

Supporting Statement A
Bureau of Indian Affairs
Loan Guarantee, Insurance, and Interest Subsidy Program
25 CFR 103

OMB Control Number 1076-0020

Terms of Clearance: None.

Justification

- 1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.**

The Indian Financing Act of 1974 (the Act), as amended, authorizes the Office of the Assistant Secretary - Indian Affairs (IA) to finance economic development on Indian reservations. See 25 U.S.C. § 1451, Indian Financing Act of 1974, Public Law 93-262 as amended by Public Law 98-449, 98 Stat. 1725. Within the Act, the Loan Guarantee, Insurance, and Interest Subsidy Program (the Program) serves to encourage private commercial lenders to make loans to Indian businesses they might otherwise deny because of insufficient familiarity with Indian business prospects, a lack of sufficient loan collateral, or a perception that loan default remedies are less certain where the borrower is an Indian or an Indian business. The Program offers private lenders enhanced loan security with a partial loan guarantee. In this way, the Program has successfully used a modest investment of Federal funds to leverage large amounts of private capital to create and encourage Indian business development.

The Act has authorized the guarantee of loans to eligible Indians. Lending institutions that loan money to Indians ask the Department of the Interior (DOI) to guarantee payment of those loans. DOI has to ask certain questions, e.g., gather information, to learn whether the lending institution is regulated and therefore dependable, the terms of their loans, what rate of interest they will charge, the likelihood of repayment, the credit history of the borrower, and other things.

The rules implementing this program are at 25 CFR 103. These rules are designed to ensure that only loans with a reasonable prospect for repayment are guaranteed.

The forms used in the Program, together with regulatory requirements, collect information necessary to make sure that the Program promotes Indian economic development in the manner intended.

- 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. Be specific. If this collection is a form or a**

questionnaire, every question needs to be justified.

Certain program forms are required by regulations at 25 CFR 103, there are currently eight forms used by respondents when engaged in business with the program. Non-substantive and editorial revisions are being made to six forms, while the remaining two forms are being renewed. Additionally, all of the forms are being converted to fillable electronic files.

Information is collected on different forms as part of managing and monitoring the program. Below is an overview of the forms, including the form's purpose, the legal authority for the form, and any proposed revisions.

IA Form LGA10, Loan Guarantee Agreement

Purpose: Necessary to establish the respective rights and responsibilities of the lender and DOI with regard to guaranteeing a loan. The information is reviewed to ensure the Lender is eligible and fully understands its duties under the Program. The name and signature of the Lender, as well as, the Lender's ABA number and tax identification number, the name of Lender's representative, and that person's title are required for this form.

Authority: 25 CFR 103.11 describes the information Zone Managers review to ensure Lenders are eligible to participate in the Program.

Proposed Revision: Adding clarifying information related to criteria for lender awards in the fourth paragraph. In addition to the existing criteria for the "Preferred Lender" or "Performance Lender" designations, lenders must now have at least one new loan guarantee in the preceding three years to be awarded a designation by DCI.

IA Form LIA10, Loan Insurance Agreement

Purpose: Necessary to establish the respective rights and responsibilities of the lender and DOI with regard to insuring a loan. The information is reviewed to ensure the lender is eligible and fully understands its duties under the Program. The name and signature of the Lender, as well as, the Lender's ABA number and tax identification number, the name of the Lender's representative, and that person's title are required for this form.

Authority: 25 CFR 103.11 describes the information Zone Managers review to ensure Lenders are eligible to participate in the Program.

Proposed Revision: Adding criteria for insured lender awards. DOI may approve an insured lender under three different classifications ("DOI Insured Lender", "Preferred Insured Lender", or "Performance Insured Lender") depending on factors such as the number of loans a lender makes under the Program, the total principal balance of a lender's Program loans, the number of years a lender stays involved with the Program, the relative benefits and opportunities a lender gives to Indian business efforts through the Program, and a lender's overall compliance with Program requirements.

IA Form RGI10, Request to the Department of the Interior for Loan Guarantee, Loan Insurance, and/or Interest Subsidy

Purpose: Lists the lender's and borrower's names and contact information and describes the purpose and amount of loan, proposed interest rate, repayment schedule, percentage of guarantee requested, the interest rate, and whether the borrower requests interest subsidy. It is to be submitted by the lender, together with additional information required

by the regulations. The information is reviewed to determine if the borrower and its proposed use of loan funds are eligible under the Program, whether there is a reasonable prospect of repayment, and whether the loan and proposed business otherwise conform to statutory and legal requirements.

