

**2024 SUPPORTING STATEMENT  
PAPERWORK REDUCTION ACT SUBMISSION  
SERVICING OF WATER PROGRAMS LOANS AND GRANTS  
OMB NO. 0572-0137**

**A. Justification**

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

This information collection package covers the Servicing of Water Programs Loans and Grants regulation, [7 CFR part 1782](#). The regulation outlines the Rural Utilities Service's (RUS), an agency delivering the United States Department of Agriculture's (USDA) Rural Development Utilities Programs, hereinafter referred to as Rural Development (RD) and/or Agency, policies and procedures for servicing direct and insured Water and Waste Disposal loans and grants (WWLG); Watershed loans and advances (Watershed); Resource Conservation and Development loans (RCDL); Technical Assistance and Training grants (TAT); Emergency Community Water Assistance grants (ECWAG); Solid Waste Management grants (SWMG); and section 306C Water and Waste Facility loans and grants (Colonias/Tribal).

Loan and grant servicing is provided by the Agency in order to assist recipients in complying with the established objectives and requirements for loans and grants, repaying loans on schedule, acting in accordance with any necessary agreements, and protecting the Agency's financial interest. Servicing by the Agency includes, but is not limited to, the review of budgets, management reports, audits, and financial statements; performing operational inspections; providing, arranging, or recommending technical assistance; evaluating environmental impacts of proposed actions by the borrower; and performing civil rights compliance and graduation reviews.

The servicing actions during construction phase are covered under

- OMB No. 0572-0121 for WWLG, ECWAG, and Colonias/Tribal;
- OMB No. 0572-0112 for TAT and SWMG.

Routine and special servicing activities for the WWLG, Watershed, RCDL, TAT, ECWAG, SWMG, and Colonias/Tribal are covered under this package. Watershed program currently has two (2) loans that are being serviced, which we have accounted for one as routine and the other as special servicing action. RCDL program had one loan that was obligated in 1968 and the life of the loan was for 50 years. The servicing of the loan expired in 2018. RCDL has not made any other loans since 1968, does not anticipate any loans being obligated for the timeframe of this renewal period, and should any loans be made during the renewal period then it is assumed it would be well below 10 loans.

Routine servicing actions for TAT, ECWAG and SWMG are zero, because these programs are grants and typically do not have any servicing actions. These programs typically do not have special servicing actions either, but on rare occasions a transfer and assume may need to be completed; therefore, one (1) respondent was added for special servicing actions.

**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.**

The Agency provides forms and/or guidelines to assist in collection and submission of the information required to service loans and grants. In some cases, use of Agency forms is optional, and the borrower may submit the information required on other forms. The Agency utilizes existing RD forms to the greatest extent possible to continue to meet the needs of the program. The forms or related items completed by the borrower are submitted to and evaluated by the Agency servicing office. The information, mostly financial in nature, is required to determine if borrowers, based on their individual situations, qualify for the various servicing authorities.

The specific items, which impose burden under this regulation, are:

**REPORTING REQUIREMENTS – NON- FORMS  
(Items are in order of regulation appearance)**

**Routine Servicing Actions:**

Audits and Year-End Financial Reports (Written)

An annual audit under the Single Audit Act is required if a borrower expends \$750,000 or more in Federal financial assistance per fiscal year. The total Federal funds expended from all sources shall be used to determine Federal financial assistance expended. All audits are to be performed in accordance with [2 CFR part 200](#), as adopted by USDA through [2 CFR part 400](#). The audit must be prepared by an independent licensed Certified Public Accountant, or a State or Federal auditor if allowed by State law and must be submitted within 9 months of the borrower's fiscal year end.

All borrowers who are exempt from audits must provide RUS/RD with annual financial statements. This consists of a verification of the organization's balance sheet and statement of income and expense by an appropriate official of the organization. Forms RD 442-2 and 442-3 may be used. The financials must be submitted within 60 days of the organization's fiscal year-end.

Insurance (Written)

Borrowers must obtain adequate insurance to protect the Government's financial interest. The type of insurance varies by borrower and may include liability, workers compensation, floodplains, etc. The Agency will evaluate each transaction on a case-by-case basis.

