<u>2023 SUPPORTING STATEMENT</u>
1980 Guaranteed Loan Common Forms Package
OMB No. 0570-NEW

This information collection will be utilized by the Rural Housing Service (RHS), and Rural Business and Cooperative Service (RBCS), Agencies within Rural Development (RD) for various loan and grant making activities. We are requesting a 3-year clearance of this package and classification as a Common Form package.

A. <u>Justification</u>

1. <u>Explain the circumstances that make the collection of information necessary</u>.

The Rural Housing Service (RHS), Rural Business and Cooperative Service (RBCS) and Rural Utilities service (RUS) agencies within the Rural Development mission area, hereinafter referred to as Agency, is the credit Agency for agriculture and rural development for the United States Department of Agriculture. The Agency offers loans, grants and loan guarantees to help create jobs and support economic development and essential services such as housing; health care; first responder services and equipment; and water, electric and communications infrastructure.

The Authorities that allow the Rural Housing Service (RHS), Rural Business and Cooperative Service (RBCS) and Rural Utilities service (RUS), Agencies within Rural Development (RD) are as follows:

The RHS is authorized under various sections of Title V of the Housing Act of 1949, as amended, to provide financial assistance to construct, improve, alter, repair, replace, or rehabilitate dwellings, which will provide modest, decent, safe, and sanitary housing to eligible individuals in rural areas. The Consolidated Farm and Rural Development Act, as amended, authorizes the credit programs of the RHS, RBCS and RUS to provide financial assistance for essential community facilities such as construction of community facilities and water and waste systems; and the improvement, development, and financing of businesses, industries, and employment.

In several sections of both acts, loan limitations are established as percentages of development costs, requiring careful monitoring of those costs. Also, the Secretary is authorized to prescribe regulations to ensure that Federal funds are not wasted or dissipated and that construction will be undertaken economically and will not be of elaborate or extravagant design or materials.

Information for the RD forms and their usage in this collection package are included in this supporting statement.

2. <u>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</u>.

The applicant/borrower, contractor, subcontractor, material supplier, equipment lessor, architect, engineer, manufacturer or sponsor of manufactured housing collects the required information. Rural Development provides forms and/or guidelines to assist in the collection and submission of information. The information is usually submitted via hand delivery or U.S. Postal Service to the Rural Development Field Office, although receipt through e-mail or USDA Service Center's eForms website is becoming more common. Occasionally, information is submitted directly to the Rural Development State Office.

The information is used by Rural Development to determine whether a loan/grant can be approved, to ensure that Rural Development has adequate security for the loans financed, to provide for sound construction and development work and to determine that the requirements of the applicable acts have been met. The information is also used to monitor compliance with the terms and conditions of the loan/grant and to monitor the prudent use of Federal funds.

REPORTING REQUIREMENTS - FORMS

Information collected includes the following forms:

Form RD 1980-19 "Guaranteed Loan Closing Report." The lender is required by the Agency to submit a Guaranteed Loan Closing Report for every loan to be guaranteed. All lenders complete this form for every loan guaranteed. The form includes information necessary for the Agency to complete the transactions to set-up the account correctly in the accounting system. The average response time is estimated to be 1 hour.

Form RD 1980-41, "Guaranteed Loan Status Report." This form is used by the lender to inform Rural Development of the principal and interest balance on outstanding guaranteed loans and to inform Rural Development of the loan status (current or delinquent).
Since the collection of information for the form is a normal business practice, the public time required is the amount necessary to transfer the information to the form and submit to the Field Office. The average response time is estimated to be 20 minutes.

Form RD 1980-43, "Lender's Guaranteed Loan Payment to USDA." This form is used by the lender to transmit payments due to USDA as a holder. These are funds due to USDA when USDA has purchased all or a part of the guaranteed portion of the loan including USDA's pro-rata share of any payments received from the borrower or any funds received by the lender in the process of liquidation.
Since the collection of information for the form is a normal business practice, the public time required is the amount necessary to transfer the information to the form and submit to the Field Office. The average response time is estimated to be 30 minutes.

Form RD 1980-44, "Guaranteed Loan Borrower Default Status." When a borrower defaults on a guaranteed loan, the lender is required to inform Rural Development of the borrower's status by using Form 1980-44. This form is prepared on each borrower in default to keep Rural Development informed of the current status. The average response time is estimated to be 20 minutes.

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.

The information collected is of such type and nature that the use of improved information technology, such as data and word processing would not significantly reduce the public burden. Information for each loan/grant application is unique and, therefore, cannot take significant advantage of this technology. Forms have been automated and are available on the USDA Service Center website. Provision of information is faster, however the time for electronic input roughly equals the time for handwriting the form.

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.

