

# Proposed Rules

Federal Register

Vol. 85, No. 44

Thursday, March 5, 2020

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

## SMALL BUSINESS ADMINISTRATION

### 13 CFR Part 109

RIN 3245-AH15

#### Regulatory Reform Initiative: Intermediary Lending Pilot Program

**AGENCY:** U.S. Small Business Administration.

**ACTION:** Proposed rule.

**SUMMARY:** The U.S. Small Business Administration (SBA) is proposing to remove three regulations governing the application and selection process for Intermediary Lending Pilot (ILP) program Intermediaries. These regulations are no longer necessary because SBA is no longer authorized to select new ILP Intermediaries. The removal of these regulations will assist the public by simplifying SBA's regulations. SBA is also proposing to make two conforming amendments to avoid confusion.

**DATES:** Comments must be received on or before May 4, 2020.

**ADDRESSES:** You may submit comments, identified by RIN: 3245-AH15, by any of the following methods:

- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments.
- *Mail or Hand Delivery/Courier:* Daniel Upham, Chief, Microenterprise Development Division, Office of Financial Assistance, U.S. Small Business Administration, 409 Third Street SW, Washington, DC 20416.

SBA will post all comments on <http://www.regulations.gov>. If you wish to submit confidential business information (CBI), as defined in the User Notice at <http://www.regulations.gov>, please submit the information to Daniel Upham, Chief, Microenterprise Development Division, Office of Financial Assistance, U.S. Small Business Administration, 409 Third Street SW, Washington, DC 20416, or send an email to [daniel.upham@sba.gov](mailto:daniel.upham@sba.gov). Highlight the information that you consider to be CBI and explain why

you believe SBA should hold this information as confidential. SBA will review the information and make the final determination on whether it will publish the information.

#### FOR FURTHER INFORMATION CONTACT:

Daniel Upham, Chief, Microenterprise Development Division, Office of Financial Assistance, (202) 205-7001 or [daniel.upham@sba.gov](mailto:daniel.upham@sba.gov).

#### SUPPLEMENTARY INFORMATION:

##### I. Background Information

###### A. Part 109, Intermediary Lending Pilot Program

The Intermediary Lending Pilot (ILP) program was authorized by Congress as a 3-year pilot program in the Small Business Jobs Act of 2010, Public Law 111-240, enacted September 27, 2010. Under the ILP program, SBA provided loans to selected nonprofit intermediaries (ILP Intermediaries) for the purpose of providing loans to small businesses. Currently, there are 33 lenders participating in the ILP program. SBA was authorized to make loans to ILP Intermediaries in fiscal years 2011, 2012, and 2013. This rule proposes to remove three regulations from the Code of Federal Regulations (CFR) that are no longer necessary because SBA is no longer authorized to select new ILP Intermediaries.

###### B. Executive Order 13771

On January 30, 2017, President Trump signed Executive Order 13771, Reducing Regulation and Controlling Regulatory Costs, which, among other objectives, is intended to ensure that an agency's regulatory costs are prudently managed and controlled so as to minimize the compliance burden imposed on the public. For every new regulation an agency proposes to implement, unless prohibited by law, this Executive Order requires the agency to (i) identify at least two existing regulations that the agency can cancel; and (ii) use the cost savings from the cancelled regulations to offset the cost of the new regulation.

###### C. Executive Order 13777

On February 24, 2017, the President issued Executive Order 13777, Enforcing the Regulatory Reform Agenda, which further emphasized the goal of the Administration to alleviate the regulatory burdens placed on the public. Under Executive Order 13777, agencies must evaluate their existing

regulations to determine which ones should be repealed, replaced, or modified. In doing so, agencies should focus on identifying regulations that, among other things: Eliminate jobs or inhibit job creation; are outdated, unnecessary, or ineffective; impose costs that exceed benefits; create a serious inconsistency or otherwise interfere with regulatory reform initiatives and policies; or are associated with Executive Orders or other Presidential directives that have been rescinded or substantially modified. SBA has engaged in this process and has identified the regulations in this rulemaking as appropriate for removal in accordance with Executive Order 13777.

##### II. Section by Section Analysis

###### A. Section 109.200, Application To Become an ILP Intermediary.

This section describes the application process to become an ILP Intermediary, including publication of a Notice of Funds Availability (NOFA) in the **Federal Register** to announce the availability of funds for the program and specify any special rules, procedures, and restrictions for a particular funding round. This section also includes the requirements for an ILP Intermediary application.

###### B. Section 109.210, Evaluation and Selection of ILP Intermediaries.

This section describes the process by which SBA evaluates ILP Intermediary applications. The rule specifies that SBA will make loans to not more than 20 selected ILP Intermediaries in each fiscal year for which funding was available, and that applications will be evaluated and scored based on the criteria specified in the NOFA.

###### C. Section 109.220, Loan Limits—Loans to ILP Intermediaries.

Section 109.220 states that no ILP Intermediary may receive more than \$1 million in ILP Loans.

SBA's authority to make loans to ILP Intermediaries has expired; therefore, SBA is not accepting any new ILP Intermediary applications. Since the program no longer allows for new ILP Intermediaries, the removal of these three regulations will reduce confusion and regulatory burden. Requirements for current ILP Intermediaries are found in the remaining provisions of part 109.