Operating Budget (Written)

Applicants use the budget to project income and expense items and a complete cash flow. These projections are necessary in determining the source and reliability of the projected income and the adequacy of resources to repay the loan in a timely manner, operate and maintain the facility,

and maintain adequate reserves. Information can be provided on Form RD 442-7 or similar format can be used.

### **Special Servicing Actions:**

#### Environmental Evaluation (Written)

Certain servicing actions require borrowers to submit evidence that security property has been evaluated for releases of hazardous substances of petroleum products. The Agency requires that borrowers, at a minimum, complete a questionnaire prior to transaction approval. The requirement is necessary to protect the Government's interest when taking possession of property subject to environmental contamination.

#### Application for Commercial Credit – Graduation (Written)

Pursuant to [7 CFR 1782.11](#), Refinancing Requirements, existing borrowers are routinely reviewed to determine whether they have the capacity to refinance their outstanding indebtedness through a commercial credit source. The review, including the initial screening, is completed by the Agency using the Audit/Financial Statements. If the initial screening determines that they may be able to refinance, then the borrower is required to solicit credit from conventional sources. If the conventional creditor is willing, the borrower is required to refinance. The results of the review are recorded as applicable.

#### Appraisal (Written)

An appraisal, completed by a qualified, independent third-party source, may be required as a result of some contemplated servicing actions, such as transfer and assumptions and liquidation actions. The appraisal is completed in conformity with statutes and regulations by a licensed appraiser. The resulting report is reviewed by Agency staff to qualify the validity of the report

#### Conveyance Instrument - Purchase Agreement, etc. (Written)

In the instance that there is a sale or exchange of property, the participating parties must submit a fully authorized conveyance instrument that outlines the terms of the transfer, which is reviewed by the Agency for validity. This agreement must include language pertaining to civil rights covenants outlined in [7 CFR part 1901](#).

#### Rights and Obligations Assumptions Agreement (Written)

When there is a sale or exchange of secured property, the participating parties must submit a written agreement assuming all rights and obligations of the original borrower. If for any reason the assuming party does not wish to comply with the established parameters, then they are deemed an ineligible borrower and handled in accordance with established statutes and regulations. The Agreement, which could be in the form of a Purchase Agreement or another legally amenable format, must be reviewed and agreed to by the Agency.

#### Consent of Lienholders (Written)

The Agency must approve all transfers to eligible transferees. In order to protect the Agency's security interest, a determination must be made that no liens, judgments or similar claims against the security exist prior to transferring the property. The Agency requires the written consent of any other lienholder as a condition of approving the transfer. The impact on the public is limited to obtaining the written consent of lienholders.

#### Letter of Conditions (Written)

Following the review and initial authorization of a transfer and assumption transaction, the Agency will issue a Letter of Conditions, which is reviewed and agreed to by the involved parties. The Letter of Conditions spells out all terms, covenants, and other pertinent items relevant to the administration of the assumed loans. The applicant acknowledges the formal acceptance of the included items through Form RD 1942-46, Letter of Intent to Meet Conditions (below).

#### Insurance (Written)

According to [7 CFR 1782.13\(a\)\(9\)](#) for transfers the transferee will obtain insurance according to Agency requirements.

#### Security Instruments (Written)

Depending on the type of organizational structure and State statutes, it may be necessary to prepare new debt instruments to affect transfers and assumptions requested by borrowers. Transfers may require issuance of new debt instruments if more than one type of loan is used in financing a project, if loans were obligated in different fiscal years, or other extenuating circumstances exist. The precise form of the security agreement will vary by state and borrower.

#### Assumption/Disposition of Grant Agreement Terms (Written)

RUS requires borrowers/transferees and leases to assume all rights and obligations of the grant agreement for sales, transfers, or leases of a facility. To document the Assumption/Disposition of Grant Agreement Terms, all participating parties will agree to and execute an Agreement. The Agreement is reviewed and approved by the Agency to qualify for completeness.

