

**SUPPORTING STATEMENT FOR THE PAPERWORK REDUCTION ACT
INFORMATION COLLECTION SUBMISSION FOR
RULE 147A(f)(1)(iii)**

A. JUSTIFICATION

1. CIRCUMSTANCES MAKING THE COLLECTION OF INFORMATION NECESSARY

Rule 147A (17 CFR 230.147A) provides an exemption from registration under Section 5 of the Securities Act of 1933 for certain intrastate offerings. Rule 147A is intended to facilitate intrastate and regional securities offerings. Among other things, Rule 147A(f)(1)(iii) requires issuers relying on the rule to “obtain a written representation from each purchaser as to his or her residence.”

2. PURPOSE AND USE OF THE INFORMATION COLLECTION

In order to qualify for the exemption in Rule 147A, the purchaser in the offering must be a resident of the same state or territory in which the issuer is resident. Under the rule, an issuer may satisfy this requirement by either the existence of the fact that the purchaser is a resident of the applicable state or territory, or by establishing that the issuer has a reasonable belief that the purchaser of the securities in the offering is a resident of such state or territory. The written representation required under Rule 147A(f)(1)(iii) is intended to help ensure that the issuer’s offering is, in fact, an intrastate offering.

3. CONSIDERATION GIVEN TO INFORMATION TECHNOLOGY

The collection of information requirements will not be provided to the Commission, either electronically or otherwise. In addition, Rule 147A(f)(1)(iii) does not specify the manner in which the written representation must be provided to the issuer.

4. DUPLICATION OF INFORMATION

We are not aware of any rules that conflict with or substantially duplicate Rule 147A(f)(1)(iii).

5. REDUCING THE BURDEN ON SMALL ENTITIES

Rule 147A(f)(1)(iii) is designed to streamline and modernize the intrastate offering exemption for all issuers, both large and small. The written representation requirement contained in Rule 147A(f)(1)(iii) applies to all issuers, including small entities. The rule is designed to facilitate access to capital for both large and small issuers, but particularly smaller issuers who may satisfy their financing needs by limiting the sales of their securities only to residents of the state or territory in which the issuers are resident. The written representation requirement contained in Rule 147A(f)(1)(iii) is designed with the limited resources of smaller issuers in mind.

6. CONSEQUENCES OF NOT CONDUCTING COLLECTION

The purpose of the written representation requirement contained in Rule 147A(f)(1)(iii) is to require all issuers conducting these intrastate offerings to obtain a consistent piece of evidence of each purchaser's residency. If the information required by Rule 147A(f)(1)(iii) was not collected, or was collected less frequently, it would give less assurance that issuer's offering is, in fact, an intrastate offering.

7. SPECIAL CIRCUMSTANCES

There are no special circumstances with this information collection.

8. CONSULTATIONS WITH PERSONS OUTSIDE THE AGENCY

No comments were received during the 60-day comment period prior to OMB's review of this submission.

9. PAYMENT OR GIFT TO RESPONDENTS

No payment or gift to respondents.

10. CONFIDENTIALITY

Rule 147A(f)(1)(iii) is not filed with the Commission.

11. SENSITIVE QUESTIONS

The information collection does not collect personally identifiable information (PII). The agency has determined that a system of records notice (SORN) and privacy impact assessment (PIA) are not required in connection with the collection of information.

12. ESTIMATES OF RESPONDENTS REPORTING BURDEN

Estimated Reporting Burden

| Information Collection Title | OMB Control Number | Annual Responses | Total Burden Hours |
|------------------------------|--------------------|------------------|--------------------|
| Rule 147A(f)(1)(iii) | 3235-0757 | 700 | 1,925 |

For purposes of the Paperwork Reduction Act (“PRA”), we estimate that approximately 700 issuers will conduct offerings under Rule 147A each year and, therefore, must comply with Rule 147A(f)(1)(iii) by obtaining written representations from each purchaser in the offering as to his or her residence. We estimate that it takes approximately 0.25 hours (15 minutes) for issuers to obtain written representations from all purchasers in each offering as to their residence for an aggregate annual burden of 175 issuer burden hours for compliance with the requirement in Rule 147A(f)(1)(iii) (700 issuers x 0.25 hours per response).

