

**PAPERWORK REDUCTION ACT SUBMISSION**  
**Supporting Statement for**  
**U.S. Small Business Administration**  
**Fee Disclosure and Compensation Agreement**  
**(OMB Control Number 3245-0201)**

**Overview of Information Collection.**

SBA is requesting reinstatement of this information collection with minor revisions to Form 159 and Form 159D, as described below.

SBA Form 159

- Relocated Applicant's Certifications statement and signature line to after SBA Lender's Certifications statement and signature line.

SBA Form 159D

- Revised the section for returning the completed form by including the customer service email address and a link to the online customer portal.
- Revised the Privacy Act System of Records Notices (SORNs) section by changing the name of the SORN to Disaster Loans Case Files - SBA 20 and referencing the current published version in the Federal Register. SBA is in the process of updating the SORNs and SBA 20 will subsequently be part of Loans Systems SBA 21 (SOR 21).

**1. Need & Method for the Information Collection.**

SBA Form 159

Section 13 of the Small Business Act (15 U.S.C. 642) requires that no loan be made or equipment, facilities, or services furnished by the Administration under this Act to any business enterprise unless the owners, partners, or officers of such business enterprise certify to the Administration the names of any attorneys, agents, or other persons engaged by or on behalf of such business enterprise for the purpose of expediting applications made to the Administration for assistance of any sort and the fees paid or to be paid to any such persons.

The implementing regulations for this statutory requirement are provided in 13 CFR Part 103 and 13 CFR §§ 120.221 and 120.222. Agents (as defined in 13 CFR § 103.1) are required by 13 CFR § 103.5 to execute and provide to SBA a compensation agreement showing the compensation charged for services rendered or to be rendered to the Applicant or SBA Lender in any matter involving SBA assistance. SOP 50 10 further clarifies when compensation agreements are required and who should execute the document.

SBA Form 159D

Section 13 of the Small Business Act and 13 CFR 103.5 also govern the requirement for any agent or packager to execute and provide to SBA a compensation agreement in connection with a disaster loan. The SOP 50 30 states that SBA disaster loan applications must include a list of paid agents retained by the Applicant, as well as compensation for their services. It also clarifies that a compensation agreement is only required when the compensation exceeds certain thresholds: \$500 for home disaster loans and \$2,500 for business disaster loans. Applicants may elect to submit a paper version of the form by mailing it to the Disaster Processing and Disbursement Center, by emailing it to the Disaster Customer Service at [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov), or by submitting it online through the [MySBA Loan Portal](#). If the SBA Form 159D is not collected, the SBA will be unable to ensure that the applicant is not being charged excessive fees and that the fees are reasonable in relation to the services provided.

## **2. Use of the information.**

This information collection is used by the 7(a), 504, and Disaster loan programs to collect information about Agents, the services they provide, compensation rendered, and who paid the compensation. The information is instrumental to the integrity of the applicable SBA lending programs and is used to monitor the fees charged by Agents and the relationships between Agents and SBA Lenders. The information helps SBA determine, among other things, if Applicants are paying unnecessary, unreasonable, and/or prohibited fees.

### **SBA Form 159**

SBA Form 159 is used by SBA Lenders and loan Applicants to disclose the name of any Agent involved in an application for SBA financial assistance and the fees paid or to be paid to the Agent(s). The form captures information about the Agent, the services provided, the fees paid, and if the fees were paid by the Applicant or SBA Lender.

The form may be completed at any point during the origination process with submission requirements outlined in the applicable SOP. For 7(a) loans, the 7(a) Lender should submit the completed form at loan closing or no later than the initial disbursement on the loan in conjunction with a Lender's 1502 monthly report within two such reporting cycles, using the Capital Access Financial System (CAFS). For 504 loans, the CDC should submit the completed form within 30 calendars of the debenture funding, using the Corporate Governance Repository. All SBA Lenders are required to retain the original document and all supporting documentation in the loan file.

In addition, as part of lender oversight activities, the SBA uses the information collected to ensure SBA Lenders are originating loans meeting SBA Loan Program Requirements as it pertains to Applicant fees.