#### Subordination/Parity Narrative Request (Written)

Borrowers may find it necessary to secure funding from outside sources to finance portions of their facility. The process may require that the Agency subordinate or lower its security position to a parity level. In order to approve a borrower's request to subordinate or parity debt, the Agency requires a written request from the borrower with supporting documentation as cited in [7 CFR 1782.17\(a\)](#).

#### Statement on Availability to Obtain Credit Elsewhere (Written)

In the instance that a borrower is seeking a Parity lien, the Agency must consider whether they can refinance the debt with conventional credit at reasonable rates and terms. The borrower must submit a statement and supplemental information in order to justify whether they can refinance. The Agency subsequently qualifies the submitted information. As needed, the Agency may request additional information. This is a separate review from the Graduation items previously referenced.

#### Management Agreements (Written)

When an Agency financed facility is to be leased or managed by other parties, the borrower must furnish copies of the proposed management agreement for approval by the Agency. The review and approval is necessary to protect the Government's interest. The borrower is ultimately responsible for operating, maintaining, and managing the facility even though the functions are

performed by a third party under a management agreement. RUS Bulletin 1780-8 provides guidance for the minimum information to provide in developing management agreements.

Lease Contracts (Facility, Mineral, etc.) (Written)

When an Agency financed facility is to be leased or managed by other parties, the borrower must furnish copies of the proposed lease contracts for approval by the Agency. The review and approval are necessary to protect the Government's interest. The borrower is ultimately responsible for operating, maintaining, and managing the facility even though the functions are performed by a third party under a management agreement.

Bankruptcy Orders and Supplemental Information (Written)

In the event that a borrower enters a situation calling for debt settlement, either partially or in whole, the borrower must submit any Bankruptcy Orders or other relevant supplemental information. This includes all Court Orders, legal documents, or information related thereto. The Agency then reviews the information in accordance with established regulations and procedures.

Repayment Agreement (Written)

Borrowers subject to the Treasury Offset Program are provided an opportunity to avoid being submitted by entering into a written repayment agreement. The repayment agreement allows borrowers to avoid future Federal assistance payments offset by agreeing to a new repayment agreement. The Agreement is reviewed and approved by the Agency.

Rescheduling Agreement (Written)

At times it is advantageous for borrowers to reschedule debt instead of issuing a new debt instrument to effect re-amortization of a loan. When the Borrower requests debt rescheduling from the Agency, a Rescheduling Agreement should be provided. Staff Instruction 1782-1, Exhibit E may be provided as an example for drafting the agreement.

Voluntary Conveyance - Board Resolution (Written)

If a borrower decides to voluntarily convey any property to the Agency, the borrower's authorizing documents must be submitted for review. An action of this nature will require a Board Resolution, or similar document, summarizing a vote of leadership to proceed with said action. The Resolution, or supplemental document, and its supporting information is vital to ensuring that the Agency can adhere to established regulations and procedures.

**REPORTING REQUIREMENTS – FORMS APPROVED WITH THIS OMB PACKAGE  
(Items are in order of regulation appearance)**

**Special Servicing Actions:**

Re-amortization Request (Form RD 1951-33; OMB No. 0572-0137; 0575-0066)

The Re-amortization Request is used to re-amortize an existing loan and to modify the terms of the original loan agreement. The Agency has several tools available, such as a re-amortization with interest rate reduction, which may allow for additional cash flow so the borrower is able to

remain current. This form is reviewed by the Agency and implemented in accordance with the terms of the Work Agreement or other effective agreements.

Offer to Convey Security (Form RD 1955-1; OMB No. 0572-0137; 0575-0172)

The Offer to Convey Security is used to formally document the conveyance real estate security property to the Agency (Government). The borrower prepares and signs the form with the assistance of the RD servicing official.

Application for Settlement of Indebtedness (Form RD 3560-57; OMB No. 0572-0137; 0575-0189)

Prior to approving debt settlement actions, RUS prepares, and the borrower must sign the Application for Settlement. This form is prepared to effect a write-off of a borrower’s Agency debt.