Similarly, we estimate that the written representation required by purchasers, including the obligation to determine the state or territory of their residence, as required under Rule 147A(f)(1)(iii), will result in a burden incurred by purchasers in order to purchase securities in an exempt intrastate offering pursuant to Rule 147A(f)(1)(iii). For purposes of the PRA, we estimate that the total annual paperwork burden for all affected purchasers arising from these collections of information requirements will be 1,750 hours of purchaser time and no cost incurred for the services of outside professionals. Specifically, we estimate each purchaser will spend an average of approximately fifteen minutes preparing a written statement of residency to provide to the issuer and will incur no cost for the services of outside professionals to satisfy this requirement, resulting in an aggregate of 2.5 hours of purchaser time per offering and an aggregate annual burden of 1,750 purchaser hours (an average of 2.5 hours for each of the estimated x 700 offerings per year pursuant to Rule 147) for compliance with the requirement in Rule 147A(f)(1)(iii).

Based on our estimates, there are approximately 700 issuers, and we calculated the total burden hours per response is 2.75 hours and the total reporting burden to be 1,925 hours (175 issuers reporting burden hours + 1,750 purchaser reporting burden).

We derived our burden hour estimates by estimating the average number of hours it would take a respondent to compile the necessary information and data, prepare and review disclosure, file documents, and retain records. In connection with rule amendments to the rule, we occasionally receive PRA estimates from public commenters about incremental burdens that are used in our burden estimates. We recognize that the burden will likely vary among issuers based on the size of their offerings and the number of purchasers acquiring securities in their offerings and between natural person and legal entity purchasers. For administrative convenience, the total burden hours have been rounded to the nearest whole number. The estimated burden hours are made solely for the purpose of the PRA.

13, ESTIMATE OF TOTAL ANNUALIZED COST BURDEN

Estimated Cost Burden

| Information Collection Title | OMB Control Number | Annual Responses | Annual Cost Burden |
|------------------------------|--------------------|------------------|--------------------|
| Rule 147A(f)(1)(iii) | 3235-0757 | 700 | \$105,000 |

For purposes of the PRA, we estimate that each of the approximately 700 issuers will incur cost burdens of approximately \$150 per response to comply with the information collection requirement in Rule 147A(f)(1)(iii). This reflects the cost to retain outside professionals to help the issuer comply with the requirement in Rule 147A(f)(1)(iii) to obtain and collect the written statement of residency from each purchaser in the offering. In addition, we estimate that there is no cost to the purchaser to provide the issuer with a written statement of residency.

Our estimates are based on our consultations with respondents and professional firms who regularly assist registrants in preparing and filing disclosure documents with the Commission. Our estimates reflect average burdens, and therefore, some respondents may experience costs in excess of our estimates, and some companies may experience costs that are lower than our estimates. For administrative convenience, the presentation of the total related to the paperwork cost total has been rounded to the nearest dollar. The cost estimate is made solely for the purpose of the PRA.

14. COSTS TO FEDERAL GOVERNMENT

There is no cost to Federal government because the information collection requirement in Rule 147A(f)(1)(iii) is a third-party disclosure requirement, and no information is required to be filed with the Commission.

15. REASON FOR CHANGE IN BURDEN

We do not estimate any change in the burden for Rule 147A(f)(1)(iii).

16. INFORMATION COLLECTION PLANNED FOR STATISTICAL PURPOSES

The information collection is not planned for statistical purposes.

17. APPROVAL TO OMIT OMB EXPIRATION DATE

The Commission is not seeking approval to omit the expiration date for OMB approval.

18. EXCEPTIONS TO CERTIFICATION FOR PAPERWORK REDUCTION ACT SUBMISSIONS

There are no exceptions to certification for Paperwork Reduction Act submissions.

B. STATISTICAL METHODS

The information collection does not employ statistical methods.