

United States Department of Agriculture
Farm Service Agency
Supporting Statement
OMB Control Number 0560-NEW
Online Loan Application (OLA)
(7 CFR 764, Direct Loan Making)

The Farm Service Agency (FSA) Farm Loan Program (FLP) is requesting a new information collection request. FSA has developed an automated Online Loan Application (OLA). The FSA OLA will not replace the recently revised FSA-2001, however, it will provide an automated experience option for application completion and submission. Therefore, some applicants will choose to use OLA, while other applicants will choose to use the FSA-2001. Prior to submission of the application to FSA for processing, the online applicant will also have the ability to pay the required credit report fee online for loan making actions.

FSA routinely works on ways to streamline loan applications and the process. In accordance with Executive Order 14058, "Transforming Federal Customer Experience and Service Delivery to Rebuild Trust in Government," FSA recently revised the paper application form FSA-2001, which decreased the estimated burden for applicants requesting assistance, in part by significantly reducing the number of pages for the form, which is covered under OMB Control Number 0560-0237. With the implementation of OLA, FSA estimates the burden to be reduced once again. As explained in detail below in response to question 12, the estimated paperwork burden for each loan application is expected to decrease by approximately half the time by using OLA. Specifically, the current paper FSA-2001 Farm Loan application has an estimated paperwork burden of 2 hours 40 minutes. Using OLA, FSA estimates the paperwork burden be 1 hour, 31 minutes, which is nearly a 50% *reduction* in burden from the current paper version.

Initial release of the FSA OLA will be available for individual applicants only requesting direct loan assistance. Most FSA FLP requests received on an annual basis are Operating loans, Farm Ownership loans, and Microloans, all of which will be available through OLA with initial release. From an FSA Direct Loan Making perspective, FY 2018 - 2022 saw a total of 167,471 FLP requests submitted. Of those total requests, 155,250 (92.7%) were either Microloans, Operating Loans, or Farm Ownership loans. All of these loan types will be available through OLA with initial release.

Future OLA releases will allow application submissions from informal entities, including married couples, and legal entities. FSA expects to expand the use of OLA within the next 3 years to include the entities. Therefore, this supporting statement includes information and burden estimates to cover the expected use over the next 3 years for both individuals and entities.

With initial release, Emergency loans, Streamlined loans, Youth loans, and Primary Loan Servicing applications will not be available for submission through the system. Determinations on inclusion of additional loan options will be made after initial release. As FSA further modernizes business processes and overall FLP delivery, additional features will include expansion of OLA to accommodate guaranteed loan program requests and additional customer facing features that will improve the FSA FLP experience.

OLA is an automated, intuitive application; the experience of using OLA is a more effective and efficient tool for applicants and FSA officials alike.

As explained below, FSA reached out for feedback on OLA, including from beta testers and other reviewers. Also, as explained below, FSA has used the input to improve OLA for its initial implementation. Some input is being considered for the future expansion of OLA.

Justification

1. Explain the circumstances that make the collection of information necessary.

FSA provides loans to family farmers to purchase real estate and equipment and finance agricultural production. The regulation in the 7 CFR 764 describes the policies and procedures that FSA uses to provide supervised credit to applicants requesting direct loan assistance in accordance with the provisions of the Consolidated Farm and Rural Development Act (CONACT) (7 U.S.C. 1921 and Pub. L. 87-128), as amended. Direct loan making information collection requirements include debt verifications, employment & income verification, and actual financial and production records of the operation.

Authority to establish the regulatory requirements contained in 7 CFR 764 is provided under 5 U.S.C. 301, which provides that “The Head of an Executive department or military department may prescribe regulations for the government of his department ... the distribution and performance of its business. Furthermore, section 339 of the CONACT Act (7 U.S.C. 1989) provides that “the Secretary is authorized to make such rules and regulations, prescribe the terms and conditions for making loans, security instruments and agreements, except as otherwise specified herein, and to make such delegations of authority as he deems necessary to carry out the title.” The Secretary delegated authority to administer the provisions of the CONACT applicable to FLP to the Under Secretary for Farm and Foreign Agricultural Services (FFAS) in Section 2.16 of 7 CFR part 2. FFAS further delegated this authority to the FSA Administrator in section 2.42 of 7 CFR part 2.