Statement of Budget, Income, & Equity (Form RD 442-2; OMB No. 0572-0137; 0575-0015, 0200)

The Agency requires submission of this form in order to perform annual financial analysis and/or a thorough graduation review to determine if the borrower has the financial capability to secure financing from commercial sources. Form 442-2 is used by borrowers that did not have a formal audit completed.

Letter of Intent to Meet Conditions (Form RD 1942-46; OMB No. 0570-0021, 0061, 0062; 0572-0137; 0575-0015)

Borrowers must sign the Letter of Intent prior to the Agency approving all applicable actions. The form is necessary because it signifies the borrower’s commitment to the terms and conditions specified in the Letter of Conditions. It also specifies a period of time during which the borrower will comply with the items defined.

**Other OMB Packages that Use Forms from this Package:**

From the forms listed above, Table 2.1 provides a list of the other OMB Packages that use the forms from this package:

**Table 2.1 – Other OMB Packages that Use Forms from this Package**

<b>Package OMB Control No.</b>	<b>Form No.</b>	<b>Form Name</b>
0572-0121	RD 442-2	Statement of Budget, Income, and Equity
0572-0121	RD 442-3	Balance Sheet
0572-0121	RD 1942-46	Letter of Intent to Meet Conditions

The burden associated with the forms listed in Table 2.1 are provided in the Burden Hours workbook.

**REPORTING REQUIREMENTS – FORMS APPROVED UNDER OTHER OMB  
CONTROL NUMBERS  
(Items are in order of regulation appearance)**

**Routine Servicing Actions:**

Operating Budget (Form RD 442-7; OMB no. 0575-0015)

Applicants use the form to project income and expense items and a complete cash flow. These projections are necessary in determining the source and reliability of the projected income and the adequacy of resources to repay the loan in a timely manner, operate and maintain the facility, and maintain adequate reserves. Information can be provided on Form RD 442-7 or similar format can be used (covered under written burden).

**Special Servicing Actions:**

Community Programs Workout Agreement (Form RD 1951-10; OMB No. 0575-0066)

Borrowers unable to bring delinquent accounts current are requested by the Agency to adopt a Workout Agreement. The Agreement is necessary to develop a plan to eliminate the delinquent amount and provide written documentation of steps to be taken to ensure the agreement is completed as planned. This form can be used proactively in anticipation of future financial issues to avoid default, which may lead to other advanced servicing actions.

Compliance Review (Form RD 400-8; OMB No. 0570-0062; 0575-0018, 0189)

In accordance with RD Instruction 1901-E and applicable statutes, a Compliance Review must be completed for each award. Subsequent reviews are to be completed as outlined. The purpose of the review is to ensure that there are no inequities in the service being provided. This also applies to the organization's composition in addition to the system users. Form RD 400-8 outlines the applicable questions and topics.

Authorization Agreement for Preauthorized Payments (Form RD 3550-28; OMB No. 0575-0184)

Payments may be submitted manually or through pre-authorized debits (PAD). It is the Agency's stance that PAD be used in all instances, except where it is not technologically feasible. This has helped reduce instances of delinquency and increase program efficiencies. This form is required for each separate loan and may be cancelled at any time. The PAD form will be completed and submitted by 566 borrowers at 30 minutes per response.

Balance Sheet (Form RD 442-3; OMB No. 0575-0015)

A balance sheet is required in order for the Agency to perform annual financial analysis and/or a thorough graduation review to determine if the borrower has the financial capability to secure financing from commercial sources. Form 442-2 is used by borrowers that did not have a formal audit completed.

Application for Partial Release, Subordination, or Consent (Form RD 465-1; OMB No. 0560-0236)

Borrowers requesting approval to subordinate RUS debt must submit Form RD 465-1. The form is necessary in order for the Agency to approve subordination requests, junior liens, or partial release from the terms of real estate security instruments. All information is reviewed and qualified by the Agency.

