

SBA JULY 2016 RETROSPECTIVE REVIEW UPDATE

RIN/OMB CONTROL NUMBER	TITLE OF INITIATIVE/RULE OR ICR	SUMMARY OF INITIATIVE	STATUS OF INITIATIVE	TARGET COMPLETION DATE	DOES INITIATIVE CONTAIN PILOT PROJECTS, SAFE HARBOR EXEMPTIONS, TRIGGER PROVISIONS, STREAMLINED REQUIREMENTS, STATE FLEXIBILITIES, OR OTHER SIMILAR STRATEGIES?	WHAT METHODS WILL YOU ENGAGE IN TO IDENTIFY IMPROVEMENTS (PUBLIC COMMENT, ANALYSES, THIRD PARTY ASSESSMENTS, ETC.)?	IF AVAILABLE, ANTICIPATED OR REALIZED SAVINGS IN COSTS AND/OR BURDENS AND ANTICIPATED OR REALIZED CHANGES IN BENEFITS
1. SBA 3245- AG73	Affiliation for Business Loan Programs and Surety Bond Guarantee (SBG) Program	The rule will simplify the consideration of affiliated individuals and groups of individuals, which often own minority stakes in multiple businesses.	Completed		Streamlined requirements	The Proposed Rule was published on Oct. 2, 2015 (80 FR 59667). The public comment period closed on Dec. 1, 2015. SBA received 160 comments. The Final Rule was published on June 27, 2016 (81 FR 41423).	The rule will: --eliminate unnecessary cost burdens on loan applicants' and lenders' participation in SBA-guaranteed loans --exempt the Business Loan Programs and SBG Program from certain government contracting rules that determine whether an entity is deemed affiliated with an applicant.
2. OMB Control Numbers 3245- 0016; 3245- 0348; and	SBA One (Single Electronic Application for 7(a) Loans)	An e-Application for all loans guaranteed under SBA's 7(a) loan program would reduce the amount of paperwork that lenders must submit to SBA. The anticipated improved	Ongoing	2nd Quarter of FY 2017 (phased implementation)	Streamlined requirements; digital signature; eligibility decision trees; and document management	Testing and piloting with all segments of our lending partner community	SBA expects the use of SBA One to decrease the costs to lenders of doing business with SBA. SBA also expects SBA One to decrease the time and resources required of SBA to collect data and loan

3245-0361		business processes and reduced paperwork burden have the potential to result in increased lender participation and greater access to lending for small businesses.					documentation, as well as to monitor and manage the 7(a) loan portfolio.
3. OMB Control Numbers: 3245-0331 and 3245-0205	8(a) Business Development Program	SBA is undertaking a comprehensive review of the information collected from applicants and participants in the 8(a) Business Development Program. This review is focused on the Application for the 8(a) Business Development Program (3245-0331) and the 8(a) Annual Update (3245-0205) but also encompasses other information collections that are associated with the application and reporting phases. The agency is: --assessing the practical utility of the information currently collected and determine where such information can be streamlined, clarified or amended; --evaluating the internal processes related to these collections of	Ongoing	2nd Quarter of FY 2017	Expected streamlined requirements	A notice requesting comments on the changes made to date was published in the Federal Register on Nov. 17, 2015 (80 FR 71907). The comment period closed Jan. 19, 2016 and review of comments completed 7/8/16. Additional changes to data collection process will be considered in the continuing streamlining effort.	Review of costs and benefits of action to be determined.

