

SBA JULY 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 3245-AG73	Affiliation for Loan and Surety Bond Guarantee Programs	The rule would simplify the consideration of affiliated individuals and groups of individuals, which often own minority stakes in multiple businesses. Existing regulation defines groups as being affiliated, and thereby having some form of control, which in most circumstances is not applicable to the borrowing or bonded entity. By re-defining how these lesser-percentage owners are grouped	Ongoing	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.

		together, and shifting certain certifications of facts to the borrower, more small businesses can be identified as "small" and therefore be eligible for SBA financial assistance.							
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.	Ongoing	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.
3. OMB Control	8(a) Business Development Program	SBA is undertaking a comprehensive review of the	Ongoing	2nd Quarter of FY 2017	Expected streamlined	No	N/A	Public outreach and consultation with	Review of costs and benefits of action to

<p>Numbers: 3245-0331 and 3245- 0205</p>		<p>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 collections of information and make any changes that are deemed</p>			<p>requirements</p>			<p>stakeholders</p>	<p>be determined.</p>
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		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 (SBIR) and Small Business Technology Transfer (STTR) Policy Directive Amendments Regarding Data Rights, Phase III Award Preference, Other Clarifying Amendments	Amendments to the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Policy Directives are proposed to clarify program policy regarding: SBIR/STTR data rights, the Government's responsibilities with respect to SBIR/STTR Phase III awards, and other miscellaneous topics including the calculation of extramural R/R&D. SBA also intends to combine the directives for the two programs into a single document to simplify the reference and	Ongoing	4th Quarter of FY 2015	No	No	N/A	The Advance Notice of Proposed Rulemaking was published on Nov. 7, 2014 (79 FR 66342). The public comment period closed Jan. 6, 2015.	Review of costs and benefits of action in progress.

		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	Ongoing	4th 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	Women's Business Centers (WBCs) provide management and technical assistance to small business concerns with a focus on businesses that are owned and controlled by women, or on women planning to start a business, especially women who are economically or socially disadvantaged. This rule would propose to codify the program requirements and procedures including, among other things, the	Ongoing	3rd quarter 2016 for Notice of Proposed Rulemaking	No	No	N/A	The Advance Notice of Proposed Rulemaking was published in the Federal Register on April 22, 2015 (80 F.R. 22434). The public comment period closes on June 22, 2015	Review of costs and benefits of action in progress.

		eligibility criteria for selection as a WBC, use of Federal funds, standards for effectively carrying out program duties and responsibilities, and the requirements for reporting on financial and programmatic performance.							
7. 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. If implemented as proposed, the new rule would simplify	Ongoing	4th 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.							
8. RIN 3245- AG66	Small Business Investment Companies (SBIC); Impact SBICs	This rule will propose a regulatory structure for the SBIC Programs Impact Investment Fund, which is currently being implemented through a policy	Ongoing	4th 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. 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. 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. 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.</p>							
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<p>9. RIN 3245- AG67</p>	<p>Small Business Investment Companies (SBIC); Passive Business Expansion and Technical Clarifications</p>	<p>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 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. In FY 2014, SBA issued a final rule which permitted SBIC financings to utilize up to two passive businesses under certain conditions. This proposed rule</p>	<p>Ongoing</p>	<p>4th Quarter FY 2015 for proposed Rule</p>	<p>No</p>	<p>No</p>	<p>N/A</p>	<p>Public outreach and comments</p>	<p>Review of costs and benefits of action in progress.</p>
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		would implement industry suggestions from the FY 2014 rulemaking which could not be implemented at that time. Specifically, this proposed rule would 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. The proposed rule also makes minor technical corrections.							
10. 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 of the initiative was to license and provide SBA guaranteed leverage to ES SBICs	Ongoing	3rd Quarter of 2016 for Notice of Proposed Rulemaking	No	No	N/A	The Advance Notice of Proposed Rulemaking was published in the Federal Register on March 18, 2015 (80 F.R. 14034). The public comment period closed on	Review of costs and benefits of action in progress.