Assurance Agreement (Form RD 400-4; OMB No. 0575-0201)

The Assurance Agreement form is executed in instances that borrower purchase or exchange property. It establishes that the property will be used for similar purposes as the loan or grant was made and that the borrower will comply with civil rights provisions contained in [7 CFR part 1901](#). The impact on the borrower is limited to the time required to read and include a signature on Form RD 400-4.

Applicant Certification, Federal Collection Policies for Consumer/Commercial Debts (RD Form 1910-11; OMB No. 0570-0062)

This form is completed by all borrowers who are seeking to complete a transfer and assumption to an eligible borrower. This form outlines the Agency's right to verify and, subsequently, report any form of monetary or non-monetary default. It lists various actions that may be taken by the Agency in an attempt to remedy the issue.

Application for Federal Assistance (Form SF- 424; OMB No. 4040-0004)

Applicants use this form as a required cover sheet for applications submitted for loans and grants. The application is an official form required for all Federal grants and requests basic information about the applicant and the proposed project. This form is submitted when processing certain servicing actions.

Budget Information- Non-Construction Programs (Form SF-424-A; OMB No. 4040-0006)

Applicants project costs and expenses for the project. As this application would be filed under advanced servicing, there will be no construction involved. Therefore, Attachment A, Non-Construction Programs would be used, as opposed to Attachment C, Construction Programs. The form also provides information on matching funds.

Community Programs Assumption Agreement (Form RD 1951-15; OMB No. 575-0066)

The Assumption Agreement is used to affect the transfer of Agency loans to a different entity and the form establishes the effective date of the transfer. Borrowers must sign the assumption agreement to finalize a transfer and assumption of Agency debt.

Preliminary Title Opinion (Form RD 1927-9; OMB No. 0575-0147, 0189)

Applicants' attorneys use this form to reflect title to real property owned or to be purchased. This form is required for any transaction that deals with the sale or exchange of property. The form is reviewed by the Agency to ensure that, among other things, there are no right-of-way or ownership issues

Operating Budget (Form RD 442-7; OMB No. 0575-0015)

Borrowers requesting parity, for projects where construction is involved, will submit an Operating Budget with the request. The Agency reviews the form to ensure that there are no financial, or other barriers, which will affect the Agency's position.

**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.**

RUS is committed to complying with the E-Government Act, to promote the use of the Internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes. The agency encourages applicants to submit material electronically and the Agency issued forms associated with this collection are fillable and printable on the USDA eForms [website](#). [7 CFR part 1782](#) requires borrowers to submit information and does not exclude electronic transmission, such as electronic mail. Borrower request and information can be accepted electronically.

There are ongoing efforts to digitize the Agency's portfolio. The Agency's processing software is able to store digital copies of the items referenced herein; however, there currently is no standardized electronic platform for the borrowers to submit the material.

**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.**

The information required to determine eligibility for various servicing options is not captured on other forms and is specific to each borrower. Each form required is unique to that particular servicing benefit. To combine these forms would only serve to confuse the borrower since each borrower has certain responsibilities to be carried out pertaining to the proposed action. Therefore, no duplication exists. The use of certain Agency forms is negotiable; however, the borrower must submit all solicited information required, including the assertion of any clauses, covenants, or other conditions. For example, a current balance sheet and statement of revenue is required from the borrower to determine the borrower's financial position.

**5. If the collection of information impacts small businesses or other small entities (item 5 of OMB Form 83-1), describe any methods used to minimize burden.**

The term "small entity" has the same meaning as the terms "small business," "small organization," and "small governmental jurisdiction" in accordance with 5 USC 601(6). The Small Business Administration (SBA) establishes a Table of Small Business Size Standards which matches to industries described in the North American Industry Classification System (NAICS). According to the established SBA standards, 100 percent of RUS WEP programs are classified as small entities. RUS is conscious of the needs of small entities. All forms are available electronically and RUS does not prohibit transmission of the information electronically. The information collected is unique to each borrower and is the minimum necessary to administer the servicing program.