In general, FSA has approval to collect the type of information required in OLA; this request is required in order to automate the collection of the information in a new system.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for new collection, indicate the actual use the Agency has made of the information received from the current collection.

Information will be submitted by applicants through the FSA OLA. The local Agency office serving the county in which the applicant’s farming business is headquartered will then access and process the application. The information being requested is necessary to thoroughly evaluate the applicant’s request for a direct loan and is used by FSA officials to:

- Ensure the applicant meets the statutorily established program eligibility requirements;
- Ensure that cash flow projections used in determining loan repayment are based on the actual financial and production history of the operation; and
- Ensure that a loan is adequately secured.

The general nature of a loan from FSA is very similar to that of any commercial creditor. However, applicants tend to pose a higher economic risk of loss than those operations financed by commercial creditors as applicants must document that no other source of credit is available at the time of application. The regulation in 7 CFR 761.1(d) requires FSA to provide progression lending and management assistance to applicants and borrowers. The monitoring, reporting, evaluation, and consent requirements of this supervision increase the information collection burden on applicants above those imposed by commercial creditors.

The information collection requirements established in 7 CFR 764 are described below and on the attached Reporting and Recordkeeping Requirements spreadsheet.

Form Components

Note: Applicants choosing to submit their FLP requests through the FSA OLA will not be responding to or completing the FSA-2001 form specifically. However, the FSA-2001 form will be populated as a result of applicant responses to questions asked throughout the OLA process. Due to the FSA-2001 being populated as an end result of the online experience, it is listed as a form used for collection purposes.

OLA generated FSA-2001 – Request for Direct Loan Assistance

7 CFR 764.51(b)(1); 7 CFR 766.102(a)(2)

FSA uses the OLA generated FSA-2001 to document loan applications for both direct loan making and direct loan servicing requests. Information on FSA-2001 includes name, address, type of operation, marital status, race and ethnicity, citizenship, name and address of employer, as well as certifications pertaining to delinquent Federal debt, prior convictions for controlled substances, disqualification due to Federal crop insurance fraud, restrictions and disclosure of lobbying activities, and previous debt forgiveness by FSA. The information is used to:

- Ensure applicants requesting loan assistance or servicing meet statutory eligibility requirements;
- Determine if the applicant qualifies for funds targeted to socially disadvantaged applicants according to the CONACT's provisions; and
- Determine the State where FSA must file the financing statements according to the Uniform Commercial Code requirements.

The FSA-2001 also documents all entity members (informal & legal entities alike) information about percent of ownership in the entity, citizenship, marital status, ethnicity, race, gender, name, and address of employer, as well as specifying that the applicant read the certifications provided and sign the application. For the FSA OLA, the applicant's personal information such as name, address, contact information, social security number, birth date, military veteran status, ethnicity, race, and gender are included automatically in OLA after the applicants completed the FSA-2001 previously (*some OLA users may not be prior FLP borrowers, but their information will be automatically populated from Business Partner with the information previously provided to FSA to obtain a farm number or other FSA program participation*). For entities choosing to apply online, percent ownership in the entity will be a required response.

Non-Form Collection Components

Note: Complete application requirements for OLA submissions are no different than the FSA-2001 paper-based application. However, OLA provides a more efficient way to provide the information to FSA for processing. Non-form sections are provided to explain the process for obtaining supporting documents as part of using the FSA OLA. The online applicant will be provided the opportunity to upload supporting documents in either a front-end document repository or at logical, strategically located upload points throughout the online application process flow.

