

Community Development Financial Institutions Fund, Department of the Treasury

Supporting Statement for
Community Development Financial Institutions Program
Financial Assistance Application
OMB Approval Number 1559-0021

A. Justification

1. Circumstances necessitating collection of information

Pursuant to the Community Development Banking and Financial Institutions Act of 1994 (the Act), as amended (12 USC 4701 et seq.), the Community Development Financial Institutions (CDFI) Program, Financial Assistance (FA) and Technical Assistance Programs provide financial and technical assistance to selected applicants, Community Development Financial Institutions (CDFIs), in order to enhance their ability to make loans and investments and provide services for the benefit of designated investment areas and targeted populations. Form CDFI 0001 (attached) will be used by applicants to apply for this assistance. The information collected will be used to select awardees, based on a merit-based selection process. The requested information is required by the CDFI Program Regulations (12 CFR Part 1805) and respective Notice of Funds Availability.

2. Method of collection and use of data

Data will be collected by the Fund once per funding round by means of an application. Applicants must complete and upload the Standard Form (SF) 424 in Grants.gov. All Application materials (including legal certifications, eligibility forms, narrative answers, and financial information) using Word or Excel templates, which are submitted via Grants.gov. Applicants send paper attachments (copies of resumes, financial statements, matching funds documentation) to the Fund (in the care of the Bureau of Public Debt). Data collected is used by the Fund to select eligible applicants that are the most highly qualified and to determine the applicable award amounts.

3. Use of Information Technology

Approximately 95% of the Application is submitted via an online interface. Applicants must complete and upload the Standard Form (SF) 424 in Grants.gov. All Application materials (including legal certifications, eligibility forms, narrative answers, and financial information) using Word or Excel templates, which are submitted via Grants.gov.

4. Efforts to identify duplication

Much of the information requested is required in order to evaluate applicants for awards in accordance with statutory and regulatory requirements. In addition, the Fund requests information from applicants which they are likely to have readily available and in a convenient form. The Fund has eliminated some areas of duplication by eliminating the requirement that applicants report on their past compliance with Fund requirements if previously funded by the Fund. The Fund now has this information readily available in a database.

5. Impact on small entities

This collection of information is not expected to have significant impact on small entities. In developing the application form, the Fund has and continues to consult with other Federal agencies—specifically, financial institution regulatory agencies—to determine what information is available to the Fund from these sources. Additionally, the Fund regularly receives feedback from industry and advisory groups concerning the impact on their constituents. Thus, the Fund is able to avoid requesting information available from other sources, thereby lessening any potential burden on small entities. The Fund also considers input received from applicants in developing the application.

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6. Consequences of less frequent collection and obstacles to burden reduction

The Fund cannot meet its statutory requirement to make funding decisions based on data received from applicants without the application. Elements specified in the Act and the CDFI Program Regulations limit the extent to which the burden can be reduced.

7. Circumstances requiring special information collection

Any confidential business information submitted by applicants is safeguarded through the Fund's records management procedures and information technology security protocols.

8. Solicitation of comments on information collection

In accordance with the Paperwork Reduction Act of 1995, the Treasury Department published a notice in the Federal Register regarding the FA Application of the CDFI Program on July 5, 2006, Volume 71, page 38210. No comments were received.

9. Provision of payment to respondents

No payments or gifts will be made to respondents.

10. Assurance of confidentiality

The Fund is subject to all applicable Federal regulations with respect to confidentiality of information supplied in the application process. The Fund provides assurances of confidentiality to applicants.

11. Justification of sensitive questions.

No questions of a sensitive nature are asked in the application form.

12. Estimate of the hour burden of information collection.

Application for Financial Assistance and Technical Assistance Program (Form 0001): 200 respondents x 1 response annually x 80 hours per respondent = 16,000 hours
(185 not-for-profit respondents and 15 business and for-profit respondents)

The hour estimate is based on the information collected from the 2006 FA Component applicants on the estimated time to complete the application. The median estimate was 80 hours. The Fund is using the lower number as we continue to make improvements and simplifications to the application.

13. Estimate of total annual cost burden to respondents

It is not expected that this information collection will have a cost burden to respondents other than the hour burden described in item number 12. No purchases of equipment or services will need to be made by respondents for the sole purpose of completing the application.

14. Estimate of annualized cost to the Government

The primary costs to the Government are the review of applications submitted electronically through Grants.gov and matching them with paper attachments.

15. Any program changes or adjustments

In an effort to be more flexible, the Fund has also expanded the eligible types of requested awards to include TA only. In previous years, Applicants interested in TA only awards completed a separate application. Many Applicants seeking FA in conjunction with TA would also submit a separate TA only application – in case they did not receive an award for FA/TA through the FA Component. This change will allow such applicants – especially Small and Emerging CDFIs – to avoid having to complete two separate applications. As the TA only applicant substantially similar to the FA application, the Fund will achieve greater efficiency. The Fund expects to make further changes to clarify guidance, improve the format of the application.

16. Plans for information tabulation and publication

The information collected through this application form will not be published.

17. Reasons for not displaying expiration date of OMB approval

The Fund intends to display the expiration date of the OMB approval on the application form.

18. Explanation of exceptions to certification statement

Not applicable.

B. Collections of Information Employing Statistical Methods

Not applicable.