



## DEPARTMENT OF COMMERCE

### Submission for OMB Review; Comment Request

The Department of Commerce (DOC) will submit to the Office of Management and Budget (OMB) for clearance the following proposal for collection of information under the provisions of the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*).

*Agency:* Economic Development Administration (EDA or Agency).

*Title:* Revolving Loan Fund Reporting and Compliance Requirements.

*OMB Control Number:* 0610-0095.

*Form Number(s):* ED-209.

*Type of Review:* Revision of a collection currently under review.

*Number of Respondents:* 866.

*Average Hours per Response:* 1.5 hours.

*Burden Hours:* 1,299 hours.

*Needs and Uses:* The EDA Revolving Loan Fund (RLF) Program, authorized under section 209 of the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. 3149), has been part of EDA investment programs since the establishment of the RLF Program in 1975. The purpose of the RLF Program is to provide regions with a flexible and continuing source of capital, to be used with other economic development tools, for creating and retaining jobs and inducing private investment that will contribute to long-term economic stability and growth. EDA provides RLF grants to eligible recipients, which include State and local governments, Indian tribes, and non-profit organizations, to operate a lending program that

offers loans with flexible repayment terms, primarily to small businesses in distressed communities that are unable to obtain traditional bank financing. These loans enable small businesses to expand and lead to new employment opportunities that pay competitive wages and benefits.

A unique feature of the RLF Program is that EDA must monitor RLF grants in perpetuity because, absent statutory authority providing otherwise, the Federal interest in an RLF never expires. EDA regulations currently require RLF recipients to submit a financial report to EDA on a semi-annual basis for each RLF (13 CFR 307.14(a)), which is currently submitted via Form ED-209, Revolving Loan Fund Financial Report. In addition, RLF recipients must also submit on a semi-annual basis a completed Form ED-209I, RLF Income and Expense Statement, if either of the following conditions apply: RLF administrative expenses for the reporting period exceeded \$100,000, or RLF administrative expenses for the reporting period exceeded 50 percent of RLF income earned during the reporting period (13 CFR 307.14(c)). EDA requires both reports to be completed using standardized, auto-calculable fillable PDF (Portable Document Format) forms.

EDA is revising its regulations implementing the RLF Program through a final rule published in the Federal Register on December 1, 2017, “Revolving Loan Fund Program Changes and General Updates to Public Works and Economic Development Act Regulations” (82 FR 57034). The revised regulations update RLF Program requirements to reflect best practices within financial institutions and to strengthen EDA’s efforts to evaluate, monitor, and improve RLF performance by moving to a risk-based approach to assess individual RLFs. The measures EDA plans to use to assess performance under the new risk-based approach were

published in a notice in the Federal Register on December 1, 2017, “Implementation of Revolving Loan Fund Risk Analysis System” (82 FR 56942).

In the transition to a risk-based approach, EDA has revised the RLF regulations to eliminate the requirement that RLF recipients submit Form ED-209I. The revised RLF regulations instead encourage RLF recipients to keep administrative expenses to a minimum in order to maintain and grow the capital base of RLFs, in part by incorporating the percentage of RLF income used for administrative expenses as a performance measure in the new risk-based approach. Because of this change, EDA has determined that it is no longer necessary for RLF recipients to submit income and expense statements through Form ED-209I. In addition, EDA is revising Form ED-209 to reflect the new regulations and to ensure that the Form collects only the data necessary, including individual loan detail, to oversee the RLF Program under the new risk-based approach. As such, the revised Form ED-209 is shorter and easier to complete. The revised regulations will allow those RLF recipients that earn a high rating under the new risk-based monitoring approach to be placed on an annual reporting cycle, while RLF recipients receiving lower ratings will be required to maintain semi-annual reporting.

The reduction in burden associated with the revised Form ED-209 and eliminated Form ED-209I is not a distinct “deregulatory action” for the purposes of Executive Order 13771, “Reducing Regulation and Controlling Regulatory Costs.” The revised Form ED-209 and eliminated Form ED-209I are one piece of EDA’s transition to a risk-based approach to monitor and manage the RLF Program. As such, the reduction in burden stemming from the shortened and simplified Form ED-209 and eliminated Form ED-209I are already accounted for as part of

the broader “deregulatory action” made pursuant to the recently published final rule that revised the regulations governing the RLF Program.

This notice clarifies the notice previously published in the Federal Register on November 2, 2017 relating to this information collection (82 FR 50858) and extends the 30-day period for public comment established in that notice to 30 days after publication of this notice.

*Affected Public:* EDA RLF recipients, including state and local governments, Indian tribes, and non-profit organizations.

*Frequency:* Semiannually or annually, depending on the RLF recipient’s rating under the risk-based oversight approach, as explained above.

*Respondent’s Obligation:* Mandatory.

This information collection request may be viewed at *reginfo.gov*. Follow the instructions to view DOC collections currently under review by OMB.

Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to *OIRA\_Submission@omb.eop.gov* or faxed to (202) 395-5806.

**Sheleen Dumas,**  
*Departmental PRA Lead,*  
*Office of the Chief Information Officer.*

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