Entity Information with Direct Loan Application

7 CFR 764.51(b)(2)

It is estimated that 15% of FLP applications received annually will be from legal entities. Entities applying for agency loans must provide copy of the entity's charter, articles of incorporation and bylaws, evidence of current registration and a resolution adopted by the Board of Directors or entity members authorizing the entity to apply for and obtain the loan. Only new entities that have not obtained a loan from the agency are required to provide this information. Iowa has developed form FSA-2300-1 IA, Notice Agreement, for obtaining the required information. Oregon has developed form FSA-2000-1 OR, Addendum for Additional Signatories, for obtaining the required information. The respondents who complete the respective state forms are not required to provide any other additional information for this purpose. The State FSA staff will complete these forms; they will not need to be in OLA.

Copy of Legal Description of Property to be Purchased, Leases, or Other Agreements

7 CFR 764.51(b)(10)

Approximately 32% of the FLP requests received annually are for Farm Ownership (FO) Loans. For FO loans. The applicant must submit a copy of the legal description of the property to be purchased, leases for rented land or other agreements that are needed to effectively evaluate the loan request. For example, a copy of the lease is needed if the applicant is requesting a loan to finance improvements to leased land to ensure the term of the lease exceeds the proposed loan term. Additionally, a copy of the purchase contract is needed if the applicant is requesting a loan to purchase farm real estate. The legal description of the property to be purchased is needed for the agency to obtain the appraisal and file the security instrument. Applicants using OLA will be asked if they have these documents available for upload.

Documentation that Other Credit is Not Available

7 CFR 764.51(b)(6)

A statutory eligibility requirement that must be met by applicants is that other credit at reasonable rates and terms, including a loan guaranteed by the agency, is not available. Applicants, including individual entity members, must submit documentation that other credit is not available if the Agency official determines there is a reasonable possibility that credit could be obtained elsewhere. To obtain this documentation, the applicant must contact local agricultural lenders. Applicants using the OLA will be asked if they have this type of documentation already available for upload. In most cases, FSA officials can make a determination on availability of credit elsewhere based on a review of the financial documents provided by the applicant. In such case, no additional documentation is required. OLA includes a step by step process to ask questions to determine if the applicant needs to upload any documents.

Citizenship Status Documentation

7 CFR 764.101(c) , 7 CFR 764.51(b)(13)

Sections 302, 311, and 321 of the CONACT provide that applicants for FLP loans must be United States citizens. Further, provisions of the Personal Responsibility and Work Opportunity Act of 1996 (8 U.S.C. 1611) require that recipients of Federal benefits be U.S. citizens, U.S. non-citizen nationals, or qualified aliens. Applicants who identify themselves as non-citizen nationals or qualified aliens must submit copies of supporting documentation to establish their eligibility. Approximately 0.50% of annual FLP requests are from qualified aliens. The online applicant will select their status in the eligibility section of the OLA process. Depending on their selection, online applicants will be asked if they have supporting documents to upload.

Written Description of Training and Experience

7 CFR 764.51(b)(3)

In a manner similar to the paper FSA-2001 application, the online applicant will select all applicable options provided regarding their training, education, and experience. Options selected, explanations entered, and supporting documents provided allow FSA to determine the applicant's eligibility across multiple loan types.

Three-Year Financial History

7 CFR 761.104(c)(1); 7 CFR 764.51(b)(4); 7 CFR 766.102(a)(3)

FSA requires applicants to submit the last 3 years of financial records as part of a complete application for loan making requests. Loan applications submitted that meet Microloan criteria only need to provide financial records for the most recent production cycle. Microloans historically have comprised around 21% of all direct loan requests received. The financial records, primarily tax returns, and living expense records are used to ensure that the projected cash flow used to determine loan repayment is based on the actual financial history of the operation. The online applicant initially will only be able to upload actual financial records. Future enhancements may include ability for the online applicant to manually enter this information directly into the automated system.

