

Small Business Administration (SBA)
Declaration of Identify Theft
f/k/a COVID-19 Economic Injury Disaster Loan (EIDL) Declaration of Identify Theft
OMB Control Number, 3245-0418
Justification – Part A Supporting Statement

This is a request for extension of an existing collection. Small Business Administration (SBA) Form 3513 collects information regarding individuals that indicate to SBA they have been a victim of identity theft. SBA's disaster lending program and servicing offices for 7(a), 504, Paycheck Protection Program (PPP) and COVID-19 Economic Injury Disaster Loan (COVID EIDL loans will use this form to open an identity theft complaint case to determine whether the individual is a victim of fraud.

This PRA was formerly known as COVID-19 Economic Injury Disaster Loan (EIDL) Declaration of Identify Theft. However, the actual form shows the name as Declaration of Identity Theft. Therefore, we are renaming this PRA 3245-0418 to Declaration of Identity Theft in order to encompass all SBA programs which use this form.

There are no changes to the questions on the form. The preamble shows changes due to the inclusion of additional programs using the form and also specifies that the social security number is not a voluntary collection item. The disclaimers were also updated to clarify the Privacy Act and to add the Right to Financial Privacy Act and Freedom of Information Act. In the footnotes, detail was added to the attestation for representatives making a claim on behalf of minor children that they comply with the Children's Online Privacy Protection Act (COPPA).

1. Need & Method for the Information Collection.

During the Coronavirus pandemic beginning in 2020, SBA provided funds to disaster impacted individuals through COVID EIDL and PPP Loans. By January 2021, SBA received more than 16 million loan applications and requested this collection for those applications that may have been a result of identity theft in order to research the accuracy of claims made by those claiming identity theft. The collection will now also be used for the 7(a) and 504 loan programs, as well as all non-COVID disaster loans.

SBA Form 3513 is available in an electronic format at www.sba.gov, and is pdf-fillable. The individual is able to complete and download the form. The form must

be hand signed. The completed, scanned and signed form is sent to SBA via e-mail to a designated e-mail address.

The SBA requires this information collection for the administration of financial assistance programs authorized by the Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Paycheck Protection Program and Health Care Enhancement Act, the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, Sec. 7(a) of the Small Business Act, 15 U.S.C. § 636 et seq., Title V of the Small Business Investment Act of 1958, 15 U.S.C. § 695, et seq. and Sec. 7(b) of the Small Business Act, 15 U.S.C. § 636 et seq. and Standard Operating Procedures 50 52 2 and 50 30 9.

If this information is not collected, SBA will continue to send identity theft victims payment notifications. Any collateral used to secure a fraudulent loan will remain in place until SBA receives documentation that the collateral should be released.

2. Use of the Information.

The information is collected from those individuals (or their representative) who, without their knowledge or authorization, had an application submitted for SBA financial assistance utilizing their personal information. SBA reviews the information contained in the affidavit to determine whether there was identity theft involved.

If SBA determines that a fraudulent application was submitted using the individual's identity and that the individual did not benefit or receive loan proceeds, SBA will take the necessary steps to stop all billing statements and ensure that loan information will not be publicly reported in the name of the identity theft victim. SBA will also prepare documents releasing our interest for the identity theft victim to file.

This affidavit will also be provided to the Office of Inspector General for their consideration to take legal action or conduct further investigation. Referring suspected fraud to the OIG is required by each of these programs.

3. Use of Information Technology.

SBA Form 3513 is available in an electronic format at www.sba.gov, and is pdf-fillable. The individual is able to complete the form, download the form, and send the completed, signed form back to SBA via e-mail to a designated e-mail address.

4. Non-duplication.

This information is not collected by any other program office within SBA. Other Federal agencies (e.g. Federal Trade Commission, Federal Bureau of Investigation or United States Secret Service), state bureaus of investigation and local law enforcement agencies (county sheriffs and city police) may obtain some of this information. However, there is no agency collecting this information that SBA can readily access.

5. Burden on Small Business.

This information collection does impact small businesses. SBA cannot consider exemptions as there must be a thorough review of the fraud claimed by the individual.

The alternate option to this collection is waiting for the Office of the Inspector General to conduct their own investigation. Not only might this option take years to complete, the OIG is not required to share their findings with SBA. It does not benefit the individual to delay full consideration of their claim.

6. Less Frequent Collection.

This information is only collected once. If this information were not collected, SBA could not proactively take the necessary steps to declare any identity theft, stop billings to the identity theft victim, and prepare documents to release any UCC filings or other recorded collateral from the legitimate business that was not the recipient of the SBA loan funds. Since this information is only collected once, it cannot be collected less frequently.

