

2024 SUPPORTING STATEMENT
Rural Microentrepreneur Assistance Program (RMAP)
OMB No. 0570-0062

A. Justification

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

The Rural Microentrepreneur Assistance Program (RMAP), authorized under Section 6022 of the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill), which amends Section Subtitle D of the Consolidated Farm and Rural Development Act of 2008 (CON Act) provides rural microentrepreneurs with the skills necessary to establish new rural microenterprises, to provide continuing technical and financial assistance related to the successful operation of rural microenterprises, and to assist with the cost of providing other activities and services related to the successful operation of rural microenterprise development organizations (MDOs) and rural microenterprises.

The Secretary makes direct loans to MDOs (MDOs that are participating in the program are referred to as “microlenders”) for the purpose of capitalizing microloan revolving funds to provide fixed interest rate business loans of \$50,000 or less to microentrepreneurs, as defined in the 2008 Farm Bill.

Each microlender that receives a loan under this program will be awarded a grant to assist microentrepreneurs who have received or are seeking a microloan from a microlender. These grants will be known as technical assistance (TA) grants. TA grants will provide assistance specifically tailored to the needs of one or more microentrepreneurs as defined.

The Agency also makes TA-only grants available to MDOs that are not otherwise participating in the program.

In summary, the objectives of the RMAP program are to:

- Establish revolving loan funds for rural microenterprise development purposes; and
- Make grants to MDOs to provide technical assistance and training programs to rural microentrepreneurs and microbusinesses.

2. Explain how, by whom, and for what purpose the information is to be used.

There are two types of MDOs, based on their level of experience as MDOS, that will apply for loans and/or grants under RMAP:

- Microlenders with more than 3 years’ experience as an MDO providing microloans and technical assistance and training to rural microentrepreneurs, and
- Microlenders with 3 or fewer years’ experience as an MDO.

Both types of MDOs will apply for loan funds to capitalize a Rural Microloan Revolving Fund (RMRF) and will automatically be eligible to receive a grant for provision of technical assistance and training to rural microentrepreneurs.

Microlenders seeking loans and/or grants will have to submit applications that include specified information, certifications, and agreements to the Agency. This information will be used to determine applicant eligibility and to ensure that funds are used for authorized purposes. Applications for continued participation in RMAP, during years 2 and 3, will include primarily any needed updates to the information submitted with the initial application. Specifically, the burden to be cleared with this document is as follows:

REPORTING REQUIREMENTS – NO FORM NUMBERS

Application Requirements

A. All Applicants

Qualifications as an MDO. Each applicant will be required, under 7 CFR §§4280.310 and 4280.315, to submit documentation that it is an eligible MDO. Such documentation will include the following:

- Evidence that the applicant organization meets the citizenship requirements;
- If a nonprofit entity, a copy of the applicant’s bylaws and articles of incorporation which include evidence that the applicant is legally considered a non-profit organization;
- If an Indian tribe, evidence that the applicant is a federally recognized Indian tribe, and that the tribe neither operates nor is served by an existing MDO;
- If a public institution of higher education, evidence that the applicant is a public institution of higher education;
- For nonprofit applicants only, a Certificate of Good Standing, not more than 6 months old, from the Office of the Secretary of State in the State in which the applicant is located. If the applicant has offices in more than one State, then the State in which the applicant is organized and licensed will be considered the home location;
- Certification of credit not available elsewhere; and
- An attorney’s opinion that the applicant has the legal status to enter into program transactions under this program.

Demonstration of organizational well-being. Each applicant will be required, under §4280.316(a), to demonstrate its organization’s well-being by submitting the following:

- An organizational chart clearly showing the positions and naming the individuals in those positions. Of particular interest are management positions and positions essential to the operation of microlending and TA programming.
- Resumes for each of the individuals shown on the organizational chart and indicated as key to the operation of the activities funded under this program.
- A succession plan to be followed in the event of the departure of personnel key to the

operation of RMAP activities.

- Information indicating an understanding of microenterprise development concepts. For all applicants, this must be those parts of the applicant's policy and procedures manual that deal with the provision of loans, management of loan funds, and provision of technical assistance.
- Copies of the applicant's most recent, and 2 years previous, financial statements.