Authority: 25 CFR 103.9 requires a Lender to submit requests for loan guarantees or loan insurance; and 25 CFR 103.26 describes the information and documents that must be provided with the request.

Proposed Revisions: The reference to the Program title in the first full paragraph has been changed from “Loan Guaranty, Loan Insurance and Interest Subsidy Program” to “Loan Guarantee, Insurance and Interest Subsidy Program.” The change from “guaranty” to “guarantee” reflects the same change made previously to all other Program forms. Additionally, the request for ABA No. in the Lender’s signature block on the bottom of the form has been removed as it duplicates a request for the same information at the beginning of the form.

IA Form ISR10, Interest Subsidy Report

Purpose: Submitted by lenders to calculate and document the amount of interest subsidy that DOI is obligated to reimburse to borrowers. The form for interest subsidy requires:

- Lender’s name and address, to identify who is reporting;
- Borrower’s name and address;
- The reporting period;

The body of the annual report on the status of the loan(s) is submitted on Exhibit A (Calculation Page) of IA Form ISR10. More than one report on other borrowers may be included.

- Exhibit A (Calculation Page) is used by the lender to report the status of loan(s), and requires:
 - Loan Guarantee Certificate No. or the Loan Insurance Agreement No.;
 - Date of the loan;
 - Date of DOI insurance approval, if applicable;
 - Original loan principal amount and the lender’s internal loan number (these help identify about which loan is being reported); and
 - 5 calculations the lender must make and report to allow determination of the subsidy due from DOI.

Authority: 25 CFR 103.22 and 103.23 describe when interest subsidy may be appropriate, what factors Zone Managers look at when reviewing requests for interest subsidy, and how to calculate interest subsidy.

Proposed revisions: References to “BIA” in Exhibit A have been changed to “IA” as the Program is no longer under BIA administration. Additionally, the equation for calculating interest subsidy payments has been updated to properly reflect the regulations. Exhibit A directed the lender to fix only the Treasury rate in effect on the date of interest subsidy (thus meaning the Treasury rate doesn't change), but then compared that with the lender's rate of interest from time to time. Zone Managers typically instructed Lender’s approved for interest subsidy to ignore Exhibit A as 25 C.F.R. 103.22 sets the subsidy payment calculation as the difference between the lender’s rate of interest as of the day the interest subsidy is approved and the U.S. Department of Treasury rate for the same day.

IA Form NOD10, Notice of Default

Purpose: Used to document when a loan has gone into default. The form requests the IA Loan Guarantee Certificate Number or IA Loan Insurance Agreement Number, lender's name, and borrower's name. It requires the percentage of the loan that DOI guaranteed, the original loan principal amount, the lender's internal loan number, and whether an Interest Subsidy was awarded. These help IA identify the exact loan being dealt with as well as the gravity of the default. The lender supplies the earliest date of default and all the bases for default. In the case of monetary default, certain information must be supplied such as the amount past due of principal and interest, amount of late fees, and any precautionary advances. The lender must also list any other amounts claimed and the date through which interest has been calculated. The lender details the correspondence or other contacts with the borrower and the dates. The lender also lists the precise nature of any action the borrower could take to cure the default. The lender must also list any other special circumstances about the default, such as a principal or guarantor facing bankruptcy proceedings. This information helps DOI determine the extent to which counseling or other intervention could help cure the default.

Authority: 25 CFR 103.35(a) identifies the process a lender must undergo if a borrower defaults on a loan. The lender must send written notice of the default to the borrower, and otherwise meet the standard of care established for the lender; and 25 CFR 103.36 identifies the process for options and remedies that a lender would follow if the borrower defaults on a loan, including temporary forbearance, precautionary advances, and guaranty of precautionary advances.

Proposed revisions: Editorial changes made to remove a partial line following bases for default section.

IA Form CFL10, Claim for Loss

Purpose: Used to calculate and document the amount IA should pay the lender on a defaulted loan. It requires the lender to give an IA Loan Guarantee/Insurance number. The lender gives its name and address and the borrower's name and address. The lender also supplies the original loan principal amount and loan guarantee or insurance percentage. The lender gives the earliest date of default and the bases of the default. These forms typically are reviewed by Zone Managers or the Chief of the Division of Capital Investment, to determine the extent to which a lender's claim for loss should be paid.

Authority: 25 CFR 103.37 describes the process and information required when a lender submits a claim for loss on a defaulted loan.

