



BILLING CODE 8026-3

SMALL BUSINESS ADMINISTRATION

**Agency Information Collection Activities: Proposed Collection; Comment Request—
Evaluation of Fees on SBA’s Surety Bond Guarantee Program**

AGENCY: U.S. Small Business Administration (SBA).

ACTION: 60-day Federal Register notice and request for comments.

SUMMARY: SBA intends to request approval from the Office of Management and Budget (OMB) for the collection of information described below. The Paperwork Reduction Act (PRA) of 1995 requires federal agencies to publish a notice in the Federal Register concerning each proposed collection of information before submission to OMB and to allow 60 days for public comment in response to the notice. This notice complies with that requirement.

DATES: Written comments must be received on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: Comments are invited 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.

Comments may be sent to Terrell Lasane (Lead Program Evaluator), U.S. Small Business Administration, 409 3rd Street SW, Washington, DC 20416. Comments will also be accepted through the Federal eRulemaking Portal. Go to <http://www.regulations.gov>, and follow the online instructions for submitting comments electronically.

All responses to this notice will be summarized and included in the request for OMB approval.

All comments will be a matter of public record.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or copies of this information collection should be directed to Terrell Lasane at 202-205-7111.

SUPPLEMENTARY INFORMATION:

Title: Evaluation of Fees on SBA's Surety Bond Guarantee Program

Form Number: N/A

OMB Number: Not Yet Assigned

Expiration Date: Not Yet Determined

Type of Request: New Collection

Abstract:

Under the Surety Bond Guarantee (SBG) Program, SBA guarantees bid, payment, and performance bonds for small and emerging contractors who cannot obtain surety bonds through regular commercial channels. SBA's guarantee gives Sureties an incentive to provide bonding for small businesses and, thereby, assists small businesses in obtaining greater access to contracting opportunities. SBA's guarantee is an agreement between a surety and SBA that SBA will assume a certain percentage of the Surety's loss should a contractor default on the underlying contract. On July 30, 2018, SBA announced a change in the fee structure for its SBG Program (83 FR 36658, page 36658–36659). The fee reductions were implemented on October 1, 2018, decreasing the surety fee from a 26 percent to a 20 percent bond premium and decreasing the Principal fee from \$7.29 per thousand dollars of the contract amount to \$6.00 per thousand dollars of the contract amount. Originally scheduled for 1 year, SBA extended the fee reduction until September 30, 2020 in effort to collect more data to fully evaluate the effect(s) of lower fees on the SBG Program (83 FR 40466, page 40466–40467).

Given that the fee structure has not changed for the last 12 years, SBA would like to evaluate the quantitative impacts of the change on the SBG Program. To properly evaluate the impacts of the fee changes, a multi-method approach will be applied including two study components: (1) statistical modeling and (2) a web-based survey. The statistical modeling portion of the study will evaluate possible impacts including changes in the utilization of the SBG Program (e.g., principals, surety firms, surety agents) and changes in the SBA's portfolio of guaranteed bonds (e.g., size, duration, risk, cash flow, geographic location, industrial classification) which may, in turn, result in longer term outcomes such as business formations, employment, and opportunities for small and disadvantaged businesses. The web survey portion will evaluate surety firms' and agents' perceptions of the fee reductions and their explanations of how these reductions affected their bonding practices and processes. Data collection efforts are required for the survey portion of the study, while administrative data will be used for the statistical modeling analysis.

Affected Public: Respondent groups identified include (1) surety firms participating in the SBG Program and (2) surety agents participating in the SBG Program. The universe of both respondent types will be surveyed.

Estimated Number of Respondents: The total estimated number of respondents is 500. This includes 50 surety firms and 450 surety agents.

Estimated Number of Responses per Respondent: Both participant types will be asked to participate in one survey.

Estimated Total Annual Responses: 500

Estimated Time per Response: The estimated response time is 15 minutes for both the surety firm and surety agent populations.

Estimated Total Annual Burden on Respondents: 7,500 minutes (125 hours)

Respondent	Estimated Number of Respondents	Responses Annually per Respondent	Total Annual Responses	Estimated Average Number of Hours Per Response	Estimated Total Hours
Reporting Burden					
Surety firm	50	1.00	50	.25	12.5
Surety agent	450	1.00	450	.25	112.5
Total Reporting Burden	500		500		125

Curtis Rich,

Agency Clearance Office.

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