Mission statement. Each applicant must submit a copy of its organizational mission statement. The mission statement will be rated based on its relative connectivity to microenterprise development and general economic development.

Geographic service area. Each applicant must submit information regarding the geographic service area to be served (which must be rural), including identifying the number of counties or other jurisdictions to be served and the demographics of the service area.

RMRF Cost Share Option. Each applicant seeking status as a microlender must identify which cost share option(s) it will use to set up its RMRF(s) and the amount(s) and source(s) of the non-Federal share.

B. Application Requirements for Microlenders with More than 3 Years' Experience

In addition to the information required in paragraph A, each applicant that is an MDO with more than 3 years of experience as an MDO will be required, under 7 CFR § 4280.316(b) to submit documentation of its track record of making loans, including the following information:

History of provision of microloans. For each of the 3 previous Federal fiscal years:

- Total number and dollar amount of microloans made.
- Number and dollar amount of microloans made in rural areas.
- Percentage of the number of microloans made in rural areas and percentage of total dollar amount of microloans made in rural areas.
- Comparison of its microloan portfolio to the demographic makeup of the area it serves.

Portfolio management. For each of the 3 previous Federal fiscal years:

- Total number of microloans paying on time.
- Total number of microloans 30 to 90 days in arrears or have been written off at yearend.

History of provision of technical assistance to microentrepreneurs. For each of the previous 3 Federal fiscal years:

- Total number of rural and non-rural microentrepreneurs that received microloans and TA services.
- Percentage of rural microentrepreneurs that received both microloans and technical assistance.
- Percentage of the total number of rural microentrepreneurs by minority, disabled, and/or gender that received both microloans and TA services.

- Ratio of technical assistance clients that also received microloans.

Ability to provide TA to microentrepreneurs. Each applicant is required to provide a narrative of not more than five pages describing its teaching and training method(s) and discussing the outcomes of its endeavors.

Proposed administrative expenses to be spent from TA grant funds. Each applicant is required to identify what percentage of their TA grant they plan on spending on administrative expenses.

C. Application Requirements for Microlenders with 3 or Fewer Years' Experience

In addition to the information required in paragraph A, a microlender with 3 or fewer years' experience as an MDO is required to follow the guidelines set at 7 CFR §4280.316(c) and to submit the following information:

- A narrative work plan that clearly indicates its intention for the use of funding, including goals and milestones for planned activities. In relation to the information requested in paragraph A, describe how it will incorporate its mission statement, utilize its employees, and maximize its human and capital assets to meet the goals of this program. Provide strategic planning and organizational development goals. Clearly indicate lending goals for 5 years after the date of application.
- State the date that the applicant began business as an MDO or other provider of business education and/or facilitator of capital.
- Describe in detail any MDO training it or its employees have received.
- Indicate its current number of employees, those that concentrate on microentrepreneurial development and the current average caseload for each. Indicate how the caseload ratio does or does not optimize the ability to perform the services described in the work plan and how funding will be used to assist with program delivery.
- Indicate any training organizations with which the applicant has a working relationship, including references.
- Describe any plans for continuing the training relationship including ongoing or future training plans and goals and the timeline for same.
- Describe its internal benchmarking system for determining client success, reporting on client success, and following client success for up to 5 years after completion of a training relationship.
- Identify what percentage of their TA grant they plan on spending on administrative expenses.

D. Application Requirements for Microlenders Seeking Technical Assistance Only Grants

A microlender seeking a technical TA only grant is required to follow the guidelines set at 7 CFR §4280.316(d) and to submit the following information:

History of provision of technical assistance to microentrepreneurs. For each of the previous 3

Federal fiscal years:

- Total number of rural and non-rural microentrepreneurs that received microloans and TA services.
- Percentage of rural microentrepreneurs that received both microloans and technical assistance.
- Percentage of the total number of rural microentrepreneurs by minority, disabled, and/or gender that received both microloans and TA services.
- Ratio of technical assistance clients that also received microloans.

Ability to provide TA to microentrepreneurs. Provide a narrative of not more than five pages describing its teaching and training method(s) and discussing the outcomes of its endeavors.

Technical assistance plan. Provide a plan for the provision of technical assistance explaining how the funding will benefit the current program and how it will allow the applicant to expand its non-program microlending activities.