**6. Describe the consequences to Federal program or policy activities in the collection is not**

**conducted or conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

The collection of information is obtained only when needed for purposes related to loan security. The information is specific to each servicing incident and cannot be collected on a less frequent basis and meet the requirements of the program. Failure to collect adequate information from borrowers could result in improper determinations of eligibility, identification of servicing needs and actions, and processing of selected mechanisms. The preceding could in turn could lead to other issues, such as unauthorized assistance.

**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.

All routine servicing items are collected on an annual basis. All information related to advanced servicing actions is submitted based on the request for a servicing action, but generally not more than quarterly.

- b. Requiring written responses in less than 30 days.

No such requirement

- c. Requiring more than an original and two copies.

The Agency does not request more than an original and two copies of any document.

- d. Requiring respondents to retain records for more than 3 years.

Unless otherwise noted by statute, the Agency does not require applicants to retain records for more than 3 years beyond the designated action's effective date.

- e. That is not designed to produce valid and reliable results that can be generalized to the universe of study.

This collection does not involve statistical information.

- f. Requiring use of statistical sampling which has not been reviewed and approved by OMB.

This collection does not involve statistical sampling.

- g. Requiring a pledge of confidentiality.

This collection does not require a pledge of confidentiality.

- h. Requiring submission of proprietary trade secrets.

This collection does not require submission of proprietary trade secrets.

**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.**

RUS published a notice requesting comment on the extension of the previously approved information collection for the programs (see [89 FR 68387](#), August 26, 2024). The 60-day comment period closed on October 25, 2024. One public comment was received, but it did not pertain to the Information Collection package. No other comments were received.

In addition, the Agency contacted the following individuals at organizations that have participated in the program in the past to obtain their feedback on the amount of time needed to prepare a proposal and performance reports.

Clark Shores Water Corporation  
WWLG

- PO Box 1122, Lakeville MA
- President, 781-689-5509
- [clarkshoreswatercorporation@gmail.com](mailto:clarkshoreswatercorporation@gmail.com)
- Amount of servicing and reporting required was reasonable based on the amount of funds and use. USDA staff and website very helpful in finding requirements, forms, and instructions. Record keeping was a bit confusing on keeping records for the life of the loan and reserve account requirements.

Maricopa Mountain Domestic Water Improvement District  
Colonias

- 727 North Amarillo Valley Road, Maricopa, AZ
- Office Manager, 520-424-9646
- Felt servicing forms, instructions, and reporting requirements were easy to find and follow. Servicing requirements were laid out in the grant agreement and Letter of Conditions.

Turtle Mountain Public Utilities Commission  
Tribal

- PO Box 490, Belcourt, North Dakota
- President, 701-477-6159
- Reporting was reasonable, but would have liked more information in the application, seems to be different thresholds and criteria for different applications, USDA staff always helpful and give clear directions, website is helpful as well.

**9. Explain any decision to provide any payment or gift to respondents, other than remuneration 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.**

No assurance of confidentiality has been provided to the respondents.

The Agency published a Privacy Act of 1974; System of Records in the Federal Register on September 6, 2024 ([89 FR 72820](#)).

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

Financial information is being requested to determine the eligibility for various servicing benefits. There are no questions of a sensitive nature, as outlined in this question.

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

Table 12.1, Total Cost of Burden, shown below summarizes the estimated average annual burden associated with the programs covered within this package plus the estimated average annual burden associated with the programs that use the Forms cleared in this package. The attached Burden Hours workbook provides an Information Collection Burden Hours worksheet that details the estimates.

**Table 12.1 - Total Cost of Burden**

<b>Burden Item</b>	<b>0572-0137 Burden</b>	<b>0572-0121 Use of Forms Burden</b>	<b>Total Estimated Yearly Average Burden</b>
Number of Respondents	4,064	374	4,438
Annual responses:	11,949	1,122	13,071
Total hours:	26,457	1,683	28,140
Cost per hour:	\$82.68	\$75	
Total annual cost:	\$2,187,465	\$126,225	\$2,313,690