### **SBA Form 159D**

SBA Form 159D collects information from Applicants and Agents that is used by SBA to establish that there is no appearance of unlawful or unethical activity by Agents who receive compensation in exchange for representing Applicants for an SBA Disaster loan. The form is not used by other Federal agencies.

## **3. Use of Information Technology.**

### **SBA Form 159**

This form is available through <https://caweb.sba.gov/>. SBA Lenders will also be able to generate the form through various third-party software platforms; SBA Lenders may generate the form through CAFS. SBA Lenders will access, complete, and submit an executed copy electronically via the Corporate Governance Repository.

### **SBA Form 159D**

This information collection provides disaster loan applicants the option to complete SBA Form 159 online and submit it electronically through the MySBA Loan Portal. The MySBA Loan Portal is a web-based platform that allows disaster loan applicants to access and modify existing data records as well as upload required documents through a secure portal. The portal also allows SBA borrowers to view loan information, make payments, and access disaster loan statements. The form is available as a fillable PDF on SBA's website ([Fee Disclosure Form and Compensation Agreement | U.S. Small Business Administration \(sba.gov\)](#)).

## **4. Non-duplication.**

### SBA Form 159

The information collected is unique to each application; therefore, any information previously submitted would be of little value in assessing the compensation on a given loan.

### SBA Form 159D

In the SBA Disaster loan program some similar, but not identical, information is collected on SBA Form 5, Disaster Business Loan Application, and SBA Form 5c, Disaster Home Loan Application. Specifically, those forms collect the Agent's name, address, telephone number, and the compensation amount; whereas the purpose of Form 159(D) is to collect detailed information about the services provided, the length of time it took to provide that service, and the amount the Agent charged for any such service. The information allows SBA to determine whether the compensation amount paid to the Agent is reasonable under the circumstances and is not available elsewhere.

The duplicative information is minimally burdensome and facilitates SBA's correlation of Form 159(D) with the correct loan applicant. Not all applicants hire Agents, and SBA only requires completion of this form when an Agent is receiving compensation from the Applicant over certain allowable thresholds—generally \$500 for home disaster loans and \$2,500 for business disaster loans. Therefore, using the disaster loan application would increase the burden to the majority of the loan applicants.

## **5. Burden on Small Business.**

### SBA Form 159

Respondents include Lenders (some of which may be small), small business loan applicants, and Agents (some of which may be small). However, since the information collected is minimal and readily available, this information collection does not impose a significant economic burden on the less than 6,000 respondents annually.

### SBA Form 159D

Some of the respondents may be small businesses; however, the impact on such small businesses is minimal. Not all applicants hire Agents, and SBA only requires completion of this form when an Agent is receiving compensation from the Applicant over certain allowable thresholds generally \$500 for home disaster loans and \$2,500 for business disaster loans.

## **6. Less Frequent Collection.**

### SBA Form 159

This information is collected once at loan closing and allows the Agency to provide small businesses access to capital in an efficient and timely manner, while complying with its statutory and regulatory authorities. Failure to collect the information would result in SBA's non-compliance with the statutory requirement. It collect information from recipients of financial assistance about compensation paid to Agents and would hinder the Agency's ability to properly monitor the fees being charged in connection with SBA-guaranteed loans. Also, SBA would not be able to properly perform its lender oversight responsibilities and ensure its lending partners are complying with SBA Loan Program Requirements concerning permissible fees.

### SBA Form 159D

Failure to collect the Form 159D information would hinder the Agency's ability to properly monitor the fees being charged in connection with SBA disaster loans. In addition, if not completed, the Applicant risks being charged unreasonable fees.

## **7. Paperwork Reduction Act Guidelines.**

There are no special circumstances.

**8. Consultation and Public Comments.**

SBA published notice of this information collection in the Federal Register on September 6, 2024, at 89 FR 72919. The comment period ended on November 5, 2024; no comments were received.

**9. Gifts or Payment.**

There are no payments or gifts to respondents.