Three-Year Production History

7 CFR 761.104(c)(3); 7 CFR 764.51(b)(5); 7 CFR 766.102(a)(4)

FSA requires applicants to submit the last 3 years of production records as part of a complete application for loan making requests. Loan applications submitted that meet Microloan criteria only need to provide production records for the most recent production cycle. Microloans historically have comprised around 21% of all direct loan requests received. FSA currently uses FSA-2003 as an option for applicants and borrowers to submit the required production history. FSA requires applicants to submit the last 3 years of production records as part of a complete application for loan making requests. The production records are used to ensure that the projected cash flow used to determine loan repayment is based on the actual production history of the operation. The online applicant initially will only be able to upload actual production records. Future enhancements will include ability for the online applicant to manually enter this information directly into the automated system.

Verification of All Non-Farm Income

7 CFR 764.51(b)(8); 7 CFR 766.102(a)(6)

FSA uses the non-farm income information to determine the applicant or borrower's repayment ability or other sources of income when considering the request. FSA currently has an option to use form FSA-2014 to obtain this information. The online applicant will have the opportunity to upload documents to verify their non-farm income.

Verification of All Debts

7 CFR 764.51(b)(12); 7 CFR 764.102(a)(8)

Except for Microloans, regulations require that debts be verified. Microloans historically have comprised around 21% of all direct loan requests received. Additional debt verification is not necessary when all needed information can be obtained from a credit report; however, credit reports do not provide information regarding the type and amount of security taken by the creditor. For the online applicant, the uploading of supporting documents to verify debts can allow for FSA to move forward with no further documents being necessary for verification.

Payment to the Agency for Ordering a Credit Report on the Applicant

7 CFR 764.51(b)(11)

For the online applicant, the ability to pay their credit report fee online will be available. The online applicant will be asked to select their payment method and enter required banking or payment information in order for payment processing to occur. Initially, OLA will be able to accept payment using the Automated Clearing House (known as ACH) method or debit cards only. FSA is exploring the option to add credit card payments in OLA.

Collections contained in 7 CFR 764 approved under OMB Control Numbers for other CFR parts or OMB Control Numbers

The following table summarizes the information collections included in 7 CFR 764, for which approval has been obtained or requested under the OMB Control Number for another CFR part. As noted in the table, some of the same information will be collected in OLA and some will be included in OLA in the future. As OLA is implemented and expanded, FSA will reevaluate the burden requirements for the paper-based information collection requests versus the burden for OLA. We are not making any changes in the existing burden approvals at this time, but wanted to note the consistency of the information OLA will collect with current FSA approvals.

| CFR citation | Description | Approved under |
|--------------|---|----------------|
| 764.51 | Financial information to process loan making request – In OLA | 0560-0238 |
| 764.51 | Production information to process loan making request- In OLA | 0560-0238 |
| 764.51 | Operating plan – In OLA | 0560-0238 |
| 764.51 | Copies of tax returns – In OLA | 0560-0238 |
| 764.51 | Evidence that environmental requirements have been met to process loan request (in OLA in the future) | 0575-0094 |

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 decisions for adopting this means of collection. Also describe any consideration of information technology to reduce burden.

Information collection using the FSA OLA will be submitted electronically; the applicant will have obtained and activated a USDA Level 2 eAuthentication account in order to use OLA. Future access to the FSA OLA may require a Login.gov account be established.

