

SBA FEBRUARY 2015 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?	DOES INITIATIVE EMPLOY ANY TYPE OF EXPERIMENTAL DESIGN Y/N	IF SO, PLEASE BRIEFLY DESCRIBE	WHAT METHODS WILL YOU ENGAGE IN TO IDENTIFY IMPROVEMENTS (PUBLIC COMMENT, ANALYSES, THIRD PARTY ASSESSMENTS, ETC.)?	ANTICIPATED OR REALIZED SAVINGS IN COSTS AND/OR BURDENS AND ANTICIPATED OR REALIZED CHANGES IN BENEFITS
1. SBA (RIN to be requested)	Affiliation for Loan Programs	The rule would simplify the consideration of affiliated individuals and groups of individuals, which often own minority stakes in multiple businesses. When they are considered in "groups" they may appear to demonstrate a form of consolidated control, which rarely exists. By re-defining how these lesser-percentage owners are grouped together, and shifting certain certifications of facts to the borrower,	New	4th Quarter of FY 2015 for Proposed Rule	No	No	N/A	Public outreach and comments	Review of costs and benefits of action in progress.

		more small businesses can be identified as "small" and therefore be eligible for SBA financial assistance. In addition, SBA plans to propose several miscellaneous amendments to improve operations of its finance programs.							
2. OMB Control Numbers 3245-0016; 3245-0348; and 3245-0361	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 business processes and reduced paperwork burden have the potential to result in increased lender participation and greater access to lending for small businesses.	New	2nd Quarter of FY 2017 (phased implementation)	Streamlined requirements; digital signature; eligibility decision trees; and document management	No	N/A	Testing and piloting with all segments of our lending partner community	Over 90 percent of 7(a) loans are processed electronically via the same electronic application. Lenders that are new to SBA lending and very small lenders may find it difficult to move to complete electronic application processing. An increase to 94% may represent the optimal achievement of this initiative. Nonetheless, SBA is evaluating how to incorporate the remaining percentage and achieve 100 percent.

<p>3. OMB Control Numbers: 3245-0331 and 3245- 0205</p>	<p>8(a) Business Development Program</p>	<p>SBA is undertaking a comprehensive review of the information collected from applicants and participants in the 8(a) Business Development Program. This review will focus on the Application for the 8(a) Business Development Program (3245-0331) and the 8(a) Annual Update (3245-0205) but will also encompass other information collections that are associated with the application and reporting phases. The agency will assess the practical utility of the information currently collected and determine where such information can be streamlined, clarified or amended. SBA will also evaluate the internal processes related to these</p>	<p>New</p>	<p>2nd Quarter of FY 2017</p>	<p>Expected streamlined requirements</p>	<p>No</p>	<p>N/A</p>	<p>Public outreach and consultation with stakeholders</p>	<p>Review of costs and benefits of action to be determined.</p>
---	--	---	------------	-----------------------------------	--	-----------	------------	---	---

		collections of information and make any changes that are deemed impediments to program participation or will reduce burden for the program applicants or participants.							
4. RIN 3245- AG64	Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Policy Directives; Data Rights; Phase III Award Preference; Other Clarifying Amendments	This Directive seeks comments from the public on two key areas of the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Policy Directives that the SBA is considering revising: SBIR/STTR data rights, and the Government's responsibilities with respect to SBIR/STTR Phase III awards. The SBA intends to update policy directive language on miscellaneous topics including the calculation of extramural R/R&D and to provide greater clarity and detail on these	New	4th Quarter of FY 2015	No	No	N/A	The advanced notice of proposed rulemaking was published on Nov. 7, 2015 (79 FR 66342). The public comment period closed Jan. 6, 2015.	Review of costs and benefits of action in progress.

		issues in the Policy Directive. SBA also intends to combine the directives for the two programs into a single document to simplify the reference and revision processes.							
5. SBA	Changes due to U.S. Supreme Court decision in <i>U.S. v. Windsor</i> ; some SBA forms instructions may need revision.	SBA reviewed its programs and authorities to ensure implementation of the court decision to treat married same sex couples the same as married opposite sex couples under Federal programs	New	3rd Quarter of FY 2015	No	No	N/A	SBA plans outreach to SBA program participants, lenders, borrowers, contractors, grantees, resource partners, and to the public through various education avenues.	N/A
6. RIN 3245- AG02	Women's Business Center Program	SBA's Office of Women's Business Ownership (OWBO) oversees a network of SBA-funded Women's Business Centers (WBCs) throughout the United States and its territories. WBCs provide management and technical assistance to small business concerns both nascent and established, with a	New	2nd Quarter of 2015 for Advanced Notice of Proposed Rulemaking	No	No	N/A	Public outreach and comment	Review of costs and benefits of action in progress.