7. Paperwork Reduction Act Guidelines.

No special circumstances exist. No confidential information is required that is not protected to the extent permitted by law including the Privacy Act.

8. Consultation and Public Comments.

The notice soliciting comments on this information collection was published on 05/03/2024, at 89 FR 36837. The Agency did not receive any comments.

9. Gifts or Payment.

There are no payments or gifts to respondents.

10. Privacy & Confidentiality.

The SBA Form 3513 does not provide any assurance of confidentiality.

The information collected is protected to the extent permitted by law, including the Privacy Act, 5 U.S.C. 552a, and the Freedom of Information Act, 5 U.S.C. 552, which prohibits disclosure of confidential or privileged commercial or financial information. The form includes notices to the respondents regarding the use and disclosure of information submitted to SBA on this form. Information collected on SBA Form 3513 is maintained in the Agency's Privacy Act System of Records as follows:

SBA 20 -- Disaster Loans Case Files <https://www.govinfo.gov/content/pkg/PAI-2017-SBA/xml/PAI-2017-SBA.xml#sba20>. SBA most recently published an updated SORN for SBA 20 on November 19, 2021 (86 FR 64979), which can be located here: <https://www.federalregister.gov/documents/2021/11/19/2021-25276/privacy-act-of-1974-system-of-records-notice>

SBA 21-- Loan Systems

<http://www.govinfo.gov/content/pkg/PAI-2023-SBA/xml/PAI-2023-SBA.xml#sba21>. SBA most recently published an updated SORN for SBA 21 on April 30, 2021 (86 FR 23026), which can be located here: <https://www.federalregister.gov/documents/2021/04/30/2021-09064/privacy-act-of-1974-system-of-records-notice>

SBA adheres and complies with its Cybersecurity and Privacy Policy to maintain privacy and confidentiality of the data collections that are stated in the applicable Privacy Impact Assessment (PIA), specifically, the Capital Access Financial System PIA and Unified Lending Platform (ULP) PIA. SBA's PIAs can be found here: <https://www.sba.gov/documents?query=privacy+impact+assessment&type=51>. The SBA collects controlled unclassified information to include its subcategories of business proprietary information and personally identifiable information such as the business name, business taxpayer identification number, individual owner's name, social security number, physical and email address, phone number, and signature. SBA Form 3513 collects respondents' social security numbers, which is helpful in

distinguishing the applicant/participant from other individuals that may have the same or similar name or other personal identifiers. Applicants are not required to submit proprietary trade secrets, or other confidential information.

SBA adheres and complies with our Cybersecurity and Privacy Policy to maintain privacy and confidentiality of the data collections which are specifically stated in the applicable PIA.

11. Sensitive Questions.

Questions perceived to be “sensitive” are solicited in this collection so that SBA can make an informed determination regarding the identity theft claim. The form allows for a parent or conservator to submit information about an identity theft victim that is deceased, incapacitated or a minor. The collection of information is safeguarded by access controls, data encryption in transit and at rest, least privileges, etc. in compliance with our Cybersecurity policy and industry best practices.

SBA has also promulgated regulations at 13 CFR Part 102 that specify standards for the use and collection of social security numbers and other sensitive information and compliance with the Privacy Act and the Freedom of Information Act. The SBA requests consent from the applicant and collects their signature for the authority to include this sensitive information which is optional.

12. Burden Estimate.

Estimate of burden hours of the information collection for the respondents is based on the number of affidavits per department office in calendar year 2023.

Office of Capital Access (OCA) Processing and Disbursement Center (PDC):

18	Respondents per year
x .25	Hours per response for respondents to complete form
4.5	Total burden hours for all respondents

OCA COVID EIDL Servicing Center (CESC):

19,709	Respondents per year
x .25	Hours per response for respondents to complete form

4,927.25 Total burden hours for all respondents

PPP/7(a)/504:

875	Respondents per year
x .25	Hours per response for respondents to complete form
<u>218.75</u>	Total burden hours for all respondents

Total combined burden hours for Respondents: $4.5 + 4,927.25 + 218.75 = 5,150.5$

The estimated cost to respondents for the hour burden of information collection is calculated at a salary equivalent to a GS-09, Step 1 Federal employee's annual salary of \$49,028 or \$23/hour (rounded to the nearest whole number) based on the 2023 General Schedule (Base). The GS-09 pay grade is utilized in preparing this estimate as it is equivalent to the position normally held by an average financial institution employee in a mid-level position.