		information; and will --make any changes that are deemed impediments to program participation or will reduce burden for the program applicants or participants, including form and regulatory changes, as needed.					
4. RIN 3245- AG64	Small Business Innovation Research and Small Business Technology Transfer Policy Directive	SBA is proposing amendments to the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Policy Directives to: --clarify program policy regarding: SBIR/STTR data rights; --clarify the Government's responsibilities with respect to SBIR/STTR Phase III awards; --address other miscellaneous topics including the calculation of extramural research/research and development; and -- combine the directives for the two programs into a single document to simplify the reference and revision processes.	Ongoing	2nd Quarter of FY 2017 for Final Rule	No	The Advance Notice of Proposed Rulemaking was published on Nov. 7, 2014 (79 FR 66342). The public comment period closed Jan. 6, 2015. SBA received 30 comments. The Proposed Rule was published on April 7, 2016 (81 FR 20484). The public comment period was originally to close on June 6, 2016, but was extended to July 6, 2016, by a notice published on May 31, 2016 (81 FR 34426).	SBA has proposed a new, more detailed data rights policy for the SBIR/STTR programs. If adopted as final, it may take additional time for SBIR/STTR participants to navigate the new policy, but the changes provide stronger data rights protections to SBIR/STTR awardees during the protection period and will create a basis for consistency on SBIR/STTR data rights policy in the policy directive, FAR, and DFARS. SBA anticipates that these changes, if made final, will encourage more small businesses to participate in the programs and pursue commercialization. SBA is considering various forms of outreach to communicate the new data rights policy once a final rule is published. Another benefit of the proposed

							changes is that it provides greater guidance to participating agencies regarding their responsibility to pursue and report phase III awards. The proposed changes require agencies to document whether an award is phase III and document its analysis of the practicability of pursuing that work with the SBIR/STTR awardee that conducted the prior work. The anticipated benefit of this proposed change is that more SBIR/STTR awardees receive phase III awards. Another benefit of the proposed changes is that small business concerns will only have to navigate one policy directive that covers both the SBIR and STTR programs rather than understanding both documents if participating in both programs.
5. RIN 3245- AG02	Office of Women Owned Business: Women's Business Center Program	This rule will propose codifying the program requirements and procedures for Women's Business Centers including: --eligibility criteria for selection as a WBC; --use of Federal funds; --standards for	Ongoing	4th quarter FY 2016 for Proposed Rule	No	The Advance Notice of Proposed Rulemaking was published in the Federal Register on April 22, 2015 (80 F.R. 22434). The public comment period closed on June 22,	Costs to SBA are minimal as most of the requirements of this rule are currently being followed. The estimated annual cost to the Federal government for oversight of these WBCs is currently provided for in the existing SBA infrastructure. Similarly, the

		effectively carrying out program duties and responsibilities; and --requirements for reporting on financial and programmatic performance.				2015. SBA received 7 comments.	<p>costs to the grantees is also minimal as they, too, are following the requirements in this NPRM which are currently included in their annual cooperative agreement. No additional direct costs are projected to be incurred by WBCs for oversight and related functions in this proposed rule.</p> <p>Grantees are required to supply a 1 to 1 match of those funds except in the first two initial years in the program for which the match is 2 to 1 (Federal to match). The benefit of this requirement is that the Grantee is invested as much as the Federal government in making the WBC Program a success. The small businesses benefit from the no-cost or low-cost counseling and training. Specifically, in 2015, the WBC Program counseled 20,473 entrepreneurs; trained 120,030 entrepreneurs, created 771 new businesses and raised \$87,630,000 in capital infusion. Further, as stated above, the potential benefits of this proposed rule are based on</p>
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							incorporating all the changes that have been made with the publication of 2 CFR part 200, other grant changes over the past 28 years and a streamlining of both the Program Announcement and the Notice of Award. The new regulations will simplify the Program Announcement to contain only that information that the applicant must submit and not all the other information that will now be written into the regulations.
6. RIN 3245- AG65	Small Business Investment Companies (SBIC); Administrative Fees	The Small Business Investment Act of 1958, as amended, authorizes SBA to collect licensing fees from applicants and examination fees from SBICs to offset administrative costs related to licensing and examination activities. SBA last adjusted SBIC licensing fees in 1996 and examination fees in 1998. These fees currently cover only a fraction of necessary SBA administrative expenses related to these activities.	Ongoing	4th Quarter of FY 2016 for Proposed Rule	No	Public outreach and comment	Review of costs and benefits of action in progress.
7. RIN	Small Business Investment Companies	This rule will propose a regulatory structure for	Ongoing	1st Quarter of FY 2017	No	The Proposed Rule was published in	The proposed rule offers two primary benefits to SBA

