



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

A. Justification

1. Circumstances that make the collection of information necessary. Since FY 2005 a government-wide provision in annual appropriations acts has required federal agencies to assess the creditworthiness of all new travel card applicants prior to issuing them a card. *See e.g.*, Sec. 736 of the Consolidated Appropriations Act, 2012 (Pub. L. 112-74). According to this statutory requirement, as implemented by OMB Circular A-123, Appendix B, *Improving the Management of Government Charge Card Programs*, 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, Chapter 6, Creditworthiness, Section 6.4.

In general SBA issues travel cards to individuals who are employees of the agency. As a result, any information collected to make the credit assessment would not be subject to the requirements of the Paperwork Reduction Act (PRA). However, from time to time SBA's Office of Disaster Assistance (ODA) must assess the creditworthiness of job applicants for whom the ability to travel would be essential for them to properly perform their duties. Since these individuals would not be federal employees, they would not be exempt from the PRA requirements. SBA (ODA) has discovered that there are circumstances where some applicants do not have established credit histories and thus no credit score or satisfactory score is obtainable. It is therefore necessary for SBA to obtain approval for this e this information collection to facilitate an alternative creditworthiness assessment of those ODA job applicants who fall into that category.

There are no substantive changes to the collection; only minor formatting or technical changes to clarify the instructions and disclosures regarding the collection of the information.

2. How, by whom, and for what purpose information will be used. Information will be provided by individuals applying for jobs with the SBA Disaster Assistance program. The information provided is reviewed by ODA staff in order to determine the creditworthiness of those applicants for whom there is no credit score or satisfactory score available, and as such will help SBA comply with the alternative creditworthiness assessment process set out in OMB Circular A-123.
3. Technological collection techniques. The form is available (for downloading only) to the public in electronic format on SBA's website at [www.sba.gov/library](http://www.sba.gov/library).

4. Efforts to identify duplication. There is no duplication of effort. SBA collects this information provided by the individual only once when the Agency is making a credit worthiness determination.
5. Impact on small businesses or other small entities. This information collection does not impact any small businesses or other small entities. The information is collected from individuals.
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 to evaluate the creditworthiness of potential travel card holders. If not collected, ODA would not be able to assess the creditworthiness of the job applicant and therefore their eligibility to obtain a federal travel card.
7. Existence of special circumstances. No special circumstances exist.
8. Solicitation of public comment. Comments were solicited by a Notice published in the Federal Register on June 10, 2013, at 78 FR 34700. (Copy attached). The comment period closed. No comments were received.
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. The form advises the respondents of their Privacy Act rights and conditions for disclosure of information.
11. Questions of a sensitive nature. This information collection requests 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. Social Security Numbers will be used to distinguish between people with the same or similar name and to keep records accurate. Respondents are advised that providing Social Security numbers is purely voluntary but failure to provide could delay or impact action on their application.

The information is maintained in a manner that safeguards its security. Specifically, the completed 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:

The number of respondents is based on direct experience. ODA has conducted 2945 credit score inquiries since the last submission. Of those inquiries, 12 produced a score of zero and therefore required an alternative creditworthiness assessment. Because of the nature of the disaster assistance program, it is difficult to estimate the annual use of this form. In the event of a major disaster, SBA might need to increase the staffing levels for the program, which could result in a significant increase in the use of the form. In fact, historical results for similar credit score inquiries show that the number of alternative creditworthiness assessments for a similar period of time can be as high as 43. Therefore, despite this low use of the form in the recent past, SBA seeks an extension of the use of Form 2294.

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

12 respondents x .25 hours = **3 burden hours**

Cost to respondents:

The cost estimate for a respondent is based on a GS-1, Step 1 (\$10.45 per hour), which is the level of expertise (minimal) that is required to respond to the questions. The annual cost is calculated below:

3 hours x \$10.45 per hour = **\$31.45 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:

12 responses x .16 hours per response = **1.92 Agency burden hours**

The annual cost estimate for the Agency is based on the salary of a GS-11, Step 1, (\$29.52 per hour), which is the typical grade for an employee performing these determinations. The cost is calculated as follows:

1.92 total hours x \$29.52 per hour = **\$56.67 Cost to the Government**

15. Explanation of program changes or adjustments in Items 13 and 14 on OMB Form 83-I. The minimal increase in the burden is a direct result of a very slight increase in activity

(more credit score inquiries) as compared to the previous submission.

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