

Supporting Statement for Paperwork Reduction Act Submission
SBA Form 2294, Alternative Creditworthiness Assessment

A. Justification

This document requests emergency clearance of SBA Form 2294, Alternative Creditworthiness Assessment. At this time, this emergency justification pertains only to the Office of Disaster Assistance (ODA), however, if approval is obtained, use of this form will be extended to other program offices agencywide. Subsequent submissions to OMB will therefore, reflect the appropriate revisions to this information collection.

1. Circumstances that make the collection of information necessary. According to section 846 of the Consolidated Appropriations Act, 2006 Public Law 109-115, as implemented by OMB Circular A-123, Appendix B, Improving the Management of Government Charge Card Programs, Chapter 6 Creditworthiness, each agency is required to assess the creditworthiness of all new travel card applicants prior to issuing them a card. (Copies of these statutory and regulatory authorities are attached.) Since implementation of this requirement in November 2005, SBA's Office of Disaster Assistance (ODA) has discovered that there are circumstances where some applicants do not have established credit histories and thus, no score is obtainable. According to the Circular, when obtaining a credit score is not possible, the Agency must conduct an alternative Creditworthiness assessment to determine whether the individual possesses a satisfactory credit history. In these circumstances, ODA seeks to use SBA Form 2294 as the alternative means for meeting the requirements of the Circular.
2. How, by whom, and for what purpose information will be used. Information will be provided by job applicant who will complete the form. The purpose of the information is to satisfy the Circular requirements of performing an alternate means of checking Creditworthiness when there is no credit score available. Information provided on this form will be reviewed by ODA staff in order to make a determination of Creditworthiness.
3. Technological collection techniques. The form will be made available (for downloading only) to the public in electronic format on SBA's website at www.sba.gov/library once OMB approves this collection.

4. Efforts to identify duplication. There is no duplication of effort. ODA relies on information from the individual and will be provided only once, when making determination.
5. Impact on small businesses or other small entities. No small businesses or other small entities are directly affected by this collection.
6. Consequence if collection is not conducted. Information is collected only when a required credit score check yields insufficient results. When this particular circumstance exists, the collection of information is the proposed means to perform due diligence and meet the requirements of OMB's Circular. If not collected, ODA would not be able to assess Creditworthiness.
7. Existence of special circumstances. No special circumstances exist.
8. Solicitation of public comment. SBA is requesting an emergency clearance and a waiver of the solicitation of public comment; therefore, no Federal Register notice was published. Provided that the emergency clearance is approved, SBA will prepare justification with the normal public comment period when obtaining clearance after the emergency period expires.
9. Payments or gifts to respondents. No payments or gifts are provided to respondents.
10. Assurance of confidentiality. The information collected is protected to the extent permitted by law, including the Privacy Act and the Freedom of Information Act.
11. Questions of a sensitive nature. Through this proposed collection, SBA collects sensitive information such as financial and court records information. This information is asked so that ODA can make an informed Creditworthiness determination.

This proposed collection also requests Social Security Numbers. Providing Social Security Numbers is purely voluntary. Social Security Numbers will be used to distinguish between people with the same or similar name and to keep records accurate.

Information collected from job applicants is not retrieved by a personal identifier; therefore no new Privacy Act system of record is required. Nonetheless, the information is maintained in a manner that safeguards its security. Specifically, this form is kept in a locked cabinet with access restricted to only select Human Resources personnel.

If a job applicant is subsequently hired, this information becomes part of the employee's personnel record which is maintained in SBA's Privacy Act System of Record 31, Temporary Disaster Employees.

12. Estimates of the hourly burden.

Burden estimate:

Because this is a new requirement, historical figures are unavailable in order to develop average number of respondents; therefore, the number of respondents is based on direct experience in the disaster assistance program thus far. Although data for this request is provided only by ODA, subsequent requests for approval will contain information from all offices in SBA as they too implement the alternative creditworthiness requirement.

ODA has conducted 11,337 credit score inquiries since implementation of the alternate creditworthiness requirements in November 2005. Of those inquiries, 43 produced a score of zero; therefore, the number of respondents is 43.

It is estimated that it takes 15 minutes to complete the SBA Form 2294

43 respondents x .25 hours = **11 burden hours**

Cost to respondents:

The cost estimate for a respondent is based on a GS-1, Step 1 (\$8.82 per hour), which is the level of expertise (minimal) that is required to respond to the questions. The annual cost is calculated below:

11 hours x \$8.82 per hour = **\$97 annual cost to respondents**

13. Estimate of total annual cost burden. There are no additional costs beyond

that identified in Item 12 above.

14. Estimated annualized cost to the Federal Government. The cost to the Federal Government for this information collection is associated with personnel reviewing completed forms and making a determination.

We estimate that it takes approximately 10 minutes to review the form and make a determination. Agency burden hours are calculated below:

$$43 \text{ responses} \times .16 \text{ hours per response} = \mathbf{7 \text{ Agency burden hours}}$$

The annual cost estimate for the Agency is based on the salary of a GS-11, Step 1, (\$24.90 per hour), which is the typical grade for an employee performing these determinations. The cost is calculated as follows:

$$7 \text{ total hours} \times \$24.90 \text{ per hour} = \mathbf{\$174 \text{ Cost to the Government}}$$

15. Explanation of program changes or adjustments in Items 13 and 14 on OMB Form 83-I. As this is the first information collection for this purpose, there are no program changes or adjustments.

16. Collection of information whose results will be published. No publication is anticipated.

17. Expiration date for collection of information.

Expiration date will be displayed.

18. Exceptions to certification statement in Block 19 on OMB Form 83-I. There are no exceptions.

- B. Collections of Information Employing Statistical Methods.

N/A