As part of the FSA OLA completion and submission process, applicants will follow a logical flow of components. These components include the following:

- Operator Certification
- Applicant Type
- Applicant Profile
- Operation Profile
- Certification
- Loan Purpose & Amount *

- Eligibility
 - Credit Elsewhere *
 - Credit History
 - Training, Education, and Experience *
 - Citizenship *
- Current Balance Sheet *+
- Actual Financial Records *
- Actual Production Records *
- Farm Operating Plan *+
- Application Review
- Notification & Disclosures
- Authorizations & E-Signature
- Credit Report Fee

** includes upload functionality of non-form documentation*

+ upload functionality allows online applicant to bypass this component

While OLA does not replace the FSA-2001 paper-based application option, it does provide an automated platform through which applicants can start, complete, and submit their application on their own, independent of FSA staff involvement. When an applicant chooses to use OLA, their entire application will be automated; they will not need to print and submit the FSA-2001. This may often occur after normal business hours have concluded for FSA.

As the applicant progresses through using the FSA OLA, information provided in response to a series of questions will populate the FSA-2001. The populated FSA-2001, any documents generated by the FSA OLA, and any supporting documents uploaded by the online applicant will be available for review by authorized FSA Agency officials.

As the applicant navigates OLA, certain fields are required to be entered in order to move forward to the next component. In cases where fields are not required, the system identifies those by including an “Optional” text for clarity. Future enhancements within OLA will expand on intuitive design by clearly shading or highlighting certain fields missing or may need supporting documents to be uploaded as part of a complete application package. With the initial OLA release, both a numerical completion status indicator and left-hand navigation color indicator will assist Users in understanding what sections still need completion in order to be able to submit to FSA for processing. FSA plans to build out a more robust Application Review component of OLA in future releases that will consolidate OLA responses and provide flags for missing information or areas where an expected supporting document should be attached. All of these efforts will improve the OLA customer experience.

Non-form information collections require providing copies of documents in the applicant’s possession or providing written replies to FSA requests. Non-form collections may additionally be submitted in person at the local agency office, by mail, or by facsimile. Further, applicants with established USDA Level 2 eAuthentication accounts may provide non-form information collections as any kind of non-executable attachments, such as GIF, JPG, JPEG, PNG, TXT, RTF, PDF, XLS, XLSX or Word (DOC or DOCX).

4. Describe efforts to identify duplication. Show specifically why similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

The burden established in this collection is required under the provisions of the CONACT, which mandates specific actions be taken when making loans to FLP applicants.

FSA FLP personnel with expertise in making loans have reviewed the information collections required under this CFR part to eliminate any duplicative or unnecessary collections of information. The information contained in this collection is made part of the case file and, when reasonably current, may be used in lieu of re-submission by the applicant. However, financial information that is collected at another time may be dated and not useful for the specific action being considered.

5. Methods to minimize burden on small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods to minimize burden.

FSA has made every effort to minimize burden on small businesses and small entities. Thus, it places no additional burden on small businesses above that required in the normal course of business. There are about 2,593 small businesses or entities.

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.

FSA is not expecting any consequences for the applicant to apply for the loans through OLA (electronically). Having the ability to access OLA and apply using OLA, as an automated application, will allow for a more convenient option for requesting an FLP loan. However, it is recognized that certain rural areas may be impacted by limited access to broadband internet access, which could be a technical obstacle in using OLA and therefore in reducing burden in those areas.

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

- a. Requiring respondents to report information more frequently than quarterly. There are no information collection requirements that require information more frequently than quarterly.
- b. Requiring written responses in less than 30 days. There are no information collection requirements that require written responses in less than 30 days.
- c. Requiring more than an original and two copies. There are no information collection requirements that require more than an original or single copy of a document.
- 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 the use of statistical sampling which has not been reviewed and approved by OMB. There are no such requirements.
- g. Requiring the pledge of confidentiality. There are no such requirements.
- h. Requiring submission of propriety trade secrets. There are no such requirements.