Every effort has been made to identify and avoid unnecessary duplication of information collection. The conditions involved with every loan/grant request are unique. Duplication of information is required only when determined necessary to ensure all involved parties have sufficient information to carry out their responsibilities. There is no duplication of information required by other Federal Government agencies.

5. If the collection of information impacts small business or other small entities (item 5 of OMB Form 83-I), describe any methods used to minimize burden.

The information collection required by the regulations governing the use of the forms cleared in this collection places no burden on small businesses or other small entities beyond, that which is performed in normal business practice.

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 information collected under this program is considered to be the minimum necessary to conform to the requirements of the program regulations established by law. Additionally, the Agency does not require any more information than a prudent commercial lending institution usually requires. Information is collected only when needed, and we believe no reduction of collection is possible. Without this collection, the Agency would not be able to meet its statutory mandates.

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

a. Requiring respondents to report information more than quarterly. There are no information collection requirements that require specific reporting on more than a quarterly basis.

b. Requiring written responses in less than 30 days. There are no specific information collection requirements that require less than 30 days response. However, in many cases, it benefits a borrower to provide RHS with information as soon as possible. Agency cannot provide the borrower with increased program benefits until documentation is received to support the borrowers' request.

c. Requiring more than an original and two copies. There are no specific information collection requirements that require more than an original and two copies.

d. Requiring respondents to retain records for more than 3 years. There are no such requirements.

e. Not utilizing statistical sampling. There are no such requirements.

f. Requiring use of statistical sampling which has not been reviewed and approved by OMB. No such requirements exist.

g. Requiring a pledge of confidentiality. There are no such requirements.

h. Requiring submission of proprietary trade secrets. There are no such requirements.

8. If applicable, identify the date and page number of publication in the Federal Register of the agency's notice soliciting comments on the information collection. Summarize public comments received and describe actions taken by the agency in response to these comments. 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, reporting format (if any), and on data elements to be recorded, disclosed, or reported.

On July 13, 2023, in Vol. 88, No. 133, USDA's Rural Development published the notice of information collection and request for comments in the Federal Register. No comments were received.

In the 60-day Federal Register notice, RD accounted for each form to have 1 respondent and a one-hour place holder for form 1980-19, forms 1980-41 and 1980-44 will both show 20 minutes and 1980-43 will show 30 minutes of burden per form. The actual burden hours for each of the forms will be calculated when the program areas that utilize these forms account for the burden of the form(s) in their individual collection package request for common forms (RCF) submission.

This is a new collection package request, and the agency has not solicited comments outside the 60-day notice. The Agency will solicit feedback when the associated collection for the programs that utilize the forms contained in this package are being updated and will be accounted for in their submission of their clearance package and RCF.

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

There is no payment or gift to respondents.

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

There are no formal assurance of confidentiality provided to respondents.

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

The information collected and recordkeeping requirements of this regulation do not include any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs or other matters that are commonly considered private.

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

As discussed in Question 8, the burden for each of the forms will be accounted for within the individual Rural Development program collection packages using the forms. The time required to complete this information collection will vary depending the individual collection package submitted for approval. The time per response can include but is not limited to the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

RD is requesting approval for one respondent per form as a place holder with the corresponding times to complete form as enumerated in question 2 and documented on the accompanying spreadsheet. Once RD receives approval of this common forms package. Rural Development will reflect the approved OMB control number of this common forms package on each form within this package and account for the specific burden for each form within their individual collection packages when they seek OMB approval or re-authorization.

The respondents to this collection are from multiple RD programs. This estimate was based on information in existing reports, experience of Agency employees in handling the elements in the burden and discussions with lenders. The cost per hour represents the average salary for a loan officer. Therefore, the Agency used an estimated hourly wage of $48.05/hour (including benefits as a percentage of total compensation for private trades of 29.9 percent[1]) from the 13-2072 Loan officers category, U.S. Department of Labor mean hourly rates in the United States in May 2020 (https://www.bls.gov/oes/current/oes_nat.htm).

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

There are no capital/start-up or operation/maintenance costs involved.

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

Government costs will be covered under information collections by each program using these forms.

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

This is a new information collection. The burden estimate for this collection is solely attributed to the fact that the forms will be used throughout RD.

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

There is no specific collection of information requirement in this rule that will be published.

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.

RD plans to display the new OMB control number and expiration date for the information collection on the forms after approval.

18. Explain each exception to the certification statement identified in items 19 on OMB 83.1.

RD is able to certify compliance with all provisions found under Item 19 of OMB Form 83-1. There are no exceptions for this certification to the provisions found in the Paperwork Reduction Act of 1995 at 5 C.F.R. § 1320.9 for this collection.

19. How is this information collection related to the Service Center Initiative (SCI)? Will information collection be part of the one-stop-shopping concept?

This information is not related to and will have no impact of the SCI initiative. The information collection under this regulation is case specific.