		<p>focus on such businesses that are owned and controlled by women, or on women planning to start a business, especially women who are economically or socially disadvantaged. The training and counseling provided by the WBCs encompass a comprehensive array of topics, such as finance, management and marketing in various languages. This rule would propose to codify the requirements and procedures that govern the delivery, funding and evaluation of the management and technical assistance provided under the WBC Program. The rule would address, among other things, the eligibility criteria for selection as a WBC, use of Federal funds, standards for</p>							
--	--	---	--	--	--	--	--	--	--

		effectively carrying out program duties and responsibilities, and the requirements for reporting on financial and programmatic performance.							
7. RIN 3245- AG53	Microloan Program Expanded Eligibility and Other Program Changes	This rule includes several policy changes requested by existing microloan intermediaries, as well as technical amendments to conform the regulations to current statutory authority. In addition, the proposed rule would allow intermediaries to make loans to businesses with owners or employees who are on parole or probation. SBA is proposing this change as a result of regulatory review conducted in connection with SBA's participation on the Federal Interagency Reentry Council (Reentry	New	3rd Quarter of FY 2015 for Final Rule	No	No	N/A	The proposed rule was published in the Federal Register on March 17, 2014 (79 FR 14617). The public comment period closed May 16, 2014.	The most significant benefit to small business borrowers as a result of this proposed rule is increased access to capital. The proposed rule would also increase the number of microborrowers receiving training with limited technical assistance resources. The rule change would encourage the expansion of Intermediaries into new lending territories to broaden the base of customers from which borrowers can be drawn. This expansion represents geographic growth in availability of capital for small

		<p>Council). The Reentry Council is an interagency task force led by the Department of Justice which seeks to explore ways in which agencies can reduce the Federal barriers to successful reentry of formerly incarcerated individuals in order to assist them in becoming productive citizens. Other changes in the rule include increasing the minimum number of loans that Microloan intermediaries must make annually, removing the requirement that the Microloan Revolving Fund and the Loan Loss Reserve Fund be held in Deposit Accounts that are interest-bearing, updating the definition of Insured Depository Institution to include credit unions, and a technical</p>							<p>business borrowers. Finally, by allowing microloan Intermediaries to use non-interest bearing accounts, the Intermediaries will have additional resources to use toward providing loans or technical assistance.</p>
--	--	--	--	--	--	--	--	--	---

		amendment to conform the regulations to current statutory authority.							
8. RIN 3245- AG65	Small Business Investment Companies (SBIC); Administrative Fees	This rule will propose increased licensing and examination fees for the Small Business Investment Company (SBIC) Program. 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. If implemented as proposed, the new rule would simplify	New	3rd Quarter of FY 2015 for Proposed Rule	No	No	N/A	Public outreach and comment	Review of costs and benefits of action in progress.

		the current exam fee structure and increase both administrative fees to recoup SBA expenses related to SBA licensing and examination activities. These fees would be annually adjusted based on the urban consumer price index as determined by the Bureau of Labor Statistics. To encourage investment into underserved areas, the rule will propose licensing and examination fee discounts for Early Stage SBICs and examination fee discounts for regular SBICs that make significant low and moderate income (LMI) investments.							
9. RIN 3245- AG66	Small Business Investment Companies (SBIC); Impact SBICs	This rule will establish a regulatory structure for the SBIC Programs Impact Investment Fund, which is currently being implemented through a policy	New	3rd Quarter of FY 2015 for Proposed Rule	No	No	N/A	Public outreach and comment	Review of costs and benefits of action in progress.

		<p>memorandum to interested applicants. The rule will establish 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. Impact SBICs may also be able to access Early Stage leverage on the same terms as Early Stage SBICs without applying through the Early Stage call process defined in 107.310. This will allow Impact SBICs with early stage strategies to apply for the program. The new license will be available to investment funds that meet the SBIC Programs licensing qualifications and commit to invest at least 50% of their invested capital in impact investments as defined in the rule. The rule will</p>							
--	--	--	--	--	--	--	--	--	--

		also outline reporting and performance measures for licensed funds to maintain Impact Investment Fund designation. The goal of the Impact Investment Fund is to support small business investment strategies that maximize financial returns while also yielding enhanced social environmental or economic impacts as part of the SBIC Programs overall effort to supplement the flow of private equity and long-term loan funds to small businesses whose capital needs are not being met.							
10. RIN 3245- AG67	Small Business Investment Companies (SBIC); Passive Business Expansion and Technical Clarification	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	New	3rd Quarter FY 2015 for proposed Rule	No	No	N/A	Public outreach and comments	Review of costs and benefits of action in progress.

