

Supporting Statement for the  
Community Development Financial Institutions Fund

New Markets Tax Credit Program  
Allocation Agreement, OMB 1559-0023  
Renewal

**A. Justification**

1. Circumstances necessitating collection of information

Title I, subtitle C, section 121 of the Community Renewal Tax Relief Act of 2000, as enacted by section 1(a)(7) of the Consolidated Appropriations Act, 2001 (Public Law No. 106-554, December 21, 2000), amended the Internal Revenue Code (IRC) by adding IRC 45D, New Markets Tax Credit. Pursuant to IRC section 45D, the Community Development Financial Institutions (CDFI) Fund implements the New Markets Tax Credit (NMTC) Program which will provide an incentive to investors in the form of a tax credit, which is expected to stimulate investment in private capital that, in turn, will facilitate economic and community development in low-income communities. In order to qualify for an allocation of tax credits under the NMTC Program an entity must be certified as a qualified community development entity and submit an allocation application to the CDFI Fund. Upon receipt of such applications, the CDFI Fund will conduct a competitive review process to evaluate applications for the receipt of NMTC allocations. Entities receiving an NMTC allocation (allocates) must enter into an allocation agreement with the CDFI Fund. The allocation agreement contains the terms and conditions associated with the receipt of an NMTC allocation. The allocation agreement contains, among other things, certain disclosure requirements as well as a requirement that each allocatee submit annually an audited financial statement to the CDFI Fund. The specific sections of the allocation agreement referred to in this collection of information are sections 4.9, 6.2, 6.5(c) and 6.9 (copy attached).

2. Method of collection and use of data

The data will be collected by mandatory submission of allocates. The information may be submitted electronically or by mail. The information collected will be used to evaluate an allocatee's compliance with the terms of its allocation agreement.

3. Use of Information Technology

The required disclosures to the Fund may be made by electronic mail.

4. