SMALL BUSINESS ADMINISTRATION

Data Collection Available for Public Comments

ACTION: 60-day notice and request for comments

SUMMARY: The Small Business Administration (SBA) intends to request approval from the Office of Management and Budget (OMB) for the collection of information described below. The Paperwork Reduction Act (PRA) requires federal agencies to publish a notice in the Federal Register concerning each proposed collection of information before submission to OMB, and to allow 60 days for public comment in response to the notice.

DATES: Submit comments on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]

ADDRESSES: Send all comments to Mary Frias, Loan Specialist, Office of Financial Assistance, Small Business Administration, 409 3rd Street SW, 8th Floor, Washington, DC 20416.

FOR FURTHER INFORMATION CONTACT: Mary Frias, Loan Specialist, Office of Financial Assistance, 202-401-8234, mary.frias@sba.gov, or Curtis B. Rich, Management Analyst, 202-205-7030, curtis.rich@sba.gov;

SUPPLEMENTARY INFORMATION:

SBA Loan Program Requirements, including 13 CFR Section 120.830, require Certified Development Companies participating in the SBA 504 Loan Program to complete and submit an annual report that contains financial
statements, and operational and management information. This reporting requirement is currently approved under OMB Control Number 3245-0074 and consists of SBA Form 1253, *Certified Development Company (CDC) Annual Report Guide* and an exhibit. The Annual Report Guide outlines the standards for meeting a CDC’s annual reporting requirements, while the exhibit serves as a template for the preferred method for a CDC to report data on job creation and retention. The information collected is used by SBA District Offices, the Office of Credit Risk Management, and the Office of Financial Assistance, 504 Program Branch, to determine a CDC’s financial condition, its compliance with SBA Loan Program Requirements, and the impact of its assistance to small businesses.

SBA is revising the information collection to among other things, address recent rule changes and technological improvements, and to clarify and streamline the information to be submitted.

*Summary of Changes to OMB Control Number 3245-0074*

1. In lieu of outlining the reporting requirements in SBA Form 1253, SBA is proposing to eliminate the form and incorporate the requirements into SBA Standard Operating Procedures (SOP) 50 10, Lender and Development Company Loan Programs, as an Appendix. This change will allow CDCs to locate the information collection in the same document that they refer to for guidance on SBA Loan Program Requirements, which will facilitate their preparation of the annual report.

2. The information collection will also be revised to conform to the changes made by the *Streamlining and Modernizing Certified Development Company*
Program (504 Loan Program) Corporate Governance Requirements final rule published at 84 FR 66287 on December 4, 2019. These changes include:

(a) Incorporating the option that allows a Multi-State CDC to add two additional members to its Board or Loan Committee (if established in the CDC’s State of incorporation) as an alternative to creating a separate Loan Committee in the State into which it has expanded.

(b) Revising the instruction to make it clear that CDCs are no longer required to submit a copy of their contracts with the Annual Report if a copy of the current and executed contract was previously submitted to SBA and the CDC so certifies. In addition, the information collection will be changed to no longer require the CDC to provide a copy of any other contract-related documents that SBA already has in its possession.

(c) Revising the collection to reflect that a CDC may contract with another CDC to perform the independent loan review (with SBA’s prior written approval);

(d) Revising the collection to reflect the increase in the threshold for requiring a CDC to submit an audited financial statement from $20 million in outstanding 504 loans to $30 million. CDCs with a 504-loan portfolio balance of less than $30 million will be able to submit a reviewed financial statement.

3. The information collection will also be revised to state that CDCs can submit certain documents to SBA by uploading them into the new Corporate Governance Repository, and CDCs will not need to include those documents with their Annual Report if they previously uploaded the documents to the
Repository. In addition, starting with the submission of the FY 2019 Annual Report, CDCs can file their entire Annual Report with SBA using the Repository.

4. Finally the collection will be amended to remove certain definitions; they will instead be cross referenced to the definitions section of the SOP 50 10.

**Solicitation of Public Comments:**

SBA is requesting comments on (i) whether the collection of information is necessary for the agency to properly perform its functions; (ii) whether the burden estimates are accurate; (iii) whether there are ways to minimize the burden, including through the use of automated techniques or other forms of information technology; and (iv) whether there are ways to enhance the quality, utility and clarity of the information.

**Summary of Information Collection:**

**Title:** Certified Development Company (CDC) Annual Report Guide

**Form Number:** None (formerly SBA Form 1253)

**OMB Control Number:** 3245-0074

**Description of Respondents:** Certified Development Companies

**Total Estimated Number of Respondents Annually:** 208

**Frequency of Response Annually:** 1 per each CDC

**Total Estimated Annual Hour Burden:** 5,824

Curtis Rich,

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