**10. Privacy and Confidentiality.**

There’s no assurance of confidentiality implied or stated on SBA form 159. The information provided will be protected to the extent permitted by law, including the Privacy Act, 5 U.S.C. § 552a, and the Freedom of Information Act, 5 U.S.C. § 552. The information collected on SBA Form 159 that could be perceived as personally identifiable information is the point of contact’s name. Name alone is insufficient to track to a unique individual and the contents of the form has not relativity to the point of contact. Although, a Privacy Impact Assessment is associated with this Capital Access Financial System, this form is not applicable to the PIA based upon its purpose. A system of record for this form is also not applicable.

**11. Sensitive Questions.**

Not applicable.

**12. Burden Estimate.**

SBA Form 159

SBA Form 159 is only required when fees are paid in connection with an application for SBA financial assistance. In some instances, more than one form may be required, as a separate form is required for each Agent who performed services and will be paid in connection with the application.

The estimated number of Form 159 submitted annually is based on the actual number of forms submitted in both the 7(a) and 504 loan programs from FY 2021 to 2023. For the 7(a) program, the average is 15,547 (13,785 + 17,336 + 15,519 = 46,640 / 3), and for the 504 program, the average is 320 (264 + 311 + 386 = 961 / 3). The total estimated annual submissions based on these averages is 15,867. In addition, SBA estimates that it takes a total of 20 minutes to complete the form.

Estimated cost is determined by taking the salary for a GS-12, Step 1 Federal employee’s (based on the 2025 General Schedule (Base)) annual salary of \$75,706 or \$36/ hour (rounded to the nearest whole dollar). The GS-12 pay grade is utilized in preparing this estimate as it is equivalent to the position normally held by a white-collar employee in a mid-level position.

|  | Requested | Program Change Due to New Statute | Program Change Due to Agency Discretion | Change Due to Adjustment in Agency Estimate | Change Due to Potential Violation of the PRA | Previously Approved |
|--|-----------|-----------------------------------|---|---|--|---------------------|
| Annual Number of Responses for this IC | 15,867    | 0                                 | 0                                       | 10,218                                      | 0  | 5,649               |

|                                 |         |   |   |         |   |        |
|---------------------------------|---------|---|---|---------|---|--------|
| Annual IC Time Burden (Hour)    | 5,289   | 0 | 0 | 3,406   | 0 | 1,883  |
| Annual IC Cost Burden (Dollars) | 190,404 | 0 | 0 | 130,148 | 0 | 60,256 |

Burden per Response:

|                        | Time Per Response | Hours | Cost Per Response |
|------------------------|-------------------|-------|-------------------|
| Reporting              | 20 minutes        | 0.33  | \$12              |
| Record Keeping         | 0                 | 0     | 0                 |
| Third Party Disclosure | 0                 | 0     | 0                 |
| Total                  | 20 minutes        | 0.33  | \$12              |

Annual Burden:

|                        | Annual Time Burden (Hours) | Annual Cost Burden (Dollars) |
|------------------------|----------------------------|------------------------------|
| Reporting              | 5,289                      | 190,404                      |
| Record Keeping         | 0                          | 0                            |
| Third Party Disclosure | 0                          | 0                            |
| Total                  | 5,289                      | 190,404                      |

**SBA Form 159D**

This form is only required if the fee paid to each agent exceeds \$500 for a disaster home loan and \$2,500 for a disaster business loan. It is estimated that only 1% of disaster loans approved annually require the use by the applicant of an agent or loan packager. The average number of disaster loans approved annually from fiscal year 2019 to 2023 (excluding COVID-19 Economic Injury Disaster Loans which expired in 2022) is 34,279 (42,369 + 10,945 + 38,409 + 36,565 + 43,106 / 5). Therefore, the estimated number of submissions of Form 159D is 343. The SBA estimates that it takes 5 minutes to review, complete, and submit the form, for a total of 1,715 minutes per year (343 x 5 min; converted to hours 1715/60 min = 29 hours).