3245-AG66	(SBIC)- Impact SBICs	the SBIC Program's Impact Investment Fund, which is currently being implemented through a policy memorandum. The rule will also propose a new type of SBIC license called the Impact SBIC license and will include application and examination fee considerations to incentivize Impact Investment Fund participation. The new license will be available to investment funds that commit to invest at least 50% of their invested capital in impact investments as defined in the rule. The rule will also propose the reporting and performance measures for licensed funds to maintain Impact Investment Fund designation.		for Final Rule		the Federal Register on February 3, 2016 (81 FR 5666). The public comment period closed March 4, 2016. SBA received 5 comments.	and its stakeholders. First, it offers the potential to enhance the overall social, environmental and economic impact of the SBIC program. The introduction of Impact SBICs will increase the portion of those annual financings that are intentionally directed towards economically-distressed communities and companies taking innovative approaches to social problems. In terms of costs, Impact SBICs are anticipated to have an additional 3% higher loss rate than regular SBICs, due to the risks that may be associated with Impact Investments contemplated under the proposed rule.
8. RIN 3245- AG67	Small Business Investment Companies (SBIC); Passive Business Expansion & Technical Clarifications	The SBA proposes to revise the regulations for the Small Business Investment Company (SBIC) program to further expand the use of Passive Businesses and provide needed protections for SBA with	Ongoing	4th Quarter FY 2016 for Final Rule	No	The Proposed Rule was published on Oct. 5, 2015 (80 FR 60077). The public comment period closed on Dec. 4, 2015. SBA received 7 comments.	The proposed rule provides a benefit to SBICs related to forming and investing in pass-through entities. Among other technical changes, the proposed rule expands the purposes for which a pass-through entity may be formed by an SBIC,

		<p>regard to such investments. SBICs are generally prohibited from investing in passive businesses under the Small Business Investment Act of 1958 as amended as well as by regulations. Current program regulations provided for two exceptions that allow an SBIC to structure an investment utilizing a passive small business as a pass-through. Specifically, this proposed rule would:</p> <ul style="list-style-type: none"> --clarify the regulations related to passive businesses; --eliminate SBA prior approval for blocker corporations; --expand the permitted use of blocker corporations; and --identify new reporting and other requirements for passive investments to help protect SBA's financial interests. 					<p>which may reduce negative tax consequences to SBICs or an SBIC's investors. The rule does not have a cost impact on the program.</p>
9. RIN 3245- AG68	Small Business Investment Companies (SBIC); Early Stage Initiative	The Early Stage (ES) SBIC Initiative began in 2012 as part of Start-up America. The intent was to license and provide SBA guaranteed leverage to ES SBICs that	Ongoing	4th Quarter of FY 2016 for Proposed Rule	No	The Advance Notice of Proposed Rulemaking was published in the Federal Register on March 18, 2015 (80 F.R. 14034).	The proposed rule contains many benefits for Early Stage SBICs, including a rolling application period, an increase in maximum leverage, access to unsecured credit facilities

