



Billing Code: 8025-01

SMALL BUSINESS ADMINISTRATION

Reporting and recordkeeping requirements under OMB review

AGENCY: Small Business Administration.

ACTION: 30-Day Notice.

SUMMARY: The Small Business Administration (SBA) is publishing this notice to comply with requirements of the Paperwork Reduction Act (PRA), which requires agencies to submit proposed reporting and recordkeeping requirements to OMB for review and approval, and to publish a notice in the Federal Register notifying the public of that submission.

DATES: Submit comments on or before [Insert date 30 days after the date of publication in the FEDERAL REGISTER]

ADDRESSES: Comments should refer to the information collection by name and/or OMB Control Number and should be sent to : *Agency Clearance Officer*, Curtis Rich, Small Business Administration, 409 3rd Street, S.W., 5th Floor, Washington, D.C. 20416; and *SBA Desk Officer*, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, D.C. 20503.

FOR FURTHER INFORMATION CONTACT: Curtis Rich, Agency Clearance Officer, (202) 205-7030 curtis.rich@sba.gov

COPIES: A copy of the Form OMB 83-1, supporting statement, and other documents submitted to OMB for review may be obtained from the Agency Clearance Officer.

SUPPLEMENTARY INFORMATION: SBA Form 1050, Settlement Sheet is used in SBA's 7(a) Loan Program to collect information from lenders and borrowers regarding the disbursement of loan proceeds. SBA relies on this information during the guaranty purchase review process as a component in determining whether to honor a loan guaranty. The currently approved form primarily requires the lender and borrower to certify to whether they complied with a series of loan requirements. The current form also requires submission of documentation (e.g., joint payee or cancelled checks, invoices or paid receipts, and wire transfer records) in support of the certification. SBA has determined that this current information collection lacks enough specificity to yield the information regarding use of proceeds that would enable the agency to effectively monitor compliance with loan disbursement procedures. As a result, SBA is proposing to change both the content and format of the Form 1050.

The form will be divided into several sections to clearly identify the information to be submitted. The revised form will continue to collect the same basic identifying information such as loan amount, loan number and lender's name. In addition, the form will continue to require certifications from both the lender and borrower regarding compliance with the disbursement requirements and accuracy of information submitted. However, generally the enumerated statements will be reduced or combined and replaced with requests for specific information. The revised form will include a listing of all of the uses of loan proceeds. For each applicable use, information regarding the names of the payees, the amount disbursed, and the authorized amount remaining will be collected. The revised form will also include a section to document the borrower's equity injection of cash, assets, and any seller contribution (on full standby for the life of the loan).

These changes will allow the lender to more clearly document all of the sources and uses of funds at the time of loan closing. This additional information will better allow both lenders and SBA staff to ensure that the necessary information is collected at the time of loan origination (a) Solicitation of Public Comments:

Solicitation of Public Comments:

Comments may be submitted on (a) whether the collection of information is necessary for the agency to properly perform its functions; (b) whether the burden estimates are accurate; (c) whether there are ways to minimize the burden, including through the use of automated techniques or other forms of information technology; and (d) whether there are ways to enhance the quality, utility, and clarity of the information.

Summary of Information Collections:

Title: Settlement Sheet

Description of Respondents: SBA Lenders and Borrowers

Form Number: SBA Form 1050

Estimated Annual Respondents: 28,224

Estimated Annual Responses: 28,224

Estimated Annual Hour Burden: 14,112

Curtis Rich,

Management Analyst

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