Proposed revisions: None.

IA Form ALD10, Assignment of Loan Documents and Related Rights

Purpose: Used after DOI pays a lender on its loan guarantee or insurance coverage, and documents the lender's assignment of all further rights in the loan and any remaining collateral to DOI. The information required on this form is to identify the lender and the loan guarantee or insurance. Exhibit A of the form lists the loan documents that are to be subject to the assignment.

Authority: 25 CFR 103.38 requires lenders who have been paid on a claim for loss to

assign their interest in a defaulted loan to DOI and includes the documents Lender must submit in addition to the required form to relinquish their ownership of loan.

Proposed revision: None.

IA Form NIL10, Notice of Insured Loan

Purpose: Used by IA to monitor the existence and amount of loans that qualified lenders make subject to the requirements of a Loan Insurance Agreement. It lists the original loan principal amount and internal loan number, the interest rate, loan term, and payment schedule for tracking.

Authority: 25 CFR 103.18(b) requires Lender to notify DOI when it makes an insured loan.

Proposed Revision: Add space under Borrower Type for “Alaska Village or Regional Corporation.”

IA Form LGC10, Loan Guarantee Certificate

Purpose: Formal document evidencing the loan guarantee. It is signed by DOI and states the loan amount and guarantee percentage, along with the borrower’s and lender’s information.

Authority: 25 CFR 103.18(a)(1) describes the information that must be included in a loan guarantee certificate.

Proposed Revision: None.

The following are Program regulations that require information from respondents who use the Program but do not require respondents to complete any forms to submit this information.

Closing Procedures, 25 CFR 103.17

Identifies the procedures a lender must follow to close a loan. A description of tasks that must be completed at or prior to closing include, but are not limited to; providing notice of loan closing to IA at least 5 business days before closing occurs; obtaining appropriate, satisfactory title and/or lien searches for each asset to be used as loan collateral; obtaining recent appraisals for all real property and improvements to be used as collateral; documenting compliance with applicable Federal, State, local and tribal laws implicated by financing the borrower’s business; and provide signed loan closing documents within 30 days following closing. Details for closing procedures can be found at 25 CFR 103.17(a-f). This information establishes that a loan has closed properly and has created a contingent liability for the program.

Loan Application, 25 CFR 103.26

Identifies the information needed to determine eligibility under the Program which includes, but is not limited to; borrower’s identification, non-delinquent status, proposed business plan, and borrower’s financial information. Detailed required information needed for the loan application can be found in 25 CFR 103.26 (a-m). The IA loan committee reviews each guarantee or insurance application in its entirety, and may evaluate each loan application independently from the lender. Loan decisions are based on many factors, including but not limited to, compliance with 25 CFR part 103 and whether there is a reasonable prospect of loan repayment.

Loan Records, 25 CFR 103.32

Identifies the expected documentation the lender must maintain for every loan guaranteed or insured under the Program. The lender must maintain records that include, but are not limited to, the following; original signed and/or certified counterparts of all final loan documents, all renewals, modifications, and additions to those documents, and signed settlement statements; originals or copies, as appropriate, of all documents gathered by the lender concerning information submitted by the borrower in its loan application, and information supplied to IA in the lender's loan guarantee or insurance coverage application; and originals or copies, as appropriate, of all applicable insurance binders or certificates, including without limitation hazard, liability, key man life, and title issuance. This information is used by the program to monitor and maintain the records throughout the life of the loan.

Loan Reporting, 25 CFR 103.33

Identifies the borrower's reporting requirements. These reports can be in any format the lender desires, as long as they contain; the lender's name; the borrower's name; a reference to the Loan Guarantee Certificate or Loan Insurance Agreement number; the lender's internal loan number; and the date and amount of all loan balance activity for the reporting period. If the loan is repaid in full, the lender must promptly notify IA in writing so that IA can eliminate the guarantee or insurance coverage from its active recordkeeping system. The lender must periodically report the borrower's loan payment history so that IA can recalculate the government's contingent liability.

Loan Modification, 25 CFR 103.34

Identifies the process the borrower must follow to change the terms of a loan. The lender must obtain written IA approval before modifying a loan guaranteed or insured under the Program, if the change will result in several scenarios outlined in this section. In the case of an insured loan, to the extent a loan modification changes any of the information supplied to IA under § 103.18(b)(3), the lender also must promptly notify IA of the new information. This information is used by the Program to manage the loan during any loan modification scenario. The information provided allows the program to know about material substantive changes and assess whether the probability of loss would increase.

