

Supporting Statement for Paperwork Reduction Act Submission
OMB Control Number 3245-0084
SBA Form 700, Home and Business Loan Inquiry Record

A. Justification

1. *Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.*

The Small Business Administration (SBA) is authorized by section 7(b) of the Small Business Act, as amended, 15 U.S.C. 636 (b) (copy of which is attached), to make loans to disaster victims. The use of Form 700 is to meet the requirements of SOP 50 30 Paragraph 16 (b) (4) Record the Interview when an in-person interview is conducted. SBA's Office of Disaster Assistance (ODA) uses the Form 700 as a record of interviews with those victims seeking financial assistance to help in the recovery from a disaster that has been declared by the SBA Administrator, designated by the Secretary of Agriculture, and for some Presidentially-declared disasters

2. *Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.*

The SBA Form 700 is a two-sided form. One side contains the home inquiry and on the other side is the business inquiry. The side that is completed depends on the type of assistance being sought. No changes were made to this form with the exception of adding a field to capture applicant's email address.

Interviews between the disaster victim and ODA personnel are conducted individually, in person or by telephone at the preference of the disaster victim. The interview generally takes place in the immediate aftermath of a disaster event and usually consists of ODA personnel giving out information about the Agency's loan program as much as it does asking basic questions about the victim. The information gained from the interview allows ODA to judge whether the victim is likely to be eligible for an SBA loan. The

interview record is also used as a historical record in the aftermath of the disaster event for various informational purposes, including requests for information from Members of Congress, etc. and for use as a follow up tool for contacting victims to see if they need assistance in filling out a loan application.

3. *Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce the burden*

SBA Form 700 is not completed by applicants. Rather, it is filled out by ODA personnel based on the responses provided by the disaster victims during the preliminary interviews. Therefore, the availability of an electronic form would not benefit the applicant. Nonetheless, the form is currently in an electronic format and is used in that manner by ODA whenever possible.

4. *Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in item 2 above.*

If the respondents to this information collection previously received disaster assistance, it is possible that SBA or other federal agencies could have some of the information in existing files; however, it is not possible to identify that information unless SBA conducted this basic collection. ODA staff works closely with Federal, state, local, or private organizations that provide relief for disaster-related purposes in an effort to try to constantly streamline the interview process during disasters and identify any instances where there might be duplication in the collection of information among the various providers.

5. *If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.*

Because only limited information is collected at the interview (i.e., name, address, phone number, income, debts, etc.), the impact is minimal.

6. *Describe the consequence to the Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.*

As noted above, SBA gathers this basic information when disaster victims initially request financial assistance. If the information was not collected, ODA would not be able to make a preliminary assessment about the victims' eligibility for disaster assistance, or to advise them whether and how to apply for such assistance. Without this preliminary interview, many disaster victims would fill out applications unnecessarily, increasing the burden of work for both the public and ODA. In addition, if information is not collected ODA would not be able to report on the number of applications issued and the number of potential applications as required by the Small Business Act § 7(b)(4)(B)(iii).

7. *Explain any special circumstances that would cause an information collection to be conducted in a manner, etc.*

There are no special circumstances unless a victim waits until late in the filing period to contact SBA. Victims have 60 days from the date of the declaration to apply for a physical damage loan. If they wait until late in the filing period to inquire, they may need to provide this information in less than 30 days. .

8. *If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received. Describe efforts to consult with persons outside the agency to obtain their views.*

A copy of the Federal Register notice soliciting comments is attached 7712901, dated March 2, 2012. The comment period closed May 1st, 2012, and no comments were received.

ODA participates with other Federal and private organizations that provide disaster assistance in seeking ways to more efficiently deliver our services.

9. *Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.*

No payments or gifts are provided to respondents.

10. *Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.*

The information collected on Form 700 is protected to the extent permissible by law, including where applicable the Privacy Act and the Freedom of Information Act. Privacy Act information becomes a part of SBA's System of Records (SBA 20, copy attached).

11. *Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, specific uses to be made of the information, explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.*

Such as, income and debts are asked on this form. This sensitive information is collected from the disaster victim in order to obtain the information necessary to determine eligibility for a disaster loan.

This collection also requests Social Security Numbers. Providing Social Security Numbers is purely voluntary at this point. However, collection of the information facilitates matching of information when an application is received and simplifies coordination of information if we have contact with the disaster victim between the first interview and submission of the application.

12. *Provide estimates of the hour burden of the collection of information, well as the hour cost burden. Indicate the number of respondents, frequency of response, annual hour and cost burden, and an explanation of how the burden was estimated.*

The number of respondents is based on the average number of interviews conducted using the Form 700 for the last 3 Fiscal Years (FY 2009 – FY 2011).

<u>FY</u>	<u>Interviews Conducted</u>
09	2,642

10	2,971
11	<u>3,352</u>
TOTAL	8,965

Divided by 3 = **2,988** Average number of interviews conducted per year
(**number of respondents**)

Personal experience by ODA personnel in interviewing victims provides SBA with knowledge of the length of time an interview requires, which is 15 minutes per respondent.

2,988 respondents x .25 (15 minutes per interview) = **747 burden hours**

Cost to the public is determined on the same basis as that for the Government, which is at a GS-9, Step 1 (\$24.74 per hour). The annualized cost to the respondents for the information collection burden is calculated as follows:

15 minutes per interview (.25) @ \$24.74 per hour = \$6.19 per interview
747 interviews (interview hours) x \$6.19 per interview = **\$4,624 respondent cost**

13. *Provide an estimate for the total annual cost burden to respondents or record keepers resulting from the collection of information. Do not include hour cost burden from above.*

There is no additional annual cost burden.

14. *Provide estimates of annualized costs to the Federal Government. Also provide a description of the method used to estimate cost, including a quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information.*

Annualized cost to Federal Government:

0.25 hours (15 minutes) per response @ \$24.74 per hour labor cost for interviewer and recording time multiplied by 747 response hours =

\$4,624

30 percent for overhead, printing, etc. = \$1,387

Total estimated cost to Federal Government = \$6,011

The estimate of the time necessary to conduct an interview and record the appropriate information (15 minutes) is based on observations of the actual time it takes to do so. The typical grade for an interviewer is GS-9, Step 1.

15. *Explain reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.*

The total annual hour burden for the SBA Form 700 is increased by 113 hours. The annual cost burden also increased by \$1,080. These increases are as a result of more interviews given over the last 3 FYs as compared to previous 3 FYs. There are no program changes.

16. *For collection of information whose results will be published, outline plans for tabulation and publication. Address complex analytical techniques. Provide time schedules for the entire project.*

No results will be published.

17. *If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons why the display would be inappropriate.*

Expiration date will be displayed.

18. *Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submission," of OMB Form 83-I.*

There are no exceptions.

- B. *Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection method to be used*

Collections of Information Employing Statistical Methods.

N/A