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

As part of FSA efforts to obtain feedback and input from producers and external stakeholders, an OLA beta version was launched on 6/30/2023 in 4 states. Beyond feedback from beta test users, FSA also was testing the functionality of the customer facing OLA and also the back-end platform necessary for FSA to receive, review, and process the OLA submission. During the initial beta period, 3 applications were received, and feedback obtained. Overall, the feedback obtained during this time was positive for an initial first step in automating the FLP application process. General feedback was positive with a few suggestions for additional features to be added to improve the customer experience. FSA has incorporated these suggestions in work backlog items for future development. On 9/01/2023, FSA expanded the beta version to 15 total

states. The expanded beta release version was open for OLA submissions through 10/31/2023. During the expanded beta test, FSA received 2 additional OLA submissions. During that time, applicants choosing to use OLA beta version for submission were asked to provide feedback on their use of OLA. No feedback has been received yet from the 2 most recent submissions despite efforts to obtain via an OMB approved survey form.

In addition to direct feedback provided by external customers consulted above, FSA conducted 2 webinars with non-government organizations and USDA external cooperator groups to showcase OLA and obtain feedback. There were 11 non-government attendees present at the 1st webinar and 17 were present at the 2nd webinar. Groups represented included those organizations that provide technical assistance to FLP applicants and Land Grant University Extension representatives. Prior to the scheduled webinars, registered attendees were provided with a recording of an OLA demo to watch at their leisure. During the webinars, FSA provided additional demo of the system as needed to discuss specific items of importance as determined by the attendees. Feedback obtained in general was positive and attendees indicated the OLA was a step in the right direction for FLP and customer service. There was some concern expressed with ability of customers that are not tech savvy in using OLA and that for some producers, using the paper application may be the preferred option. Additional comments included those regarding certain FLP eligibility requirements and how customers using OLA may perceive the sections devoted to those requirements. To address those concerns, FSA FLP will be working with FSA Outreach to determine ways that the eligibility sections could be presented in a more customer friendly manner.

After the beta release concluded, an anonymous comment was provided using the feedback button in OLA. Feedback obtained centered around difficulties in logging into the system and not understanding what actions to take once an account was created. The respondent did not elaborate; therefore, it is unknown the exact nature of the issues the respondent had with logging into OLA. This has not been an issue in lower test environments or with any OLA beta participant. Regarding comments pertaining to lack of understanding actions to take after an account is created, FSA intends on placing an OLA User Guide in the system to provide additional instructions. This OLA User Guide was not available in the system during the beta release version.

The Federal Register notice for 60-day comment period was published on July 21, 2023 (88 FR 47102). There was 1 comment received on all aspects of the collection. The comment was not relevant to the collection of information.

No comments were received during the 30-day period for public comment that concluded on October 30, 2023.

In addition, the following individuals were consulted regarding this information collection. Any comments provided are provided below name, if received:

Matthew Sperry - 605-824-4144

Comments: Experienced an issue after login with error message appearing. Individual commented the system was fairly user friendly and liked the ability to build a balance sheet within the system. Recommended that an option be provided to build a farm operating plan and ability to manually enter financial & production history information. Also recommended ability to pull in existing FSA farm loan information.

In response to these comments, FSA resolved the login error message immediately upon being informed of the issue. Development work was already in progress at the time of the submission to provide the option to build a farm operating plan in the system. FSA is currently exploring ways to add additional functionality to

address manual entry of financial and production information. This additional functionality will be considered for future development.

Lexy Lynn - 605-690-9253

Comments: Experienced slight issue with uploading a certain file type.

In response, FSA worked with the customer to resolve the upload issue. OLA contains informative language on screen for acceptable file types. After review of this particular issue, it appears may have been a one-time issue in the system that has now been resolved. Internal testing has not been able to recreate the issue experienced.

Cecil Quinn - (423) 257-3481

Comments: System will be beneficial, especially for those who use computers frequently.

No action required on this response due to the wholly informative and positive nature of the comments.

Beyond specific feedback for OLA, FSA maintains close contact with borrowers through FSA's general field representatives (GFR) and a headquarters' staff. GFR's have direct personal contact with the applicants in connection with the fulfillment of FSA requirements. GFR's pass on any substantive comments to the headquarters staff. Staff is readily available to assist or help the FSA customers. FSA works closely with lending institutions and a nationwide network of lending institutions as part of the Farm Credit System, which provides supplemental loan funds to borrowers.