The attached Burden Hours workbook provides an Estimated Professional Wage Rate worksheet that shows the detailed calculation for the weighted wage rate of \$82.68 cost per hour above for the 0572-0137 burden. The U.S. Department of Labor, Bureau of Labor Statistics, Occupational Employment and Wage Statistics, May 2023 Occupation Profiles ([List of SOC Occupations \(bls.gov\)](#)) was used to obtain the Mean Hourly Wage for each position identified. Table 12.2 provides the four (4) positions identified for this calculation along with each Occupation Codes and Mean Hourly Wage. The benefits for each position was calculated by using the total benefits percentage of 29.7% for private industry workers from the U.S. Department of Labor, Bureau of Labor Statistics, Economic News Release, Employer Costs for Employee Compensation – June

2024 ([Employer Costs for Employee Compensation - 2024 Q01 Results \(bls.gov\)](https://www.bls.gov/news.release/empcost202401.pdf)). This similar process was used to calculate the weighted wage rate of \$75 cost per hour above for the 0572-0121 Use of Forms burden, which was done in the recent renewal package for 0572-0121.

**Table 12.2 – Mean Hourly Rates per Position (0572-0137)**

Profession	Bureau of Labor Occupation Code	Mean Wage
General and Operations Manager	11-1021	\$62.18
Civil Engineers	17-2051	\$48.64
Lawyers	23-1011	\$84.84
Court, Municipal, and License Clerks	43-4031	\$23.44

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

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

The programs currently do not have an official written policy for electronic signatures, but a policy is currently being worked on. Until a policy is officially issued, it is anticipated that wet signatures will be required by the borrower for a portion of the documents listed in Table 13.1 below. Table 13.1 also includes the assumed percentage of responses to be mailed and the estimated total number of documents to be mailed to the Agency by the borrower.

**Table 13.1 – Total Documents to be Mailed to the Agency by the Borrower for Special Servicing Actions**

Document	Total Responses	Assumed % of Responses to be Mailed	Total Documents to be Mailed
Conveyance Instrument – Purchase Agreement, etc.	14	5%	1
Rights and Obligations Assumption Agreement	14	5%	1
Security Instruments	108	20%	22
Assumption/Disposition of Grant Agreement Terms	14	5%	1
<b>Total</b>			<b>25</b>

The Agency estimates a total of zero and 25 documents to be mailed to the Agency by the borrower for routine and special servicing actions. The United States Postal Service charges \$9.95 to ship a legal, flat rate envelope. Using this as a basis, the total estimated burden for returning the documents is \$9.95 per document or \$248.75.

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

The estimated Annualized Cost to the Federal Government is \$4,834,769, which is summarized in table 14.1 below. The attached Burden Hours workbook provides an Annualized Cost to the Federal Government worksheet that details the following:

- Three (3) Review Types
- Staff Positions for each Review Step.
- Calculated Wages Rates for each Staff Position.
- Number of hours required for each Staff Position.
- Total Cost for each Staff Position, Review Type and to the Federal Government.

**Table 14.1: Total Cost to the Federal Government**

<b>Review Type</b>	<b>Cost of Each</b>	<b>Number of Responses</b>	<b>Total Cost</b>
Routine Servicing Actions Review	\$528.89	3,929	\$2,078,009
Special Servicing Actions Review	\$17,422.48	135	\$2,352,035
Graduation Reviews	\$132.22	3,061	\$404,725
<b>Total Cost to Federal Government</b>	<b>\$18,083</b>		<b>\$4,834,769</b>

*Review Types.* Brief explanation of the three (3) review types below.

- Routine Servicing Actions Reviews – Agency yearly review of audits and year-end financial reports, insurance, and budget for the life of the loan.
- Special Servicing Actions Reviews – Agency review for items listed within 12 BH Collection Tab in the attached Burden Hours workbook.
- Graduation Reviews – Graduation is payment in full with funds from other lenders/sources of one or more USDA insured loan(s) before maturity. Graduation reviews are for loans over 5 years old and based on the year that the entity’s first loan was ever closed and depending on if it occurred in an even or odd year. The field office loan specialist will review borrowers who have been indebted for at least 5 years by generating a Graduation Report each year to see which graduation reviews need to be completed. The first review for a borrower will be conducted in the 6<sup>th</sup> year of the newest loan to the year of loan closing.