#### D. Conforming Amendments

In addition to removing the three regulations described above, SBA also proposes to make two conforming amendments. First, SBA proposes to revise the definition of ILP Intermediary in Section 109.20 to remove reference to the competitive application process. Because the regulations describing the application process (Sections 109.200 and 109.210) are proposed for removal, this revision is necessary to avoid confusion. Second, SBA proposes to remove the cross-reference to section 120.173, Lead-based paint, in Section 109.440. Section 109.440 states that loans made by an ILP Intermediary must comply with all applicable laws, including SBA's Lead-based paint regulation in Section 120.173. In a separate rulemaking, SBA is proposing to remove Section 120.173 because it is no longer necessary—16 CFR part 1303 already bans paint containing a concentration of lead in excess of 0.009% (90 parts per million) for use in residences, schools, hospitals, parks, playgrounds, and public buildings or other areas where consumers will have direct access to the painted surface. Therefore, SBA proposes to remove the cross-reference in part 109 as well.

### III. Compliance With Executive Orders 12866, 13771, 12988, and 13132, the Paperwork Reduction Act (44 U.S.C., Ch. 35), and the Regulatory Flexibility Act (5 U.S.C. 601–612)

#### A. Executive Order 12866

The Office of Management and Budget has determined that this proposed rule does not constitute a significant regulatory action for purposes of Executive Order 12866 and is not a major rule under the Congressional Review Act, 5 U.S.C. 801, *et seq.*

#### B. Executive Order 13771

This proposed rule is expected to be an Executive Order 13771 deregulatory action with an annualized net savings of \$7,677 and a net present value of \$109,667 in savings, both in 2016 dollars. This rule would remove information about applying to the ILP program which would save potential applicants time in reading and researching/inquiring about this obsolete program and reduce confusion around whether applications are being accepted.

SBA is aware of approximately 500 nonprofit lenders that could potentially research the ILP program application process. Assuming that, each year, 20 percent of these nonprofit lenders would review SBA's ILP program regulations and that each would save 1

hour of review time due to removal of the regulations discussed in this rule, these non-profits would be relieved of 100 burden hours. Valuing this time at \$79.99 per hour—the wage of a financial manager based on 2018 U.S. Bureau of Labor Statistics (BLS) data and adding 30 percent more for benefits—this produces total savings per year of \$7,999 in current dollars.

#### C. Executive Order 12988

This action meets applicable standards set forth in Sections 3(a) and 3(b)(2) of Executive Order 12988, Civil Justice Reform, to minimize litigation, eliminate ambiguity, and reduce burden. The action does not have retroactive or preemptive effect.

#### D. Executive Order 13132

This rule does not have federalism implications as defined in Executive Order 13132. It will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government, as specified in the Executive Order. As such it does not warrant the preparation of a Federalism Assessment.

#### E. Paperwork Reduction Act

The SBA has determined that this proposed rule does not affect any existing collection of information.

#### F. Regulatory Flexibility Act

When an agency issues a rulemaking proposal, the Regulatory Flexibility Act (RFA) requires the agency to “prepare and make available for public comment an initial regulatory flexibility analysis” which will “describe the impact of the proposed rule on small entities.” (5 U.S.C. 603(a)). Section 605 of the RFA allows an agency to certify a rule, in lieu of preparing an analysis, if the proposed rulemaking is not expected to have a significant economic impact on a substantial number of small entities.

SBA is aware of approximately 500 nonprofit lenders that could potentially search for and read about applying to the ILP program. The removal of obsolete regulations related to the ILP program would reduce confusion for these lenders and the time required to read and/or inquire about obsolete regulations. The total annual savings to these nonprofit lenders is estimated at \$7,999 in current dollars, or about \$16 per nonprofit lender. More information on this estimate can be found in the Executive Order 13771 discussion above.

Therefore, SBA hereby certifies that this proposed rule would not have a significant economic impact on a substantial number of small entities. The SBA invites comments from the public on this certification.

#### List of Subjects in 13 CFR Part 109

Community development, Loan program—business, Reporting and recordkeeping requirements, Small businesses.

Accordingly, for the reasons stated in the preamble, SBA proposes to amend 13 CFR part 109 as follows:

### PART 109—INTERMEDIARY LENDING PILOT PROGRAM

- 1. The authority citation for part 109 continues to read as follows:

**Authority:** 15 U.S.C. 634(b)(6), (b)(7), and 636(l).

#### § 109.20 [Amended]

- 2. Amend § 109.20 by revising the definition of “ILP Intermediary” as follows:

\* \* \* \* \*

*ILP Intermediary* means a private, nonprofit entity that has received an ILP Loan.

\* \* \* \* \*

#### §§ 109.200, 109.210, and 109.220 [Removed and Reserved]

- 3. Remove and reserve §§ 109.200, 109.210, and 109.220.

#### § 109.440 [Amended]

- 4. Amend § 109.440 by removing the words “120.173 (Lead-based paint),”.

Dated: February 18, 2020.

**Jovita Carranza,**  
*Administrator.*

[FR Doc. 2020–04465 Filed 3–4–20; 8:45 am]

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### ENVIRONMENTAL PROTECTION AGENCY

#### 40 CFR Part 52

[EPA–R07–OAR–2019–0666; FRL–10005–91–Region 7]

### Air Plan Approval; Nebraska; Lincoln-Lancaster County Health Department (LLCHD); Reopening of the Comment Period and Availability of Supplemental Information

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Proposed rule; reopening of the comment period and availability of supplemental information.