PAPERWORK REDUCTION ACT SUBMISSION
Supporting Statement for
U.S. Small Business Administration
Servicing Agent Agreement
(OMB Control Number 3245-0193)

PART A: JUSTIFICATION

Overview of Information Collection:

The SBA Form 1506 is used to determine if the loan proceeds have been used for the purposes authorized and also used by the borrower to accept and acknowledge the terms and conditions of the authorized SBA 504 loan.

SBA is requesting an approval for the update and extension of SBA Form 1506. The updated information is on the Central Servicing Agent (CSA) service provider information. SBA has made appropriate edits in the form to reflect the correct name of the CSA - Guidehouse Inc. The mailing address remains unchanged. The current form expired on November 30, 2025.

1. Need & Method for the Information Collection.

SBA regulations governing the Certified Development Loan Program, (commonly referred to as the 504 Loan Program) require Certified Development Companies (CDCs) and Borrowers to certify as to the authorized use of the borrowed funds and to execute SBA Form 1506, Servicing Agent Agreement (SAA), with the Central Servicing Agent (CSA) for each 504 loan to signify acceptance by the CDC and the Borrower of the terms of the Master Servicing Agent Agreement. See, 13 CFR §120.954(a); copy attached.

2. Use of the Information.

The SAA (SBA Form 1506) is used by the SBA to determine if the loan proceeds have been used for the purposes authorized. The form is also used by the borrower to: (a) accept the appointment of the CSA; (b) acknowledge the debenture and note terms; (c) agree to timely monthly payments to the CSA; (d) agree to the payment of certain fees connected with the closing and servicing of the loan and the debenture; (e) provide wire transfer instructions to the recipient bank; (f) acknowledge the prepayment penalties associated with the debenture; and (g) acknowledge receipt and acceptance of the loan and debenture closing documents subsequent to the sale of the debenture by the SBA and the CSA.

3. Use of Information Technology.

SBA Form 1506 is available to the public in electronic form, on SBA's website at http://www.sba.gov/category/navigation-structure/starting-managing-business/managing-business/forms. Enter "1506" in the Search box, then select "SBA form" as Document Type, then click "Apply." SBA Form 1506 will appear as the result of the search. The completed Agreement must be submitted to the CSA by mail at the address as listed on the form.

4. **Non-duplication.**

The information requested on this form is necessary to ensure proper disbursement of loan proceeds, as well as the acknowledgement by the CDC, the borrower and the Servicing Agent of all borrower fees being assessed, as well as the parties' duties and responsibilities under the servicing agreement. Except for minimal identification information, such as names, addresses, and loan numbers, etc., the information requested is unique to each transaction and is therefore not already available to SBA.

5. **Burden on Small Business.**

The collection involves information on the small businesses and their projects being financed. The information required is readily available from the businesses' records and the interim lender. There is no significant economic impact on these small businesses to provide this information to SBA.

6. **Less Frequent Collection.**

Data is collected only at the time of the loan/debenture closing. If the information were not collected, SBA could not properly determine whether the borrowers, CDCs, and the CSA were complying with program requirements in 13 CFR 120.954(a).

7. **Paperwork Reduction Act Guidelines.**

Not applicable. SBA does not require the collection of data to be conducted in a manner inconsistent with the guidelines in 5 CFR 1320.5.

8. **Consultation and Public Comments.**

Notice of this information collection with request for public comment was published in the Federal Register on September 12, 2025, at 90 FR 44281. The comment period ended on November 12, 2025; no comments were received.

9. **Gifts or Payment.**

Not applicable. There were no payments or gifts to respondents.

10. **Privacy & Confidentiality.**

Not applicable. No assurances of confidentiality are given. However, the information collected is maintained under conditions designed to restrict access to those agency personnel with a need to know and is protected from disclosure to the extent permitted by law, including the Freedom of Information Act, 5 U.S.C. 552.

11. **<u>Sensitive Questions.</u>**

Not applicable. This collection contains no questions of a sensitive nature.

12. **<u>Burden Estimate.</u>**

The number of responses for this Form 1506 is based on the 18,679 total loan closings during the past three fiscal years 2023 - 2025. Since one Form 1506 is submitted for each loan, the total number of responses during this period averaged 6,226 annually. At an estimated 1 hour per submission, the total estimated annual burden hours for this form are 6,226 hours.

Cost for hour burden:

The information on this form is prepared by an employee who is compensated at a rate equivalent to a government employee with an average grade of a GS-12 whose salary is averaged to be approximately $36.64 (rounded to $37) per hour based on the general schedule salary table.

The estimated annual cost to the respondents of this collection would therefore be $230,362 (6,226 closings for the annual period x 1 hour to complete x $37/hour = $230,362).

	Requested	Program Change Due to New Statute	Program Change Due to Agency Discretion	Change Due to Adjustment in Agency Estimate	Change Due to Potential Violatio n of the PRA	Previously Approved
Annual Number of Responses for this IC	6,226	0	-1,405	0	0	7,631
Annual IC Time Burden (Hour)	6,226	0	-1,405	0	0	7,631
Annual IC Cost Burden (Dollars)	$230,362	0	-21,461	0	0	251,823

Burden per Response:

	Time Per Response	Hours	Cost Per Response
Reporting	1	1	$37
Record Keeping	0	0	0
Third Party Disclosure	0	0	0
Total	1	1	$37

Annual Burden:

	Annual Time Burden (Hours)	Annual Cost Burden (Dollars)
Reporting	6,226	$230,362
Record Keeping	0	0
Third Party Disclosure	0	0
Total	6,226	$230,362

13. Estimated nonrecurring costs.

SBA estimates the total nonrecurring cost burden to respondents or record keepers resulting from the collection of information to be minimal.

14. Estimated cost to the Government.

The cost to the Federal Government/SBA for the collection is $104,286

The Form 1506 required an estimated average of 0.25 hours to review. SBA estimates it will receive an average of 6,226 applications annually. The form is reviewed by employees with an average grade of a GS-14 (in the locality pay area of Sacramento, CA) whose salary is averaged to be approximately $67 (rounded) per hour.

Therefore, the estimated annual cost to the government was estimated at $104,286 (6,226 applications x 0.25 hours x $67/hour).

15. Reasons for changes.

This submission shows a decrease in annual responses as compared to the last submission based on a decrease in the overall average during the last three fiscal years, 2019 – 2022, which include the pandemic period (COVID-19). As a result, the total estimated burden hour has also decreased.

16. Publicizing Results.

Not applicable. SBA does not intend to publicize results.

17. OMB Not to Display Approval.

No such approval sought.

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

There are no exceptions.

PART B: Surveys, Censuses, and Other Collections that Employ Statistical Methods.

This collection of information does not employ statistical methods.