*Staff positions, GS Salary, and Total Salary Rate Calculated.* Table 14.2 below provides the staff positions used for the Review Types along with each Staff Positions General Schedule (GS) Grade, Step and Salary. The GS Salary was obtained by using Tables 2024-SL ([Pay & Leave : Salaries & Wages - OPM.gov](https://www.opm.gov/policy-data-oversight/salaries-and-wages/)) from the U.S. Office of Personnel Management (OPM), Policy, Pay & Leave, Salaries & Wages.

**Table 14.2: Staff Positions and GS Salary**

<b>Staff Position</b>	<b>GS Grade</b>	<b>GS Step</b>	<b>GS Salary</b>
Loan Specialist - Field Office	12	5	\$100,926
Program Director - State Office	13	5	\$120,018
Loan Specialist - State Office	12	5	\$100,926
State Engineer - State Office	12	5	\$100,926

State Environmental Coordinator - State Office	12	5	\$100,926
Loan Specialist - National Office	13	5	\$120,018
Branch Chief - National Office	14	5	\$141,824
Water Programs Director - National Office	15	5	\$166,818

The Agency calculated the Hourly Rate by dividing the GS Salary by 52 weeks a year and then dividing that result by 40 hours per week. The benefits for each position was calculated by using the civilian position full fringe benefit cost factor of 36.25% from the Office of Management and Budget (OMB) Memorandum for the Heads of Executive Departments and Agencies (M-08-13) dated March 11, 2008 ([Memorandum for the Heads of Executive Departments and Agencies \(whitehouse.gov\)](http://www.whitehouse.gov)).

**15. Explain the reasons for any program changes or adjustments reported in items 13 or 14 of the OMB Form 83-1.**

This is a revision of a currently approved collection. The total number of respondents increased by 4,410 from 28 in the previous collection to 4,438 for this collection. The total burden hours for this collection are 28,140, an increase of 27,414 from the previous information collection package estimate (which was 726 burden hours). The total burden cost increased by \$2,280,571 from \$33,119 in the previous collection to \$2,313,690 for this collection. The increase in burden cost for this collection is due to the following:

- The previous collection packages only counted burden for special servicing actions for new respondents being added and did not include those that are already being serviced. The total number of respondents were updated to include those that are already being serviced yearly. In addition, adjustments to previous burden items (special servicing actions) to better represent what occurs with the programs.
- Routine servicing actions were not accounted for in the previous collection packages. The total number of respondents were updated along with burden items to include routine servicing actions.
- The burden associated with Other OMB Packages that use the forms from this package was added.
- The professional wage rate was updated to use the most current data.

The previous collection packages did not account for documents being mailed to the Agency by the borrower. This collection package updated to include the estimated cost for packages being mailed by the borrower, which is covered in Item 13 above. This updated resulted in an increase in burden.

The estimated Annualized Cost to the Federal Government increased by \$4,756,384 from \$78,385 in the previous collection to \$4,834,769 for this collection. The increase for the estimated Annualized Cost to the Federal Government is due to the following:

- The total number of responses for routine and special servicing actions increased from 304 and 28 to 3,929 and 135. The previous collection packages only counted for new responses being added and did not include those that are already being serviced. The

total number of responses were updated to include those that are already being serviced yearly.

- The previous collection package included Loan Specialist – Field Office and Loan Specialist – National Office as the staff positions. The staff positions have been updated to better represent what occurs with the programs.
- Graduation Reviews were added, which has not been previously captured in previous collection packages.
- The GS Salary for each staff position was updated using the current OPM GS pay tables.
- Hours required for each staff position was updated.

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

There are no plans for publication of information collected.

**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. RUS is seeking approval to not display the OMB expiration date on these forms.

**18. Explain each exception to the certification statement identified in item 19 on OMB 83-1.**

There are no exceptions requested to the certification statement involved with this collection request.

**B. Collection of Information Employing Statistical Methods.**

This collection does not involve a survey. Thus, this collection does not employ statistical methods.