		<p>over a 5-year period (fiscal years 2012 through 2016) that would focus on making investments in early stage small businesses. Although 58 investment funds applied to the program, to date SBA has only licensed 5 Early Stage SBICs. SBA sought input from the public through an Advanced Notice of Proposed Rule Making (ANPRM) in March 2015 to determine whether existing market conditions warrant SBA continuing to license Early Stage SBICs past fiscal year 2016 on an ongoing basis and, if so, what changes should be made to the program to attract qualified early stage fund managers. The proposed rule would implement changes based on responses from the notice and additional input received by SBA.</p>						May 18, 2015.	
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11. RIN 3245- AG49	Small Business Size Standards: Employee Based Size Standards for Wholesale Trade and Retail Trade	SBA is authorized to develop the size standards that are the basis for establishing eligibility for federal financial assistance and contracting opportunities. This 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	Ongoing	4th Quarter of FY 2015 for Final Rule	No	No	N/A	The proposed rule was published in the Federal Register on May 19, 2014 (79 FR 28631). The public comment period closed on July 18, 2014.	SBA estimates that in 47 industries for 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-
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		conditions. The Jobs Act requires SBA to 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.							manufacturer size standard for Federal procurement, there are no impacts on procurement.
12. RIN 3245- AG50	Small Business Size Standards for Manufacturing	See #12 above	Ongoing	4th 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.
13. 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	4th 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

									<p>size standards, will become small under 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</p>
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									about 5 7(a) and 504 loans totaling about \$1 million could be made to these newly defined small businesses under the proposed size standards.
14. RIN 3245- AG38	HUBZone (Historically Underutilized Business Zones) Program	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 maximize the	Ongoing	1st Quarter of FY 2016 for Proposed Rule	No	No	N/A	Public outreach and comment	Review of costs and benefits of action in progress.

		benefits afforded them by participation. This rule will focus on the principles of Executive Order 13563 to determine whether the regulations should be modified, streamlined, expanded or repealed to make the HUBZone program more effective and/or less burdensome on small business concerns. At the same time, SBA will maintain a framework that helps identify and reduce waste, fraud, and abuse in the program.							
15. 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 Small Business Size Regulations at 13 CFR 121.102(c) to	Ongoing	4th 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 comment period closed on August 11,	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 regain eligibility for Federal small business assistance

		<p>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>						2014.	<p>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 percent to 9.4 percent. SBA estimates that firms</p>
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									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.
16. RIN 3245 AE05	Small Business Development Centers (SBDC) Program Revisions	Updates the SBDC program regulations by amending the (1) procedures for approving applications for new Host SBDCs; (2) approval procedures for travel outside the continental U.S. and U.S. territories; (3) procedures and requirements regarding findings	Ongoing	2nd Quarter of FY 2016 for Proposed Rule	No	No	N/A	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. Comments are currently being evaluated and a draft rule is planned for publication the	Review of costs and benefits of action in progress.

		and disputes resulting from financial exams, programmatic reviews, accreditation reviews, and other SBA oversight activities; (4) requirements for new or renewal applications for SBDC grants, including the requirements for electronic submission through the approved electronic Government submission facility; and (5) provisions regarding the collection and use of the individual SBDC client data.						Federal Register by January 31, 2016	
17. 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	Ongoing	4th 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.

		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.							
18. 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	Completed	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 final rule was published in the Federal Register on June 15, 2015 (80 FR 34043). The effective date is July 15, 2015.	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 therefore broaden the base of customers from which borrowers can be drawn.

		<p>proposing this change as a result of regulatory review conducted in connection with SBA's participation on the Federal Interagency Reentry Council (Reentry 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</p>							<p>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. It also makes credit unions, which often share the community development mission focus of our microloan intermediaries, eligible to handle these accounts.</p>
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		held in Deposit Accounts that are interest-bearing, updating the definition of Insured Depository Institution to include credit unions, and a technical amendment to conform the regulations to current statutory authority.							
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