Office of Capital Access (OCA) Processing and Disbursement Center (PDC):

4.5	Total burden hours for respondents
x \$23	Estimated cost per hour
<u>\$103.50</u>	Total estimated cost to respondents

OCA COVID EIDL Servicing Center (CESC):

4,927.25	Total burden hours for all respondents
x \$23	Estimated cost per hour
<u>\$113,326.75</u>	Total estimated cost to respondents

PPP/7(a)/504:

218.75	Total burden hours for all respondents
x \$ 23	Estimated cost per hour
<u>\$5,031.25</u>	Total estimated cost to respondents

Total combined cost to respondents for burden hours: $\$103.50 + \$113,326.75 + \$5,031.25 = \$118,461.50$

	Requested	Program Change Due to New Statute	Program Change Due to Agency Discretion	Change Due to Adjustment in Agency Estimate	Change Due to Potential Violation of the PRA	Previously Approved
Annual Number of Responses for this IC	20,062	NA	NA	-39,398	NA	60,000
Annual IC Time Burden (Hour)	5,150.5	NA	NA	-9,849.5	NA	15,000
Annual IC Cost Burden (Dollars)	\$118,461.50	NA	NA	-\$265,538.50	NA	\$384,000

Burden per Response:

	Time Per Response	Hours	Cost Per Response
Reporting	.25	.25	\$6
Record Keeping	NA	NA	NA
Third Party Disclosure	NA	NA	NA
Total	.25	.25	\$6

Annual Burden:

	Annual Time Burden (Hours)	Annual Cost Burden (Dollars)
Reporting	5,150.5	\$118,461.50
Record Keeping	NA	NA
Third Party Disclosure	NA	NA

Total	5,150.5	\$118,461.50
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13. Estimated nonrecurring costs.

No additional annual costs beyond those identified in #12 above are anticipated.

14. Estimated cost to the Government.

The estimated cost to SBA for the burden of the information collection is calculated at a salary equivalent to a GS-11, Step 1 Federal employee's annual salary of \$59,319 or \$28/hour (rounded to the nearest whole number) based on the 2023 General Schedule (Base). The GS-11 pay grade is utilized in preparing this estimate as it is equivalent to the position normally held by the personnel performing this review.

Estimate of the burden hours of the collection of information for the Agency:

Office of Capital Access (OCA) Processing and Disbursement Center (PDC):

18	Respondents per year
x 0.5	Hour per response for the Agency to review the form
9	Total burden hours for the Agency

OCA COVID EIDL Servicing Center (CESC):

19,709	Respondents per year
x 0.5	Hours per response for the Agency to review the form
9,854.5	Total burden hours for the Agency

PPP/7(a)/504:

875	Respondents per year
x 0.5	Hours per response for the Agency to review the form
437.5	Total burden hours for the Agency

Total combined burden hours for Agency: $9 + 9,854.5 + 437.5 = 10,301$

Estimate of the annualized cost to the Agency for the hour burden:

Office of Capital Access (OCA) Processing and Disbursement Center (PDC):

\$28.00	Cost per hour (Generally reviewed by a GS-11, Step 1)
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x 0.5	Hours per response for Agency to review the form
<u>x 18</u>	Respondents per year
\$252	Total annualized cost to the Agency for the burden hours.

OCA COVID EIDL Servicing Center (CESC):

\$28.00	Cost per hour (Generally reviewed by a GS-11, Step 1)
x 0.5	Hours per response for Agency to review the form
<u>x19,709</u>	Respondents per year
\$275,926	Total annualized cost to the Agency for the burden hours.

PPP/7(a)/504:

\$28.00	Cost per hour (Generally reviewed by a GS-11, Step 1)
x 0.5	Hours per response for Agency to review the form
<u>x 875</u>	Respondents per year
\$12,250	Total annualized cost to the Agency for the burden hours.

Total combined cost for the Agency: \$252 + \$275,926 + \$12,250 = \$288,428

15. Reasons for changes.

The current changes are due to the decrease in the number of suspected fraud loans in the COVID programs from the original estimates. Additional changes in burden are estimated due to further expansion of this form to other lending programs.

The preamble of this form now lists those programs that will be using this form. Specifically, CESC and PPP / 7(a) / 504 did not use the form at the time of its original approval.

16. Publicizing Results.

The results of this collection of information will not be published.

17. OMB Not to Display Approval.

SBA will display the expiration date of OMB approval.

18. Exceptions to "Certification for Paperwork Reduction Submissions.

There are no exceptions to the certification statement (Item 19) of the "Certification for Paperwork Reduction Act Submissions" of OMB Form 83-1.

19. Surveys, Censuses, and Other Collections that Employ Statistical Methods.

This collection of information does not employ statistical methods.