The hourly rate for completing Form 159D is estimated to be comparable to a federal employee’s salary at the GS-12, Step 1 pay grade, based on the 2025 General Schedule (Base) annual salary \$75,706 or \$36 per hour (rounded to the nearest dollar).

|  | Requested | Program Change Due to New Statute | Program Change Due to Agency Discretion | Change Due to Adjustment in Agency Estimate | Change Due to Potential Violation of the | Previously Approved |
|--|-----------|-----------------------------------|---|---|--|---------------------|
|  |           |                                   |   |   |  |                     |

|  |         |   |   |       | PRA |         |
|--|---------|---|---|-------|-----|---------|
| Annual Number of Responses for this IC | 343     | 0 | 0 | 165   | 0   | 508     |
| Annual IC Time Burden (Hour)           | 29      | 0 | 0 | 13    | 0   | 442     |
| Annual IC Cost Burden (Dollars)        | \$1,044 | 0 | 0 | \$300 | 0   | \$1,344 |

Burden per Response:

|                        | Time Per Response | Hours | Cost Per Response |
|------------------------|-------------------|-------|-------------------|
| Reporting              | 5 minute          | 0.08  | \$3               |
| Record Keeping         | 0                 | 0     | 0                 |
| Third Party Disclosure | 0                 | 0     | 0                 |
| Total                  | 5 minutes         | 0.08  | \$3               |

Annual Burden:

|                        | Annual Time Burden (Hours) | Annual Cost Burden (Dollars) |
|------------------------|----------------------------|------------------------------|
| Reporting              | 29                         | \$1,044                      |
| Record Keeping         | 0                          | 0                            |
| Third Party Disclosure | 0                          | 0                            |
| Total                  | 29                         | \$1,044                      |

### **13. Estimated nonrecurring costs.**

There is no appreciable cost burden other than as reported in number 12 above to respond to this collection of information. Lenders and CDCs are required to maintain the original Form 159 in the loan file and submit a copy of the completed, printed, signed, and scanned document electronically post-closing to SBA. The Lenders upload other documents post-closing; therefore, this is not considered a material cost. The Form 159D is retained by SBA.

### **14. Estimated costs to the Government.**

#### SBA Form 159

The Form 159 is reviewed by analysts or contractors in SBA's Office of Credit Risk Management. The average salary of the analysts reviewing the forms is at the GS-13, Step 1 pay grade (\$90,025) based on the 2025 General Schedule (Base) or \$43/hour (rounded to the nearest whole dollar). There is no special equipment or overhead costs required to perform the review of Form 159. On average, the review of a

Form 159 takes 30 minutes. Therefore, the estimated annualized cost to the federal government for Form 159 is:  $(15,867 \times 30)/60 = 7,934$  hours.  $7,934 \times \$43/\text{hour} = \$227,427$ .

#### SBA Form 159D

Generally, the fee, if any, is below the threshold requiring the SBA Form 159D. In cases where the form is completed, it takes approximately 30 minutes to review. It is assumed that the average salary of the SBA analysts reviewing the forms is at the GS-12, Step 1 pay grade based on the 2025 General Schedule (Base) annual salary \$75,706 or \$36 per hour (rounded to the nearest dollar). There is no special equipment or overhead costs required to perform the review of Form 159D. Therefore, the estimated annualized cost to the federal government for Form 159D is \$6,192.  $(343 \times 30 \text{ min} = 10,290 \text{ minutes per year; converted to hours } 10,290/60 \text{ mins} = 172 \text{ hours. } 172 \times \$36 = \$6,192)$ .

#### **15. Reason for changes.**

The estimated overall burden hours and number of responses for this collection has increased. This is primarily due to the significant increase in the total number of responses for SBA Form 159s from SBA's last PRA submission, which can be attributed to the fact that the Paycheck Protection Program (PPP) as authorized by 7(a)(36) and (37) and related initiatives implemented by SBA in response to the COVID-19 pandemic did not require this form since no fees could be charged to the applicant under PPP as mandated by statute.

#### **16. Publicizing Results.**

Except for summary data that may be included in various Agency reports, this information will not be published.

#### **17. OMB Not to Display Approval.**

No such approval sought.

#### **18. Exceptions to "Certification for Paperwork Reduction Submissions."**

There are no exceptions.

#### **19. Surveys, Censuses, and Other Collections that Employ Statistical Methods.**

This collection of information does not employ statistical methods.