

**Paperwork Reduction Act Submission  
Lender Transcript of Account  
(OMB Control #3245-0132)**

**JUSTIFICATION**

There are no changes to the substantive elements of this form; however SBA has made minor clarifying revisions to the instructions.

**1. Circumstances necessitating the collection of information.**

*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.*

Section 7(a) of the Small Business Act, as amended, provides authority for the Small Business Administration to guarantee loans made to small businesses by participating lending institutions. The Loan Guaranty Agreement (SBA Form 750), signed by each participating lender and 13 CFR 120.520 specify that upon default of an SBA guaranteed loan, lender may demand that SBA purchase the guaranteed percentage of the outstanding balance. The Guaranty Agreement also requires lenders to furnish the SBA with a certified transcript of loan account, along with its request for guarantee purchase. The SBA Form 1149, "Lender's Transcript of Account," was designed to give lenders a uniform means to certify the loan account when requesting SBA to purchase its guaranteed share of the loan.

**2. How, by whom and for what purpose information will be used.**

*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 information collected on the SBA Form 1149 is provided by the lender as part of its request for purchase of the guaranty on a defaulted 7(a) loan. The form breaks down the application of payments received into principal and interest. The information includes payment deferments and interest rate changes for loans with a fluctuating rate of interest, and the rate in effect at the time of default. SBA uses the information to assist in determining the date the loan went into default and to assess how much interest is payable to the lender. The information is also used to determine whether the loan was properly disbursed and serviced, and whether payments were applied to principal and interest in compliance with the Loan Guaranty Agreement, and the terms and conditions of the loan authorization. SBA Form 1149 is an optional form; however, because most financial institutions do not have recordkeeping systems that detail the required information, they use SBA Form 1149 in order to expedite the processing of their guaranty purchase request.

**3. Technological collection techniques.**

*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 1149 is available in electronic form, on SBA's website at "<http://www.sba.gov/for-lenders>", SBA currently collects 1149 forms in a paper or electronic form.

**4. Avoidance of duplication.**

*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.*

Only the minimal identifying information collected on this form is available to SBA from other sources. SBA does not collect the majority of the information until a lender submits a request for purchase of the guaranteed

portion of a loan. Until that time, any available information will not have the same relevance and utility to the Agency's purchase review process.

**5. Impact on small businesses or other small entities.**

*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.*

There will be no significant impact on small businesses or other small entities. This information collection is provided by the lending institution submitting a purchase request, not small businesses. SBA minimizes the impact by reviewing the information requested from time to time and simplifying the information requested. The information requested is the minimum necessary to determine that the loan amortized in compliance with SBA's Loan Program Requirements and that SBA is paying the correct amount when it purchases its guaranty.

**6. Consequences if collection of information is not conducted.**

*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.*

Failure to collect this information would affect SBA's ability to verify that the loan complies with the relevant SBA Loan Program Requirements. Non-collection of the information could also result in the Agency overpaying a lender on its guaranty request; such overpayments would likely increase the cost of the program to the Government and future borrowers who must pay guaranty fees to SBA based on the projected cost of the loan program.

**7. Existence of special circumstances.**

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

None of the special circumstances apply.

**8. Solicitation of public comments.**

*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 on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.*

The Federal Register Notice for comments was published on August 22, 2014, at 79 FR 49827. The comment period expired October 21, 2014. No comments were received.

**9. Payment or gifts.**

*Explain any decision to provide any payment or gift to respondents, other than re-enumeration of contractors or grantees.*

SBA will not provide any gifts or payments.

**10. Assurance of confidentiality.**

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

SBA protects the information collected to the extent permitted by law, including the "Freedom of Information Act" (5 U.S.C. 552), "Privacy Act" (5 U.S.C. 555a), the "Right to Financial Privacy Act of 1978" (12 U.S.C. 3401), and other significant executive orders or legislation related to financial assistance from the Federal government.

**11. Questions of a sensitive nature.**

*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, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.*

The collection of data on this form does not contain any questions of a sensitive nature.

## **12. Estimates of hourly burden of the collection of information.**

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

Following is an estimate of the hour burden for this collection of information.

Number of Respondents: 1,000 (projected number of lenders submitting purchase requests)  
Number of Responses: 15,000  
Frequency of Responses: One (per purchase)  
Annual Hour Burden: 2 hours to complete x 15,000 = 30,000 hours

The annualized cost to respondents is approximately 15,000 x \$41.28/hour (equivalent to a GS 12) x 2 hours = \$1,238,400.

It is estimated that approximately 15,000 transcript of accounts will need to be completed per year as part of the guaranty purchase process. Lenders spend approximately two hours completing the form. The average salary of a lender loan officer is estimated to be equivalent to a GS 12, which is \$41.28 per hour.

Each 7(a) lender requesting purchase is required to submit a transcript; they are not required to use Form 1149. So, there will be 15,000 transcripts of account, but not necessarily 15,000 Forms 1149.

## **13. Estimate Of Total Annual Cost.**

*Provide an estimate for the total annual cost burden to respondents or recordkeepers resulting from the collection of information.*

No additional costs to respondents.

## **14. Estimated annualized costs to the Federal government.**

*Provide estimates of annualized costs to the Federal Government. Also provide a description of the method used to estimate cost, which should include 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.*

It is estimated that approximately 15,000 transcripts of account will need to be reviewed per year as part of the guaranty purchase process. The average time it takes SBA's purchase centers to review the form is approximately one-half hour. The average salary of the reviewing official is a GS 12 at \$41.28 per hour:

$\$41.28 \text{ per hour} \times 0.50 \text{ hour to review} \times 15,000 \text{ forms} = \$309,600$

## **15. Explanation of program changes in Items 13 or 14 on Form 83-I.**

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

The burden hour has decreased from that noted in the last PRA submission since the volume of regular 7(a) purchases has decreased substantially.

## **16. Collection of information whose results will be published.**

*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.*

Not applicable. The results of this collection of information will not be published for statistical uses.

**17. Expiration date for collection of information.**

*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.*

Not applicable.

**18. Exceptions to certifications in Block 19 on OMB form 83-I.**

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

Not applicable.

**B. Collection of Information Employing Statistical Methods**

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

This collection of information does not employ statistical methods.