

membership requirements that will allow an applicant more flexibility in meeting this requirement. SBA asserts that the economic impact of the reduction in paperwork, if any, will be minimal to small entities.

Finally, it has been SBA's experience that the more CDCs that market the 504 program in a particular area, the higher the 504 Loan volume in that area. SBA believes that this is due to the additional marketing initiatives by the CDCs which creates an increased awareness of the 504 Program among the local lending community and improves their willingness to participate because they have a choice. SBA also believes having multiple CDCs in the area improves the service provided by the CDCs, which also makes the 504 Program more useful to the commercial banking community. As more and more bankers successfully use the program, they discuss it and provide information about it to other bankers which increases the impact of the marketing efforts of the CDCs. A similar phenomenon occurred in the banking industry. Over the years, bankers participating in SBA's 7(a) program have always been willing to come to bankers' meetings to describe their activity with other bankers. They do this because they recognize that as more people are aware of the program, the size of the market will increase. They may not have as high a percentage of the market but will have a smaller percentage of a bigger market resulting in more overall loan activity for the lender.

Accordingly, SBA hereby determines that this rule will not have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601–612. SBA invites comment from members of the public who believe there will be a significant economic impact on a substantial number of small entities.

Paperwork Reduction Act: SBA has determined that this proposed rule imposes additional reporting or recordkeeping requirements under the Paperwork Reduction Act, 44 U.S.C. chapter 35. This collection of information relates to two different reporting requirements: (1) The PCLP application and (2) the PCLP Loan Loss Reserve Fund reporting requirements. We include below an estimate of the time necessary to review the instructions, search data, fill in the forms, and gather, maintain and report the required data.

SBA invites comments on: (1) Whether the proposed collection of information is necessary for the proper

performance of SBA's functions, including whether the information will have a practical utility; (2) the accuracy of SBA's estimate of the burden of the proposed collections of information, including the validity of the methodology and assumptions used; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques, when appropriate, and other forms of information technology.

Please send comments by the closing date for comment for this proposed rule to David Rostker, Office of Management and Budget, Office of Information and Regulatory Affairs, 725 17th Street, NW., Washington, DC 20503 and to LeAnn Oliver, Deputy Associate Administrator for Financial Assistance, Office of Financial Assistance, Small Business Administration, 409 Third Street, SW., Washington, DC 20416.

A. Application

Title: CDC Checklist for Submitting PCLP Guarantee Requests (Part A); Supplemental Information for PCLP Processing (Part B); Eligibility Information Required for PCLP Submissions (Part C); How to Apply for a PCLP Number from SBA (instructions); and Instructions for "Supplemental Information for PCLP Processing" (No SBA form no. yet) (An application for OMB clearance is being submitted under separate cover.)

Summary: The PCLP application form is designed for PCLP CDCs. Under PCLP, the CDC is delegated the authority to (1) determine whether the proposed borrower poses an acceptable credit risk and (2) limiting SBA's determination of eligibility to a checklist filled in by the CDC. The other forms that make a complete PCLP application package are data collection forms to enable SBA to enter descriptive information about the borrower into SBA's database, and two pages of "Application for Section 504 Loan," SBA Form 1244 (OMB Approval No. 3245–0071) that include information about the borrower as well as the signature page regarding CDC Agreements and Certifications.

Need and Purpose: Under standard SBA 504 Loan processing, SBA extensively analyzes the financing proposal and supporting documentation such as personal and business financial statements, cash flow projections and documentation to support an eligibility determination. These activities are designed to control and limit the risk associated with the 504 Program and

SBA's guaranty, but they do require significant SBA resources. The time between submission of the 504 application to SBA and SBA making a decision to approve or deny the application can be several days to several weeks. If the loan defaults, SBA assumes 100 percent of the cost associated with the purchase of the debenture as well as costs associated with collection and liquidation activities. Under the PCLP, the CDC makes the credit decision regarding the application and submits an abbreviated eligibility checklist for SBA's review to determine eligibility. The time between submission of an application by the PCLP CDC and SBA making a decision is generally an hour or less. In exchange for this quick turn-around time by SBA, the PCLP CDC assumes 10 percent of any loss to SBA on any loan processed under the PCLP.

Description of Respondents: CDCs that qualify as PCLP CDCs. There are approximately 270 CDCs. Of those, 26 CDCs are PCLP CDCs. The number of PCLP CDCs has remained relatively static for several years. In FY 2002, 14 percent of the number of loans and 15 percent of the approved dollars were processed PCLP. For fiscal year 2003, year-to-date (through May 9, 2003), the percentage has dropped to 12 percent in the number of loans and 12 percent of the approved dollars.

SBA estimates the burden of this collection of information as follows: A PCLP CDC will complete these forms for each PCLP loan it processes. SBA estimates that the time needed to complete this collection is 45 minutes. SBA estimates that the cost to complete this collection will be approximately \$20 per hour due to the clerical nature of most of the completion. Total estimated aggregated burden per annum is estimated to be approximately 700 hours per annum costing an aggregated \$14,000 per year.

B. LLRF Compliance Information

Title: LLRF Compliance Information (No SBA Form Number)

Summary: The LLRF compliance information will document the PCLP CDC's meeting of the LLRF deposit requirements.

Need and Purpose: Proposed § 120.847(f) of SBA regulations states that each PCLP CDC must periodically report to SBA the amounts in its LLRF in a form that will readily facilitate reconciliation of the amounts maintained in its LLRF with the amounts required. This will require the PCLP CDC to keep track of the face amount of each PCLP debenture and then determine and record the amount