		<p>would focus on making investments in early stage small businesses. The proposed rule would suggest changes based on responses from the Advance Notice of Proposed Rulemaking (ANPRM) SBA published in March 2015 (80 Fed. Reg. 14034, March 18, 2015). SBA received 7 comments (3 from industry and 4 from the general public). The proposed rule proposes changes to the initiative with respect to licensing, non-SBA borrowing, and leverage eligibility. It would also make the program an ongoing part of the SBIC Program. Many of the changes are intended to make the Early Stage program operate more like the standard SBIC program, including removing the limitation on once-annual application period for Early Stage SBIC applicants, allowing existing Early Stage SBICs to apply for a subsequent license, and allowing Early Stage</p>				<p>The public comment period closed on May 18, 2015. SBA received 7 comments.</p>	<p>under certain conditions without SBA prior approval, and, most importantly, making the Early Stage SBIC program an ongoing part of the SBIC program. Early Stage SBICs have a higher expected loss rate than standard SBICs, which higher loss rate has been included in the subsidy formulation model for the SBIC program since the start of the Early Stage SBIC program in 2012. SBA believes that none of the changes proposed in this rule would alter the risk profile of the Early Stage SBICs or increase the annual charge paid by SBICs. The program will remain a zero subsidy program.</p>
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		SBICs to access a third party line of credit to help bridge the gap between financings and private capital calls. The rule also proposes to increase the maximum amount of SBA guaranteed leverage available to an Early Stage SBIC with sufficient Regulatory Capital from \$50 million to \$75 million, which is half of the maximum amount available to standard SBICs.					
10. RIN 3245- AG38	Small Business HUBZone Program; Government Contracting Programs; Office of Hearings and Appeals	SBA has reviewed its processes and procedures for implementing the HUBZone program and determined that several of the regulations governing the program should be amended. As a result, the proposed rule would constitute a comprehensive revision of 13 CFR part 126 to clarify current HUBZone Program regulations, and implement various new procedures. The proposed amendments would make it easier for participants to comply with the program requirements and to	Ongoing	1st Quarter of FY 2017 for Proposed Rule	No	Public outreach and comment	The proposed regulations seek to provide clarity to small businesses and contracting personnel, which will benefit the small business and procurement communities. The regulations also seek to reduce the burden on small businesses applying for certification in the HUBZone program. The implementation of recent statutory changes will also benefit these communities by expanding the pool of eligible HUBZone small business concerns and providing increased opportunities for small businesses to participate in

		<p>maximize the benefits afforded them by participation. At the same time, SBA will maintain a framework that helps identify and reduce waste, fraud, and abuse in the program.</p> <p>In addition, the proposed rule would incorporate statutory changes to the HUBZone program contained in section 866 of the NDAA for FY 2016. These changes include: authorizing companies owned by Native Hawaiian Organizations to apply for HUBZone certification; expanding the definition of base closure area HUBZones; and opening up the HUBZone program to businesses located in qualified disaster areas.</p>					<p>Federal contracting.</p> <p>Certain changes may result in increased administrative costs—such as the proposal to implement processes by which small businesses can request reconsideration of SBA’s decision to deny certification or appeal such decision to SBA’s Office of Hearings and Appeals. However, these changes would make the HUBZone program more consistent with SBA’s other contracting programs, and the bulk of these costs would be borne by the agency rather than the small business.</p>
11. RIN 3245 AE05	Small Business Development Center Program Revisions	<p>Updates the SBDC program regulations to include:</p> <ul style="list-style-type: none"> --procedures for approving applications for new Host SBDCs; --procedures and requirements regarding findings and disputes resulting from financial exams, programmatic 	Ongoing	1st Quarter of FY 2017 for Proposed Rule	No	The Advance Notice of Proposed Rulemaking was published in the Federal Register on April 2, 2015 (80 F.R. 17708). The public comment period closed on June 1, 2015. SBA received	Review of costs and benefits of action in progress.

		reviews, accreditation reviews, and other SBA oversight activities; --requirements for new or renewal applications for SBDC grants; and --provisions regarding the collection and use of the individual SBDC client data.				132 comments. Comments are currently being evaluated.	
12. RIN 3245- AG63	Amendments to Standards of Conduct and Employee Restrictions and Responsibilities	This rule would amend SBA regulations to clarify and streamline: -- SBA employees' duties and responsibilities; --restrictions on the granting of SBA assistance to persons with a current or past relationship with SBA or the Federal government; and --requests for SBA assistance by, among others, members of Congress, employees of the Federal legislative and judicial branches, and members of SBA advisory committees.	Ongoing	4th Quarter of FY 2016 for Proposed Rule	No	Rule is internal; will engage SBA employees through internal outreach and education.	Review of costs and benefits of action in progress.
13. RIN 3245- AG78	Disaster Assistance Loan Programs; Disaster Loan Mitigation; Contractor Malfeasance and Secured Threshold	Three rule changes: 1) increase the unsecured physical disaster loan limit from \$14,000 to \$25,000 for all types of disaster declarations; 2) allow for construction of a safe room or similar storm shelter as a	Ongoing	1st quarter of FY 2017 for Final Rule	No	The Proposed rule was published on April 6, 2016 (81 FR 19934). The public comment period closed on June 6, 2016. SBA received no comments.	Expected changes in benefits for disaster survivors, i.e. more funds at initial disbursement, higher unsecured loan limit, available funds for safe room construction, and additional assistance for contractor malfeasance.

