

June 30, 2006

Supporting Statement for Paperwork Reduction Act Submissions

OMB Control Number: 1660-0082

Title: Application for Community Disaster Loan Cancellation

Form Number(s): FF 90-5

General Instructions

A Supporting Statement, including the text of the notice to the public required by 5 CFR 1320.5(a)(i)(iv) and its actual or estimated date of publication in the Federal Register, must accompany each request for approval of a collection of information. The Supporting Statement must be prepared in the format described below, and must contain the information specified in Section A below. If an item is not applicable, provide a brief explanation. When Item 17 or the OMB Form 83-I is checked "Yes", Section B of the Supporting Statement must be completed. OMB reserves the right to require the submission of additional information with respect to any request for approval.

To complete the supporting statement, type in your responses in the white space below each question. Your responses should be full and complete and provide sufficient information to help the OMB desk officer to understand what you are planning to do and why and how the Agency/Federal Government will benefit from and use the information you will be obtaining or soliciting.

Specific Instructions

A. Justification

1. Explain the circumstances that make the collection of information necessary (give details as to why this information is being collected). Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information. Provide a detailed description of the nature and source of the information to be collected.

The Community Disaster Loan Program (CDL) is authorized by Section 417 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288, as amended, (Stafford Act) which provides policies and procedures for local governments and State and Federal officials concerning the CDL program. FEMA regulations 44 CFR, Part 206, Subpart K implements the statutes.

The Division Director may make a CDL to any local government which has suffered a substantial loss of tax or other revenues as a result of a major disaster or emergency and which demonstrates a need for Federal financial assistance in order to perform its governmental functions.

In response to the disaster caused by Hurricane Katrina, Congress passed the Community Disaster Loan Act of 2005, Pub. L. 109-88, which authorizes FEMA to transfer \$750 million from the funds appropriated in the Second Emergency Supplemental Appropriations Act To Meet Immediate Needs Arising From the Consequences of Hurricane Katrina, 2005, Public Law 109-62, to provide up to \$1 billion in loan authority. To implement the Community Disaster Loan Act of 2005, FEMA published an interim rule implementing the Act. These new regulations do not apply to the traditional Community Disaster Loans Program which is permanently authorized.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection. Provide a detailed description of: a) how the information will be shared, if applicable, and for what programmatic purpose.

Local governments submit FEMA Form 90-5, Application for Community Disaster Loan Cancellation, through the governor's Authorized Representative. The Stafford Act contains a provision for cancellation of all or part of the loan depending upon the extent of financial non-recovery of the local government during the three fiscal years after the fiscal year of the disaster. FEMA Form 90-5 is used, in conjunction with the official financial statements of the local government to determine the extent of statutorily entitled loan forgiveness.

Community Disaster loans approved under the Community Disaster Loan Act of 2005, Public Law 109-88, are not eligible for loan cancellation.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

Community Disaster Loan cancellation determination data comes from existing publicly available financial information, i.e., financial statements, and documentation of unreimbursed disaster-related expenditures.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

This information collection covers both the traditional Community Disaster Loans Program and the Special Community Disaster Loans Program. Since there is no cancellation option under the Special Community Disaster Loan Program, there is no duplication of the information obtained under this collection of information.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize.

Not applicable. This collection of information does not involve small businesses.

6. Describe the consequence to Federal/FEMA program or policy activities if the collection of information is not conducted, or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

Failure to conduct this information collection will result in the inability of local applicants to apply for the cancellation of a Community Disaster Loan in accordance with 44 CFR, Part 206, and Subpart K.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

(a) Requiring respondents to report information to the agency more often than quarterly.

The information is collected only when a local applicant applies for loan cancellation. The information could not be collected less frequently.

(b) Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it.

Not applicable. There is no requirement for applicants to submit information in fewer than 30 days.

(c) Requiring respondents to submit more than an original and two copies of any document.

Not applicable. There is no requirement to submit more than an original and two copies of any document.

(d) Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years.

Not applicable. Although respondents must submit specific types of financial and related information in order to apply to the CDL and Special CDL programs, there is no recordkeeping requirement resulting from this collection. The information requested is considered routine for local governments' business processes and therefore already recorded.

(e) In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study.

Not applicable. This collection does not employ statistical methodology.

(f) Requiring the use of a statistical data classification that has not been reviewed and approved by OMB.

Not applicable. This collection is intended for internal use to administer the CDL programs and is not intended for public dissemination under any statistical data classification.

(g) That includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use.

Not applicable. There is no pledge of confidentiality involved in this collection that would unnecessarily limit sharing information with other agencies for compatible use. The information collected does not include personal identifiable information, but rather public financial information of local governments and jurisdictions.

(h) Requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

Not applicable. There is no pledge of confidentiality involved in this collection that would unnecessarily limit sharing information with other agencies for compatible use. The information collected does not include personal identifiable information, but rather public financial information of local governments and jurisdictions.

8. Federal Register Notice:

a. Provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

A 60-day Federal Register Notice inviting public comments was published on May 1, 2006, Volume 71, Number 83, pp. 25600-25601. No comments were received. Please see attached copy of the published notice included in this package.

b. Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Not applicable. No consultations were conducted.

c. Describe consultations with representatives of those from whom information is to be obtained or those who must compile records. Consultation should occur at least once every three years, even if the collection of information activities is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

Not applicable. No consultations were conducted.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

Not applicable. There is no payment or remunerations to respondents involved in this collection.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy. Provide details on:

The form solicits information concerning local governments, not individuals; therefore, Privacy Act statements are not used. The life cycle for the information collected will be in accordance with FEMA records retention.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

Not applicable. There are no questions of a sensitive nature.

