



Billing Code: 8026-03

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 that the agency has made such a submission. This notice also allows an additional 30 days for public comments.

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:

The Small Business Investment Act authorizes SBA to guarantee a debenture issued by a Certified Development Company (CDC). The proceeds from each debenture are used to fund loans to eligible small business concerns (“504 loans”). 15 USC 697(a). The Small Business Act and the Small Business Investment Act mandate that all guaranteed loans provided by the SBA to small business concerns (SBCs) must have a reasonable assurance of ability to repay. See 15 USC §§636(a) (6) and 687(f); see also 13 C.F.R. §120.150. The information collections described below – SBA Form 1244 and SBA Form 2450 -- are part of the application process for a 504 loan. SBA is proposing to make changes to Form 2450 to remove duplicative questions as well as questions that are no longer applicable to the 504 Loan Program.

Solicitation of Public Comments:

SBA is requesting comments 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: Application for Section 504 Loan

Description of Respondents: Small Business Concerns applying for a section 504 loan and Certified Development Companies.

(i) Form Number: SBA Form 1244, Application for Section 504 Loan. The information collected by this form is used to review the eligibility of the small business

concern (SBC) for SBA financial assistance; the creditworthiness and repayment ability of the SBC; and the terms and conditions of the 504 loan for which the SBC is applying.

(ii) Form 2450 is the Eligibility Checklist used to document the 504 loan's eligibility based on program requirements. These forms are used by CDCs to request SBA's guarantee on each debenture.

SBA has established a streamlined loan application processing procedure known as the Abridged Submission Method (ASM). Under this process, the CDCs are required to collect and retain all exhibits to SBA Form 1244, but are only required to submit selective documents. CDCs using the non-ASM method are required to submit all documents and exhibits required for Form 1244. All CDCs must submit the Form 2450.

The burden estimates (based on the experience of the CDCs and SBA field offices) of the burden hours imposed by use of these forms, including exhibits, are as follows:

There are 260 CDCs affected by the information collection. The total number of small business concerns that will annually respond to Form 1244 is approximately 7,000 based on the average submission of applications submitted from CDCs over the past FY using both the ASM and non-ASM methods. This is a total of 7,260 respondents. Burden hours are 2.25 hours for ASM and 2.45 hours for non-ASM submissions (this number is slightly higher due to the fact that these respondents are required to submit more documentation than the ASM respondents). These estimates include the content from SBA Form 2450, which takes an estimated 15 minute for completion.

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Summary of Information Collection:

FORM 1244

Total burden hours = 16,799

Submission through the ASM - $4,937 \times 2.25 = 11,108$ burden hours

Submission through non-ASM (standard method) – $2,323 \times 2.45 = 5,691$ burden hours

FORM 2450

Total burden hours = 1,815

Submission through the ASM and non-ASM – $7,260 \times .25 = 1,815$ burden hours

Curtis Rich,
Management Analyst.