		mitigating measure; and 3) allow for supplemental assistance for contractor malfeasance up to an additional amount of \$200,000.					
14. 3245- AG77	Disaster Loan Programs: Federal Flood Risk Management Standard	A new rule to apply the FFRMS and EO 13690/11988 to physical disaster loans over \$2 million. The FFRMS includes a higher vertical and wider horizontal floodplain which may require new construction and reconstruction of substantially damaged structures to use a higher elevation of at least 2 feet above the base flood elevation required by the National Flood Insurance Program.	Ongoing	4th Quarter FY 2016 for Proposed Rule	No	Public outreach and comment.	Potential increased cost for businesses receiving physical disaster loans over \$2 million, though the businesses that rebuild or elevate structures at least 2 feet above base flood elevation may experience increased resiliency.
15. RIN 3245- AG79	Debt Refinancing in 504 Loan Program	An interim final rule to implement the debt refinancing authority in the Consolidated Appropriations Act, 2016.	Completed	The Interim Final Rule was published on May 25, 2016 (81 FR 33123). The public comment period will close on July 25, 2016. The effective	No	The Interim Final Rule was published on May 25, 2016 (81 FR 33123). The public comment period will close on July 25, 2016. The effective date of the rule is June 24, 2016.	Increase number of small businesses receiving 504 loan program assistance, business stabilization, job creation and retention.

				date of the rule is June 24, 2016.			
16. 3245- AG76	Economic Development Investments for Certified Development Companies	Advance Notice of Proposed Rulemaking on economic development definition and metric for evaluating economic development investment	Following a review of the comments received in response to the ANPRM and discussions with trade association representatives, SBA has decided not to proceed with this rule.	Not applicable. See preceding column.	No	The Advance Notice of Public Rulemaking was published in the Federal Register on January 15, 2016 (81 FR 2129). The public comment period closed on March 15, 2016. SBA received 67 comments.	
17	Franchise Comments	SBA reviewed comments received based on a comment period ending April 7, 2015.	Completed		Streamlined requirements	A Notice requesting comments was published on December 8, 2014 (79 FR 72748). A Notice extending the comment period was published on January 20, 2015 (80 FR 2769). The public comment period closed on April 7, 2015. SBA received 117 comments. SBA officials met internally and held discussions with external stakeholders on process	Significant reduction in time and regulatory burden to lenders and program costs anticipated.

						improvements to franchise lending. With an additional 138 comments received with the proposed changes to affiliation rules(see OMB Control # 3245-AG73 above), SBA determined a change for evaluating franchises for size standards eligibility was necessary.	
18. 3245- AG74	SBA Express Loan Program; Export Express Program (also includes Recovery Opportunity Loans, former item 23)	The RISE After Disaster Act requires SBA to implement the Recovery Opportunity Loan program, under which SBA may guarantee an Express loan of up to \$150,000 to a small business located in a disaster area. SBA is also issuing regulations implementing the Express Loan Program found in § 7(a)(31) of the Small Business Act and the Export Express Program found in § 7(a)(35) of the Small Business Act.	Ongoing	4 th Quarter FY 2016 for Proposed Rule	No	Public outreach and comments.	Change in benefit is anticipated to include increased access to capital for businesses in declared disaster areas. Costs to be determined.