- 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 burden and specifically how this collection meets GPEA requirements.**

IA is able to accept telefax mail to reduce the information collection burden with respect to most program requirements. Most respondents choose to email the Request for Loan Guarantee and Notifications of Insured Loans, instead of sending a physical copy via mail. Occasionally respondents will submit documents via flash drive. Program regulations require Notices of Default to be sent by certified mail or nationally-recognized overnight delivery service, but IA will also accept electronic copies. IA allows for electronic signatures on its forms, but some documents containing original signatures are furnished via U.S. mail, and

sometimes certified mail with a return receipt requested, or via another nationally-recognized courier service providing evidence of signed delivery, to establish the parties' respective legal rights.

Forms are available at the IA Forms webpage located at <https://www.bia.gov/policy-forms/online-forms>. Within this page, the forms are located on the "1076-0020" row.

In addition, the Loan Guarantee, Insurance, and Interest Subsidy Program provides the following webpages:

- <https://www.bia.gov/service/loans/ilgp>
- <https://www.bia.gov/service/loans/ilgp/what-lenders-need-know-about-ilgp>
- <https://www.bia.gov/service/loans/ilgp/apply-ilgp-loan-guarantee>
- <https://www.bia.gov/service/loans/ilgp/how-lenders-can-apply-ilgp-loan-insurance>

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.

IA makes every effort to avoid requirements that duplicate information collection efforts. IA also takes full advantage of the fact that lenders already gather much of the information of importance to the Program in the ordinary course of accepting loan applications, irrespective of whether the lender intends to seek Program benefits. The regulations allow the lender simply to submit to IA a copy of the borrower's application without any reformatting. In some cases, lenders may choose to use the forms that IA provides, but IA does not require their use as long as the necessary information is provided, which frees lenders from searching through unfamiliar documents to insert information they might already have elsewhere into Program-specific fields. Instead, lenders use the forms they already know, modified only to the extent necessary to meet Program requirements.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

There is no significant economic impact on a substantial number of small businesses. The program serves only a modest number of Indian businesses, individual Indian loan applicants and lending institutions. Moreover, lenders use the Program on a completely voluntary basis, when they want to help reduce the potential risk of making loans to Indian businesses. The information collection burden under the Program is limited further by the fact that information is generally collected only when it is needed. For instance, IA only collects information on ISR10 when the loan involves interest subsidy. Forms CFL10 and NOC10 are used only when there is a loan default. The Program's success in minimizing the information collection burden is further demonstrated by its overall burden estimates.

6. Describe the consequence to 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.

The Program could not be run effectively, if at all, if IA were to significantly reduce the information collection requirements beyond what it now proposes. IA would start to lose details concerning whether the lender and borrower are qualified under the Program, whether the proposed business serves the purposes of the Program, and whether claims for loss are justified. IA would have inadequate means by which to monitor lender and borrower performance, resulting in little or no accountability and no data on which to gauge Program performance. IA would be unable to submit accurate reports of the sort the Department of the Treasury requires, which, among other functions, help in assessment of the government's contingent liability. Ultimately, IA would almost certainly end up paying out more Federal funds than necessary, with less Indian economic development to show for it.

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;**
- * **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- * **requiring respondents to submit more than an original and two copies of any document;**
- * **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;**
- * **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;**
- * **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- * **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**
- * **requiring respondents to submit proprietary trade secrets, or 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.**

The only special circumstance that may cause information to be conducted in a manner stated above is that respondents must keep loan records for the life of the loan, which may exceed 3 years and can be up to 30 years. The Program terms allow loans for up to 30 years. DOI guarantees and insurance lasts for the life of the loan. A claim for loss could be made at any time before the loan is paid off.

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 in response to that notice and in response to the PRA statement associated with the collection over the past three years, and describe actions taken by the agency in response to these comments. Specifically address comments

received on cost and hour burden.

A 60-day notice for public comments was published in the Federal Register on September 21, 2021. 86 FR 52491. No comments were received.

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

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every three years — even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

We have frequent conversations with bankers about the forms they submit in response to this collection of information. They typically call about where to address a form. We deal only with lenders concerning these forms, not borrowers. We contacted the following three respondents familiar with the collection and have provided their feedback below:

Vice President – Commercial Lending Team, Community Bank

“In general, the forms are not complex. They could be 1) easier to type into – sometimes I just print them off and handwrite because the form is difficult to type into and save; 2) the ‘original amount of loan’ should be changing to something like: “Maximum credit exposure of loan”, because many loans start with an available balance that can be used as a project (construction) progresses. I would humbly suggest that you reward lenders that make many loans and do NOT have many of them go bad. You want this program to not be utilized to make bad loans – so reward people for 1) making at least 1 loan per year and 2) not having more than 5% of the principal balance of BIA loans at that bank go bad/call guarantee in the last 3 years.”