		with 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. The current rule creates unnecessary complications in defining two exceptions and does not provide SBA with sufficient protections. SBA proposes to simplify the rule to allow a more flexible pass-through entity structure.							
11. RIN 3245- AG68	Small Business Investment Companies (SBIC); Early Stage Initiative	The Early Stage Small Business Investment Company (SBIC) initiative was launched in 2012. To	New	2nd Quarter of 2015 for Advanced Notice of Proposed Rulemaking	No	No	N/A	Public outreach and comments.	Review of costs and benefits of action in progress.

		<p>date, SBA has licensed five Early Stage SBICs. In order to help determine whether program changes are necessary SBA is seeking input from the public on, among other things: (1) whether the industry believes a funding gap exists for early stage businesses; (2) what structural changes to the program are needed to attract more qualified fund managers; (3) whether a debenture leverage instrument can be useful in financing early stage funds or whether another debt instrument can be implemented to attract experienced early stage fund managers; and (4) what other initiatives would be effective in meeting the financing needs of early stage businesses.</p>							
12. RIN	Small Business Size Standards: Employee Based	SBA is authorized to develop the size	Ongoing	2nd Quarter of FY	No	No	N/A	The proposed rule was published in the	SBA estimates that in 47 industries for

3245-AG49	Size Standards for Wholesale Trade and Retail Trade	standards that are the basis for establishing eligibility for federal financial assistance and contracting opportunities. This size rule is part of a comprehensive effort to review all of the current size standards to determine which standards should be retained or revised, based on industry factors, Federal procurement practices, and current economic conditions. This review is consistent with Executive Order 13563 on improving regulations and regulatory review. The rule would comply with the Small Business Jobs Act of 2010 (Jobs Act) requirement for SBA to review all size standards and make appropriate adjustments to reflect market conditions. The Jobs Act requires SBA to		2015 for Final Rule				Federal Register on May 19, 2014 (79 FR 28631). The public comment period closed on July 18, 2014.	which it proposes to increase employee based size standards in Sectors 42 and 44-45, nearly 4,000 firms, not small under the existing size standards, will become small under the proposed size standards, if adopted, and therefore will become eligible for SBA's financial assistance programs. That is an increase of 1.1 percent of all firms classified as small under the current employee based size standards in those sectors. SBA estimates up to about 50 loans totaling about \$20 million could be made under its 7(a) and CDC/504 Programs to these newly defined small businesses under the proposed size standards. Since the rule proposes to retain the 500-employee non-manufacturer size standard for Federal
-----------	---	---	--	---------------------	--	--	--	--	--

		review at least one-third of all size standards during every 18-month period from the date of its enactment and review all size standards not less frequently than once every 5 years thereafter.							procurement, there are no impacts on procurement.
13. RIN 3245- AG50	Small Business Size Standards for Manufacturing	See #12 above	Ongoing	3rd Quarter of FY 2015 for Final Rule	No	No	N/A	The proposed rule was published on September 10, 2014 (79 FR 54146). The public comment period ended November 10, 2014.	SBA estimates that in 209 industries for which it has proposed to increase size standards about 1,250 firms, not small under the existing size standards, will become small under the proposed size standards and therefore become eligible for SBA's contracting and financial assistance programs. That is about 0.4 percent of all firms classified as small under the current size standards in all industries reviewed in this proposed rule. This will increase the small

									business share of total receipts in those industries from 26 percent to 29 percent. SBA estimates that firms gaining small business status under the proposed size standards could receive Federal contracts totaling \$170 million to \$175 million annually under SBA's contracting programs. Under SBA's 7(a) and 504 Loan Programs, SBA estimates about 25 SBA loans totaling about \$12 million could be made to these newly defined small businesses under the proposed size standards.
14. RIN 3245- AG51	Small Business Size Standards: Industries with Employee-Based Size Standards Not Part of Manufacturing, Wholesale Trade, or Retail Trade	See #12 above.	Ongoing	3rd Quarter of FY 2015 for Final Rule	No	No	N/A	The proposed rule was published in the Federal Register on September 10, 2014 (79 FR 53646). The public comment period closed November 10, 2014.	SBA estimates that in 30 industries and three sub-industries for which it has proposed to increase standards more than 380 firms, not small under the existing size standards, will become small under