Proposed administrative expenses to be spent from TA grant funds. Identify what percentage of their TA grant they plan on spending on administrative expenses.

E. Application Requirements for Microlenders with More than 5 Years' Experience in the Program

Applicants that are microlenders with more than 5 years' experience with the program should follow the guidance set at 7 CFR §4280.316(e) for the re-application requirements. Additionally, in lieu of the information required in paragraph A, a microlender with more than 5 years' experience in the program may instead submit the following information:

- A letter of request for funding stating the amount of loan and grant funding being requested.
- An indication of the loan and/or grant amounts being requested accompanied by a completed SF-424 and any pertinent attachments.
- An indication of the number of businesses to which loans were made that have been made that remained in business for 2 years or more after loan repayment.
- A recent resolution of the applicant's Board of Directors approving the application for debt.

G. Other

Request for Appeal. Applicable to all applicants, this requirement provides a mechanism for applicants to obtain review of Rural Development Business Programs decisions of an adverse nature.

Documentation prior to loan closing. Prior to loan closing, microlenders must provide evidence that the RMRF and loan loss reserve fund (LLRF) bank accounts have been set up and the LLRF has been, or will be, funded as described in 7 CFR §4280.311(g)(4). Such evidence consists of a pre-authorized debit form, an Agency-approved automatic deposit authorization form, and a statement from the depository institution as to the amount of cash in the LLRF account. In addition, the microlender must provide the promissory note, security agreements, and loan closure.

Lender certification at loan closing. At loan closing, the microlender must certify that all requirements of the letter of conditions have been met and that there have been no material adverse change(s) in the microlender or its financial condition since the issuance of the letter of conditions. If one or more adverse changes have occurred, the microlender must explain the change(s). The microlender must also submit an executed Agency-approved promissory note.

Poor Performance Reports. Other reports may be required by the Agency from time to time in the event of poor performance, one or more work out agreements, or other such occurrences that require more than the usual set of reporting information.

Annual budget. Microlenders must submit an annual budget of proposed administrative expenses for Agency approval. This is required to ensure compliance with the provision that not more than 10 percent of a technical assistance grant is used for administrative purposes.

REPORTING REQUIREMENTS – FORMS APPROVED WITH THIS DOCKET

Applicants will be required to submit the following forms that have been developed for and are available from USDA's Rural Development program offices:

AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions" or other written documentation. This form certifies that the applicant is not presently debarred, suspended, or voluntarily excluded from covered transactions by any Federal department or agency.

RD 400-4, "Assurance Agreement." All applicants and recipients are required to complete this form to comply with Civil Rights Acts and laws.

RD 400-8, "Compliance Review." This form certifies that the applicant is in compliance with nondiscrimination requirements for recipients of financial assistance through the Agency.

RD 402-1, "Deposit Agreement." This form, signed by the applicant, conveys to the Government a security interest in all money deposited into the account and requires that all withdrawals be counter-signed by a duly authorized representative of the Government.

RD 1940-1, "Request for Obligation of Funds." This form is completed for each note or commitment requiring an obligation of funds.

RD 1942-46, "Letter of Intent to Meet Conditions." This form is signed by the applicant to

certify that the applicant has received and understands the conditions set forth by the Government.

RD 4274-3, “Rural Microentrepreneur Assistance Program Promissory Note.” This form, signed by the applicant, is the promissory note that specifies the terms and conditions of the repayments of loan funds to the Government.

RD 4274-4, “Rural Microentrepreneur Assistance Program Loan Agreement.” This form specifies the terms for loans made by the Government to the applicant. The form specifies requirements such as disbursement procedures, relending provisions, collateral, and insurance requirements.

RD 4280-2, “Rural Business-Cooperative Service Financial Assistance Agreement.” This form sets forth the terms between the grantee and the Government regarding grants made under the program. The form specifies that the funds provided under the grant must be used only for the purposes approved by the Government.

Note: This form has replaced form RD 4280-3 “Rural Economic Development Grant/Rural Micro-entrepreneur Assistance Program Agreement,” included in the last submission. The Agency has condensed all of its grant financial assistance agreements into this form.

RD 1910-11, “Certification of No Federal Debt.” This form, signed by the applicant, authorizes the Federal Government to check credit information about the applicant(s) including using the Federal Credit Alert Interactive Voice Response System (CAIVRS) or its successors to check to see if the applicant(s) are delinquent or in default on a Federal debt.