Director of Lending – Native Community Development Financial Institution (CDFI)

“The forms are straight forward and easy to use.”

Senior Vice President, Commercial Banking

“We are currently working on a deal using the OIED Loan Guarantee Program. The forms were self-explanatory and easy to fill out.”

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

No payment or gifts are 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 information is maintained in strict accordance with an existing Privacy Act system of records notice entitled Interior, BIA-13 “Indian Loan Files” published September 13, 1983 (48 FR 41098) and amended July 15, 2018 (73 FR 40595).

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, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

There are no questions of a sensitive nature, other than matters of financial wherewithal and credit history, both of which are fundamental to the statutory obligation to determine if there is a reasonable prospect of repayment. *See* 25 U.S.C. 1484.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- * Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**
- * If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens.**
- * Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included under “Annual Cost to Federal Government.”**

To obtain the hourly rate for respondents, we used **\$75.05**, the total compensation for management, business, and financial workers from BLS Release USDL-21-2146, December 16, 2021. *See* <http://www.bls.gov/news.release/pdf/ecec.pdf>. This wage includes a multiplier for benefits. Therefore, the total annual estimated burden is **2,654** hours equivalent to **\$199,183**.

The below estimates are averages. DOI sometimes requires a lender to perform a greater level of due diligence on a proposed borrower when the lender submits a loan guarantee application that, in DOI’s experience, is not up to the industry norm. For instance, DOI has seen applications involving construction loans from lenders that clearly have little experience in construction lending. DOI may correspondingly ask to see copies of loan construction contracts, plans and specifications, performance bonds, etc., to ascertain that the lender has adequately considered the

greatest risks to repayment. By statute, IA is required to gather sufficient information to assure that there is a reasonable prospect for repayment. As a general matter, though, if there is a greater than average risk associated with a loan, or if a loan's structure is unavoidably complex, lenders tend to take more precautions and gather more information without any prior request from IA – lenders often automatically supply IA with more information than usual, at virtually no additional burden to itself.

Description	CFR §§	IA Forms	Number of Respondents	Frequency of Responses	Total Annual Responses	Hour Burden per Response	Annual Burden Hours	Salary Cost to Respondents
Program agreement	103.11	LGA10	20	1	20	2	40	\$3,002
		LIA10	10	1	10	2	20	\$1,501
Program application	103.12 103.13 103.14 103.21	RG110	65	1	65	2	130	\$9,757
Closing procedures	103.17	--	64	1	64	2	128	\$9,606
Interest subsidy reports	103.23	ISR10	45	4	180	2	360	\$27,018
Loan application	103.26	--	64	1	64	2	128	\$9,606
Loan records	103.32	--	64	1	64	2	128	\$9,606
Loan reporting	103.33	--	200	4	800	2	1,600	\$120,080
Loan modification	103.34	--	10	1	10	2	20	\$1,501
Default notices 103.35(a)	103.35 (a)	--	20	1	20	0.5	10	\$751
Default notices 103.35(b)	103.35 (b)	NOD10	20	1	20	0.5	10	\$751
Default notices 103.36	103.36	--	20	1	20	2	40	\$3,002
Claim for loss	103.37	CFL10	10	1	10	2	20	\$1,501
Assignment of Rights	103.38	ALD10	10	1	10	1	10	\$751
Notice of individual loan guarantee or insurance	103.18	NIL10	10	2	20	0.5	10	\$751
		LGC10	--	--	--	--	--	
Totals			632		1,377		2,654	\$199,183

13. Provide an estimate of the total annual non-hour cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden already reflected in item 12.)

- * The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life) and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information (including filing fees paid for form processing). Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.**
- * If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**
- * Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**

No separate capital and start up costs are required because the information is fundamentally the same sort that lenders collect and maintain whether or not they use the Program. Program information is gathered, stored, and processed using the same kinds of equipment lenders already possess. DOI supplies the forms if lenders wish to use them. No special personnel or expertise is required to meet the Program information collection and storage requirements; lender personnel simply meet Program requirements in the ordinary course of their daily work.