									<p>the proposed size standards, if adopted, and therefore become eligible for SBA's contracting and financial assistance programs. That is about 0.6 percent of all firms classified as small under the current size standards and sub-industries reviewed in this proposed rule. This will increase the small business share of total receipts in those industries from 18.3 percent to 21.3 percent. SBA estimates that firms gaining small business status under the proposed size standards could receive Federal contracts totaling \$165 million to \$175 million annually under SBA's contracting programs. Under SBA's 7(a) and 504 Loan Programs, SBA estimates up to about 5 7(a) and 504 loans totaling about</p>
--	--	--	--	--	--	--	--	--	--

									\$1 million could be made to these newly defined small businesses under the proposed size standards.
15. RIN 3245- AG38	HUBZone (Historically Underutilized Business Zones) Program	SBA is reviewing the HUBZone regulations to address, in particular, the inconsistent or misapplication of certain program processes and procedures. The anticipated amendments will make it easier for participants to comply with the program requirements and enable them to maximize the benefits afforded by participation.	Ongoing	3rd Quarter of FY 2015 for Proposed Rule	No	No	N/A	Public outreach and comment	Review of costs and benefits of action in progress.
16. RIN 3245- AG60	Small Business Size Standards: Adjust Monetary Size Standards for Inflation	The Small Business Jobs Act of 2010 requires SBA to review and adjust (as necessary) all size standards within five years of its enactment. SBA is also required by its	Ongoing	2nd Quarter of FY 2015 for Final Rule	No	No	N/A	The interim final rule with request for comments was published in the Federal Register on June 12, 2014 (79 FR 33647), with an effective date of July 14, 2014. The	The most significant benefit of this interim final rule for small businesses is that it will enable businesses that have exceeded size standards simply due to inflation to

		<p>Small Business Size Regulations at 13 CFR 121.102(c) to review the effects of inflation on its monetary standards at least once every five years. SBA has complied with these requirements by issuing an interim final rule with request for comments to adjust its monetary small business size standards (i.e., receipts, net income, net worth, and financial assets), for the effects of inflation that have occurred since the last inflation adjustment, which was effective August 18, 2008.</p>						<p>comment period closed on August 11, 2014.</p>	<p>regain eligibility for Federal small business assistance programs.</p> <p>SBA estimates that this rule will enable approximately 8,500 firms in industries and sub-industries with receipts based size standards and about 170 firms in industries with assets based size standards, currently above SBA's size standards, to gain small business status and become eligible for SBA financial assistance and small business procurement programs. This will increase the small business share of total receipts in industries and sub-industries with receipts based size standards from 31.2 percent to 31.8 percent and the small business share of total assets in industries with assets based size standards from 8.8</p>
--	--	--	--	--	--	--	--	--	--

									percent to 9.4 percent. SBA estimates that firms gaining small business status under the inflation adjusted size standards could receive Federal contracts totaling \$150 million to \$200 million annually under small business set aside and unrestricted procurements. SBA estimates about 80 addition loans totaling about \$30 million could be made to these newly defined small businesses under SBA's 7(a) and 504 Loan Programs under the adjusted size standards.
17. RIN 3245 AE05	Small Business Development Centers (SBDC) Program Revisions	This rule would propose amendments that are necessary to update the policies and procedures for management and oversight of the Small Business Development Center (SBDC) Program,	Ongoing	2nd Quarter of FY 2015 for Proposed Rule	No	No	N/A	Public outreach and comment	Review of costs and benefits of action in progress.

		including procedures and requirements for resolving findings resulting from financial exams, programmatic reviews, accreditation reviews, and other SBA oversight activities; as well as procedures for approving applications for new Host SBDCs and new or renewal applications for SBDC grants.							
18. RIN 3245- AG63	Amendments to Standards of Conduct and Employee Restrictions and Responsibilities	This rule would amend Part 105 of the SBA regulations to clarify and streamline the existing regulations, including those that pertain to 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	Ongoing	2nd Quarter of FY 2015 for Proposed Rule	No	No	N/A	Rule is internal; will engage SBA employees through internal outreach and education.	Review of costs and benefits of action in progress.

		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.							
19. SBA	Streamlined loan authorization for all 7(a) loans under \$350,000	SBA is currently developing a new streamlined loan authorization for all 7(a) loans originated below \$350,000	Completed	2nd Quarter of FY 2015	Streamlined requirements	No	N/A	Public outreach	The agency estimates it will reduce the loan authorization paperwork from an average of 12 pages to as few as 4 pages in most cases.