REPORTING REQUIREMENTS - FORMS APPROVED UNDER OTHER OMB NUMBERS

All applicants will be required to submit the following standard application forms. A “Request for Common Form” will be done for each of the following five Standard Forms (SF) to cover burden:

SF-424, “Application for Federal Assistance” (OMB No. 4040-0004). This is the standard application required to be executed for all Federal grant programs. It is used as the required face sheet for applications for Federal grant funding. Request for Common Forms (RCF) was completed.

SF-424A, “Budget Information - Non-Construction Programs” (OMB No. 4040-0006). This form must be completed by applicants to show the anticipated budget breakdown in terms of expense categories and division of Federal and non-Federal sources of funds. Identifying the requested funding by expense category is necessary to assure that the expense is necessary, is allowable under applicable Federal cost principles, and is not prohibited under any applicable Federal statute or regulation.

SF-424B, “Assurances - Non-Construction Programs” (OMB No. 4040-0007). This form must be completed by the applicant to provide the Federal Government certain assurances of the applicant's legal authority to apply for Federal assistance and financial capability to pay the non-Federal share of costs. The applicant also assures compliance with various legal and regulatory requirements as described in the form.

SF-270, “Request for Advance or Reimbursement” (OMB N. 4040-0012). This form is used to request payment of funds under the grant. Grant funds will not be disbursed on more than a monthly basis.

SF-LLL, “Disclosure of Lobbying Activities” OMB No. 4040-0013). All applicants are required to complete this form, regardless of their involvement in lobbying activities.

REPORTING REQUIREMENTS - QUARTERLY REPORTS

Microlenders are required under 7 CFR §§4280.311(h)(1) and 4280.320(a)(1) to keep appropriate records and to submit on a quarterly basis such information as the Secretary may require ensuring that funds provided are being used for the purposes for which the loan and/or grant was made.

A microlender is required to submit a separate report for each loan it has with the Agency except when RMRF accounts have been combined, in which case a single, combined quarterly report could be submitted. The effort to create a single, combined quarterly report is likely to be slightly less than submitting separate quarterly reports. For the purposes of the burden estimate, it is assumed that only separate quarterly reports will be submitted. This will result in a slight overestimate of burden.

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. Also describe any consideration of using information technology to reduce burden.

The Agency strongly encourages applicants to submit as much material as possible electronically using www.Grants.gov, which would allow the Agency to retrieve the applications electronically. Further, applicants who receive funding will be encouraged, but not required, to submit the quarterly reports electronically. However, the Agency will not totally require submission by electronic methods because some applicants may not have the technological expertise for electronic submission or may not have the equipment necessary for high technological information gathering. The Agency will prepare an application guide to help reduce the effort associated with preparing applications, which could be posted on the Agency's Web site along with all forms for the applicant to print off.

4. Describe efforts to identify duplication.

The Agency makes every effort to identify and prevent duplication of any form. The Agency is relying on existing forms used in the current Rural Development grant programs. If similar

information is found to be available from another Federal agency, every effort is made to utilize that information as is or in an appropriately modified form for this program.

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

The information collection required for this initiative places little or nominal burden on small entities beyond that performed in normal business practice. The Agency is using industry-standardized data elements and documents, supplementing them with Government-wide forms that are familiar to many applicants.

6. Describe the consequences 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 information collected under this program is the minimum necessary to conform to the requirements of the program regulations established by law. Information is collected when needed and cannot be collected less frequently and still meet the requirements of the programs. Failure to collect proper information could result in improper determinations of eligibility or improper use of funds.

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

- a. Requiring respondents to report information to the Agency more often than quarterly.
- b. Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it.
- c. Requiring respondents to submit more than an original and two copies of any document.
- d. Requiring respondents to retain records for more than 3 years.
- e. Not using statistical sampling.
- f. Requiring use of statistical data classification that has not been reviewed and approved by Office of Management and Budget (OMB).
- g. Requiring a pledge of confidentiality that is not supported by authority 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.
- h. 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 permissible by law.

There are no special circumstances. The collection of information is consistent with the guidelines in 5 CFR 1320.6.