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

There are no payments or gifts provided to respondents.

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

FSA forms that serve as collection instruments contain a Privacy Act statement identifying circumstances under which the information collected may be released. This statement is based on the Privacy Act, the Freedom of Information Act and the Agency's System of Records that has been published in the *Federal Register* (84 FR 10775-USDA-FSA-14, Applicants/Borrowers). FSA policies, as well as a copy of the System of Records, are published in FSA handbooks 2-INFO and 3-INFO. No further assurance of confidentiality is provided to applicants or borrowers.

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

The information collected is of a financial nature. As a condition for the receipt of program benefits, respondents must provide total disclosure of income data and a history of their business dealings that is often considered sensitive. Regardless, the information is required to properly document FSA's decision pertaining to direct loan making and direct loan servicing actions.

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

The estimate of hour burden of the information collections is as follows:

Total Number of Unduplicated Respondents.....21,610.

Reports Filed Per Person.....1.82.
 Total Annual Responses.....39,330.
 Total Annual Burden Hours.....59,389.

Documentation to support these figures includes:

| HISTORICAL DATA | |
|--|---------|
| Total # of Direct Loan Making requests (all types) received from Fiscal Year 2018 through Fiscal Year 2022 | 167,463 |
| Total # of Direct Loan Making applicants (all types) submitting applications from Fiscal Year 2018 through Fiscal Year 2022. | 86,905 |
| Average # of Direct Loan Making requests received from Fiscal Year 2018 through Fiscal Year 2022 | 33,493 |
| Average # of applicants submitting Direct Loan Making requests from FY 2018 through Fiscal Year 2022 | 17,381 |
| Average # of Direct Loan Making requests submitted per applicant from Fiscal Year 2018 through Fiscal Year 2022 | 1.93 |

| ESTIMATES | |
|--|--------|
| Expected increase in Direct Loan Making requests due to ease of access & submission using FSA OLA | 10% |
| Average # of applicants submitting Direct Loan Making requests from FY 2018 through Fiscal Year 2022 + 10% increase | 19,119 |
| Average # of Direct Loan Making requests submitted per applicant | 1.93 |
| Average # of Direct Loan Servicing requests received from Fiscal Year 2018 through Fiscal Year 2022 (no expected increase) | 2,491 |
| Average # of Direct Loan Servicing requests submitted per applicant | 1.0 |

| | |
|---|--------|
| Total Estimated # of Respondents for Direct Loan Making and Direct Loan Servicing requests combined | 21,610 |
|---|--------|

Weighted Average Calculation for Average Response per Respondent

$$\begin{aligned}
 19,119 \text{ Direct Loan Making requests} \times 1.93 &= 36,900 \\
 2,491 \text{ Direct Loan Servicing requests} \times 1.0 &= 2,491 \\
 \text{Total} &= 39,391
 \end{aligned}$$

Total Annual Responses Estimated

$$\begin{aligned}
 39,391 \text{ responses} / 21,610 \text{ respondents} &= 1.82 \text{ (loan making \& loan servicing combined)} \\
 21,610 \times 1.82 &= 39,330
 \end{aligned}$$

| AVERAGE RESPONSE TIME | | | | |
|--|----------------|-----------------------|---------------|---------------|
| Type | Formula | # of Responses | Burden | Total |
| Direct Loan Making & Direct Loan Servicing – Individual (50%) | 39,330 x .5 | 19,665 | 1.3 hours | 25,565 |
| Direct Loan Making & Direct Loan Servicing Married Couples (35%) | 39,330 x .35 | 13,765.5 | 1.60 hours | 22,025 |
| Direct Loan Making & Direct Loan Servicing Entities (15%) | 39,330 x .15 | 5,899.5 | 2.00 hours | 11,799 |
| Total | | 39,330 | | 59,389 |

59,389 Total Hours / 39,330 Total Responses = 1.51 hours per response across all applicant and loan types.