14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include 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.

The estimated annual cost to the government for salaries and supplies relating to processing loan guarantee, insurance, and interest subsidy forms is **\$46,965**. The current estimated annual cost to the government has been calculated by using the hourly rate provided by the [2022 General](#)

[Schedule DC-MD-VA-WV-PA](#) Hourly Rates by Grade and Step GS 10, Step 1 (\$32.69), and a multiplier of 1.6 for benefits for a total of **\$52.30**.

Description	CFR §§	IA Forms	Total Annual Responses	Hour Burden per Response	Annual Burden Hours	Federal Salary Cost
Programment	103.11	LGA10	20	0.5	10	\$523
		LIA10	10	1	10	\$523
Program application	103.12 103.13 103.14 103.21	RGI10	65	1	65	\$3,400
Closing procedures	103.17	--	64	2	188	\$9,832
Interest subsidy reports	103.23	ISR10	180	0.25	45	\$2,354
Loan application	103.26	--	64	--	--	--
Loan records	103.32	--	64	--	--	--
Loan reporting	103.33	--	800	0.5	400	\$20,920
Loan modification	103.34	--	10	1	10	\$523
Default notices 103.35(a)	103.35 (a)	--	20	--	--	--
Default notices 103.35(b)	103.35 (b)	NOD10	20	1	20	\$1,046
Default notices 103.36	103.36	--	20	1	20	\$1,046
Claim for loss	103.37	CFL10	10	3	30	\$1,569
Assignment of Rights	103.38	ALD10	10	1	10	\$523
Notice of individual loan guarantee or insurance	130.18	NIL10	20	0.5	10	\$523
		LGC10	80	1	80	\$4,184
Totals			1,457		898	\$46,965

15. Explain the reasons for any program changes or adjustments in hour or cost burden.

IA Forms RGI10, LGA10, LIA10, Exhibit A to ISR10, NLD10 and NIL10 have changed since the last renewal. A duplicate request for a respondents ABA No. has been removed from RGI10, and the use of "Guaranty" has been changed to "Guarantee." Lender award criteria has been edited in LGA10 and added in LIA10. The added information does not place any new burdens

on respondents, it is presented to inform them of potential designations they may use while participating in the Program. Additionally, a space for the address, phone number, and email for respondents designated contact has been added to LGA10 and LIA10. Previously, a program employee would obtain the information by calling the respondent and asking them to provide the information. Now the information is requested on the form to ensure the program has the proper information for a respondent contact. Exhibit A to ISR10 has been revised to reflect the method of calculation outlined in 25 CFR 103.22. Previously, Zone Managers would instruct respondents to ignore Exhibit A. The changes will correct the method of calculation on the form and save respondents time trying to figure out the proper way to calculate interest subsidy on their own. Editorial changes have been made to NLD10. Following a request from a respondent, a category for “Alaska Village or Regional Corporation” has been added under “Borrower Type” on NIL10. This will not materially add to the time it takes respondents to fill out NIL10, but may save them time trying to determine which category certain Alaskan borrowers should be listed under.

In response to feedback from respondents, all forms have been updated to an electronically fillable format which will save respondents time spent having to print and fill out the forms by hand.

Form	Proposed Revision	Burden & Cost
LGA10, <i>Loan Guarantee Agreement</i>	Revise criteria for lender awards; Add space for address, phone number and email of bank contact on the signature page	No change.
LIA10, <i>Loan Insurance Agreement</i>	Add criteria for lender awards; Add space for address, phone number and email for bank contact on the signature page	No change.
RGI10, <i>Request for Loan Guarantee, Loan Insurance, and/or Interest Subsidy</i>	Take out second Lender ABA No. space; Change "Loan Guaranty, Loan Insurance and Interest Subsidy Program" to "Loan Guarantee, Insurance and Interest Subsidy Program."	No change.
Exhibit A -- ISR10, <i>Indian Affairs Interest Subsidy Report</i>	Methodology for Exhibit A calculation revised to match 25 CFR 103.22	No change.
NOD10, <i>Notice of Default</i>	Editorial change to layout.	No change.
NIL10, <i>Notice of Insured Loan</i>	Add “Alaska Village or Regional Corporation” under Borrower Type.	No change.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

There are no plans to publish any of this information.

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

We will display the OMB Control Number and the expiration date on all of the forms.

18. Explain each exception to the topics of the certification statement identified in "Certification for Paperwork Reduction Act Submissions."

We are not seeking any exceptions to the certification statement.