12. Provide estimates of the hour burden of the collection of information. The statement should:

a. Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desired. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.

Loan cancellation form is applicable only to the traditional CDL program and does not apply to the Special CDL per P.L. 109-88 that stipulates replacement of the loan with no cancellation possible.

The one hour is based on the programs past experience of only one loan had been cancelled in the last couple of years.

Annual Burden Hours

Project Activity (Survey, Form(s), Focus Group, etc.)	No. of Respondents	Frequency of Responses	Burden Hours Per Respondent	Annual Responses	Total Annual Burden Hours
	(A)	(B)	(C)	(AxB)	(AxBxC)
FF-90-5					
Traditional CDL	1	1	1	1	1
Special CDL	-	-	-	-	-
TOTAL	1	1	1	1	1

The estimated annual hour burden for this collection is 1 hour. This estimate is based on 1 respondent completing this application form in approximately 1 hour. (1 respondent x 1 hour = 1 burden hour).

b. If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.

Not applicable. This collection only covers one FEMA Form 90-5.

c. Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead this cost should be included in Item 14.

ANNUAL COST TO RESPONDENTS

Program	Burden Hrs	Mean Hr. Rate ⁽¹⁾ (\$)	Average Cost per Respondent ⁽²⁾ (\$)	Annualized Cost All Respondents (\$)
FF 90-5 CDL Loan Cancellation Form	1	\$15	\$15	\$15
Total	1	\$15	\$15	\$15

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. Do not include the cost of any hour burden shown in Items 12 and

Not Applicable. There is no start-up, operational or maintenance cost to respondents in this collection. The only cost is the one associated with the response stated in question 12c above.

14. Provide estimates of annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing and support staff), and any other expense that would have been incurred without this collection of information. You may also aggregate cost estimates for Items 12, 13, and 14 in a single table.

ANNUALIZED COST TO THE FEDERAL GOVERNMENT

Item	Cost (\$)
Contract Costs [Specify what is for and what is included, I.e S/W development, survey, etc.]	25,000
Staff Salaries [State number of employees involved, GS-level, Time spent w/ this collection]	40
Facilities	
Computer Hardware and Software	
Equipment Maintenance	
Travel	
Printing	
Postage	
Other	
Total	\$ 25,040

It is estimated that a Program Specialist, GS-13, can review an application form in 60 minutes at an hourly rate of \$40. The estimate is based on receiving 1 application (1 application x \$40 = \$40). The use of an outside independent auditor for cancellation review can range from \$10,000 to \$25,000 depending upon the complexity of the local government's finances.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I. Changes in hour burden, i.e., program changes or adjustments made to annual reporting and recordkeeping hour and cost burden. A program change is the result of deliberate Federal government action. All new collections and any subsequent revisions of existing collections (e.g., the addition or deletion of questions) are recorded as program changes. An adjustment is a change that is not the result of a deliberate Federal government action. These changes that result from new estimates or actions not controllable by the Federal government are recorded as adjustments.

Lack of Congressional funding has reduced the average number of cancellation applications.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

Not Applicable. This collection of information does not include a survey and will not be published.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain reasons that display would be inappropriate.

Not Applicable. A valid OMB control number, expiration date and burden disclosure notice will be displayed in all collection's material.

18. Explain each exception to the certification statement identified in Item 19 "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

Not Applicable. No exception is being sought by this collection.

B. Collections of Information Employing Statistical Methods.

There is no statistical methodology involved in this collection.

When Item 17 on the Form OMB 83-I is checked "Yes", the following documentation should be included in the Supporting Statement to the extent it applies to the methods proposed:

1. Describe (including numerical estimate) the potential respondent universe and any sampling or other respondent selection method to be used. Data on the number of entities (e.g., establishments, State and local government units, households, or persons) in the universe covered by the collection and in the corresponding sample are to be provided in tabular form for the universe as a whole and for each of the strata in the proposed sample. Indicate expected response rates for the collection as a whole. If the collection has been conducted previously, include the actual response rate achieved during the last collection.

2. Describe the procedures for the collection of information including:

- **Statistical methodology for stratification and sample selection,**
- **Estimation procedure,**
- **Degree of accuracy needed for the purpose described in the justification,**
- **Unusual problems requiring specialized sampling procedures, and**
- **Any use of periodic (less frequent than annual) data collection cycles to reduce burden.**

3. Describe methods to maximize response rates and to deal with issues of non-response. The accuracy and reliability of information collected must be shown to be adequate for intended uses. For collections based on sampling, a special

justification must be provided for any collection that will not yield “reliable” data that can be generalized to the universe studied.

4. Describe any tests of procedures or methods to be undertaken. Testing is encouraged as an effective means of refining collections of information to minimize burden and improve utility. Tests must be approved if they call for answers to identical questions from 10 or more respondents. A proposed test or set of tests may be submitted for approval separately or in combination with the main collection of information.

5. Provide the name and telephone number of individuals consulted on statistical aspects of the design and the name of the agency unit, contractor(s), grantee(s), or other person(s) who will actually collect and/or analyze the information for the agency.