8. Comments on Agency's notice in the Federal Register and efforts to consult with persons outside the Agency to obtain their views on the availability of data, frequency of collection, the clarity of the instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

A 60-day notice was published in the **Federal Register** on February 15, 2024 (89 FR 11811), which allowed for a 60-day comment period for the collection of information. No comments were received.

The Agency has relied on the experience obtained on the Small Business Administration's (SBA) microloan program and the U.S. Department of Agriculture (USDA) Rural Development's Intermediary Relending Program and believes that the requirements for implementing the RMAP are efficient and clear to encourage participation from all eligible entities.

The following outside persons were contacted:

Chief Executive Officer
Cooperative Business Assistance Corporation
328 Market Street
Camden, NJ 08102
hstone@cbaclenders.com

Executive Director
Northern Maine Development Commission
PO 779 – 11 West Preque Isle Road
Caribou, ME 04736
rclark@nmdc.org

Executive Director
Lake Agassiz Regional Development Corporation
417 Main Avenue, Suite 201
Fargo, ND 58103
amber@lakeagassiz.com

These consultants did not believe the paperwork or reporting process was difficult or more excessive than other Federal programs and felt that the reporting requirements were straight forward and necessary. They felt the availability of data was sufficient and the information being requested was needed to ensure funds are being used for the program's intended purposes.

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

No payments or gifts will be provided to respondents.

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

Confidentiality is not assured. Requests for release of records and information are processed in accordance with the Privacy Act of 1974.

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

There is no collection of any information that would be considered sensitive in nature or commonly considered private.

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

The following summarizes the estimated average annual burden associated with the program.

Burden Item	Estimated Yearly Average Burden
Number of respondents:	40
Annual responses:	410
Total hours:	2207
Cost per hour:	\$43.16
Total annual cost:	\$95,267

The wage rate utilized in the cost calculation are based on the Bureau of Labor Statistics, National Employment and Wage Estimates United States retrieved from recent \$/hr data from https://www.bls.gov/oes/current/oes_nat.htm/ as requested and calculated private sector loan officer \$/hr @ \$33.65 + 29.6% benefits = \$43.61/hr.

The attached spreadsheet provides the specific estimates.

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

There are no capital/start-up costs or operation/maintenance costs associated with this collection.

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

The estimated wage of Federal employees compiling the information is \$ 62.17 per hour. Wage gathered for a GS-13, step 5 in the 2024 GS Salary Table. The Pay Area of Washington-

Baltimore-Arlington, DC-MD-VA-WV-PA is considered.

The average annual cost to the Government is estimated to be \$155,853. The breakdown of cost to the Government by activity is as follows:

Allocation of Federal Government Costs

Activity	Number of Respondents	Burden Hours per Response	Rate*	Cost
Acknowledge and review application	40	6	\$62.17	\$14,920
Evaluate and score	40	11	\$62.17	\$27,354
Inform applicants of selection results	40	2	\$62.17	\$4,973
Review/evaluate applications for enhancement grants	0	16	\$62.17	\$0
Legal document preparation	40	6	\$62.17	\$14,920
Release and advance of funds	40	4	\$62.17	\$9,947
Review of Quarterly Reports	160	4	\$62.17	\$39,788
Review Poor Performance Reports	0	1	\$62.17	\$0
Review Annual Budgets	40	1	\$62.17	\$2,486
Administrative/Benefits 36.25%				\$41,465
Total				\$155,853

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

There is a slight increase in Federal Government Costs due to increase in FY 2024 GS Salary Table. The Pay Area of Washington-Baltimore-Arlington, DC-MD-VA-WV-PA. The cost of total benefits as a percentage of total hourly compensation for Federal Government employees has been calculated by multiplying 36.25% by the hourly OPM wage in accordance with OMB Memorandum M-08 13.

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

The results of this collection of information will not 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.

These forms are used in other Rural Development information collections; therefore, it is not practical to include an OMB expiration date because of the different expiration dates for each collection. RBS is seeking approval to not display the OMB expiration date on these forms.

18. Explain each exception to the certification statement in identified in item 19 of OMB 83-I.

There are no exceptions to the certification. The Agency is able to certify compliance with all provisions under Item 19.

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

The SCI calls for changes to improve services to the USDA customers. One aspect is providing one stop service for greater customer convenience in accessing USDA programs, including access to required forms.