submit an SBA Form 3508D.

SBA estimates that it will take lenders about 30 minutes to review the SBA Form 3508 and supporting documentation provided by the borrower to prepare the rationale for the decision on the application, and upload the required documentation to SBA on each of the 591,180 loans for a total of 295,590 hours, with an estimated cost burden of \$13,449,345.

SBA estimates that it will take lenders about 15 minutes to review the SBA Form 3508EZ, Checklist for Using SBA Form 3508EZ, and supporting documentation provided by the borrower to prepare the rationale for the decision on the application and upload the required

documentation to SBA for the 1,773,539 loans submitted on the 3508EZ, for a total of 443,385 hours, with an estimated cost burden of \$20,174,018.

If a borrower submits the SBA Form 3508S to their Lender, SBA estimates that it will take lenders about 10 minutes to review the SBA Form 3508S, and COVID Revenue Reduction Score or Second Draw PPP Loan revenue reduction supporting documentation (if applicable), and to upload the required documentation to SBA for each of the 6,958,875 borrowers. Total burden hours are 1,159,813 and total costs are \$52,771,492.

SBA estimates that it will take lenders about 5 minutes to access the electronic version of SBA Form 3508S submitted by the borrower in the SBA Platform, review the borrower's forgiveness application and COVID Revenue Reduction Score in the SBA Platform, issue a forgiveness decision to SBA, and request a forgiveness payment from SBA. SBA estimates that 2.5 million borrowers will submit their forgiveness applications through the SBA Platform. Total burden hours are 208,333 and total costs are \$9,479,152.

SBA estimates that it will take lenders about 5 minutes to review the SBA Form 3508D for completeness, and upload or email the completed form to SBA or confirm that the borrower has submitted the completed form in the SBA Platform for the 350 borrowers that submit the SBA Form 3508D, for a total of 29 hours, with an estimated cost burden of \$1,320.

The total cost of Lender Reporting Requirements concerning requests for forgiveness is \$95,875,325.

Estimated cost used is the salary for a GS-11, Step 1 Federal employee's annual salary of \$72,539 or \$34.76 hourly rate based on the 2022 General Schedule for Sacramento California (Base), plus estimated fringe benefits of 30.9% of salary, for a total hourly rate of \$45.50. 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.

Lender Reporting Requirements for Loan Reviews

SBA estimates that approximately 300,000 loans will be selected for loan review prior to forgiveness, based on First Draw PPP Loan and Second Draw PPP Loan borrowers' submissions of SBA Form 3508, SBA Form 3508EZ, or SBA Form 3508S. SBA estimates that it will take lenders about 30 minutes to compile and obtain the requested information to be submitted to SBA, for a total of 150,000 hours, and a total cost of \$6,825,000.

Estimated cost used is the salary for a GS-11, Step 1 Federal employee's annual salary of \$72,539 or \$34.76 hourly rate based on the 2022 General Schedule for Sacramento California (Base), plus estimated fringe benefits of 30.9% of salary, for a total hourly rate of \$45.50. 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.

SBA also estimates that, out of the current population of loans, it will review 1.7 million loans with residual balances remaining after forgiveness and those for which no forgiveness application was submitted, as part of lender oversight reviews. SBA estimates that it will take lenders 30 minutes to obtain and compile requested information to be submitted to SBA, yielding 850,000 burden hours, and a total cost of \$38,675,000.

Estimated cost used is the salary for a GS-11, Step 1 Federal employee's annual salary of \$72,539 or \$34.76 hourly rate based on the 2022 General Schedule for Sacramento California (Base), plus estimated fringe benefits of 30.9% of salary, for a total hourly rate of \$45.50. 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.

Based on the information above, the total estimated annual hour and cost burdens for respondents for all forms are 12,947,044 hours and \$5090,460.

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; however, SBA does not have enough information to reasonably determine the lenders' estimated cost to retain this information.

14. Estimated annualized cost to the federal government

SBA Form 2483, SBA Form 2483-C and SBA Form 2484

All PPP loans are approved under delegated authority by the PPP participating lenders. Lenders must submit limited information electronically to SBA and, if the loan passes validation checks, SBA's Paycheck Protection Platform generates a loan number. Contractor support for the collection and processing of additional PPP applications will be \$20,400,000.

SBA Form 3506

As of May 31, 2021, 775 lenders submitted this application. The estimated time to review each application is 60 minutes.

At an hourly rate of \$45.50, the total estimated costs to the government for reviewing this application is \$35,263.

Estimated SBA staff cost is determined by taking the salary for a GS-11, Step 1 Federal employee's annual salary of \$72,539 or \$34.76 hourly rate based on the 2022 General Schedule for Sacramento California (Base), plus estimated fringe benefits of 30.9 percent of salary, for a total hourly cost of \$45.50.

SBA Form 3507

There will be an additional cost associated with the collection and the review of this information by federal agency staff and/or contractors. SBA received 169 requests to participate in the PPP from those lenders and service providers submitting SBA Form 3507. Based on the analysis required for this type of lending segment, SBA anticipates 60 minutes at a rate of 45.50 per hour to assess the data for accuracy and completeness. This will result in an additional cost to the federal government of \$7,690.

SBA Form 3508, SBA Form 3508S, SBA Form 3508EZ, SBA Form 3508D, Lender Reporting Requirements Concerning Requests for Forgiveness, and Lender Reporting Requirements for Loan Reviews

There will be an additional cost associated with the collection and the review of this information by SBA staff and/or contractors in connection with loan forgiveness approvals and denials, and loan reviews. SBA will be conducting an initial review of all loans using an automated review tool. The estimated cost for the automated review tool review is \$5,000,000.

SBA will be conducting loan reviews on a sample of all First Draw PPP Loans and Second Draw PPP Loans, loans where information indicates that the borrower may have been ineligible for the loan, the loan amount or loan forgiveness, and in SBA's discretion, certain other loans. SBA estimates approximately 300,000 loans out of the estimated population of 11.824 million First Draw PPP Loans and Second Draw PPP Loans will be reviewed. Based on the analysis required for this type of lending segment we anticipate 120 minutes at a rate of \$45.50 per hour to assess the data for accuracy and completeness. This will result in an additional cost to the federal government of \$27,300,000.

Estimated SBA staff cost is determined by taking the salary for a GS-11, Step 1 Federal employee's annual salary of \$72,539 or \$34.76 hourly rate based on the 2022 General Schedule for Sacramento California (Base), plus estimated fringe benefits of 30.9 percent of salary, for a total hourly cost of \$45.50.

SBA will also review loans with residual balances remaining after forgiveness and those for which no forgiveness application was submitted as part of lender oversight reviews. SBA will use contractor resources to review an estimated 1.7 million loans out of the current population of loans. The cost of contractor support for reviewing these 1.7 million loans is \$13,500,000, however certain lender oversight review costs may be recoverable from lenders.

Additionally, the cost to the federal government to collect information through the SBA Platform (forgiveness.sba.gov) is \$92,790,000.

Further, the cost to the federal government to stand up and operate the SBA Platform for the Direct Borrower Forgiveness Rule is \$37,025,000.

Total estimated annualized cost to the Federal Government is \$196,057,952.

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

There has been no change in burden hours.

16. Collection of information whose results will be published.

Business loan data is routinely published on SBA website and may be included in periodic reports to the Congress and/or OMB.

17. Expiration date for collection of this data.

This is not applicable; 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.