FSA estimates the following burden hours for information collection using the FSA OLA:

Individuals: 1.30 hours
 Informal Entities: 1.60 hours
 Legal Entities: 2.00 hours

The variances in the time for completion necessary as all entity members are required to provide information applicable to individuals and certify and acknowledge that they have read the certifications included in the OLA process.

The current paper FSA-2001 Farm Loan application is 1 form; 13 pages with an estimated paperwork burden of 2 hours 40 minutes. Prior to the current paper FSA-2001 version, applicants were required to complete 10 forms; 29 pages with an estimated paperwork burden of 5 hours and 20 minutes. For the current paper version of the FSA-2001, FSA estimated a burden reduction of 50%. With the release of OLA, FSA estimates the paperwork burden for all applicant types to be 1 hour, 31 minutes, which is nearly an additional 50% *reduction* in burden from the current paper version (see Table 1).

Table 1 – Summary of Burden Hour Changes

| Description | Hours Per Response | | |
|--|------------------------|---------|--------|
| | Current Paper FSA-2001 | New OLA | Change |
| Total Time Required for Individuals | 2.667 | 1.30 | -1.367 |
| Total Time Required for Informal Entities (inc. married couples) | 2.667 | 1.60 | -1.067 |
| Total Time Required for Entities | 3.167 | 2.00 | -1.167 |

This estimate encompasses completion of all components of using the FSA OLA and includes obtaining and uploading any supporting documents necessary for a complete application package. The reduction in burden hours can be attributed to pre-population of customer information, informative & intuitive design features that allow for easy recognition of requested information, pre-determined drop-down options available for selection throughout OLA, and easy upload of supporting documents that the users may already on hand in a digital format. In addition, records that are current or those do not change over time and are already on file will not need to be resubmitted as part of a new application.

Total estimated burden hours for the use of FSA OLA for information collection are 59,389 hours. This assumes that all FLP requests for loan making and primary loan servicing assistance are submitted via the FSA OLA.

Respondent cost per hour was derived by using U.S. Bureau of Labor Statistics Occupational Employment and Wages, May 2022,; Table 11-9013-Farmers and Ranchers, and Other Agricultural Managers. The U.S. mean hourly wage for this group is \$38.63 hourly and \$80,360 annually, as measured by the Bureau of Labor.

Respondent cost per hour was derived by using U.S. Bureau of Labor Statistics Occupational Employment and Wages, May 2022, Table 13-2072-Loan Officers. The U.S. mean for loan officer’s income, as measured by the Bureau of Labor is \$76,200 annually or \$36.64.

Also, a total employer compensation costs (fringe benefits) for all workers averaged \$11.47 per hour worked from Bureau of Labor Statistics website, specifically in the document of the private employer costs for employee compensation, June 2022.

The estimate of respondent costs for the information collections is in total of \$5,832,555.

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

The regulation and associated information collections place no burden costs on respondents for capital, start-up, operation, maintenance, or the purchase of services.

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

Averaging the GS-9 through GS-12 (2023 RUS-Salary Table) salaries indicates an average employee salary of \$78,186.13 per year. Standard adjustments recommended by FSA’s Budget Division of 33.3% are added for benefits and miscellaneous expenses (\$25,801.43), for a total average cost for a Farm Loan Program employee salary of \$103,988 per year, which divided by 2087 hours equals an hourly salary of \$49.83.

Therefore, the estimated annual cost to the Federal Government is:

39,330 responses X \$49.83 = \$1,959,814.

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

This is a new request.

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

The information collections required under this regulation will not be tabulated or published.

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

The OLA will display the OMB expiration date.

18. Explain each exception statement to the certification statement.

There are no exceptions requested.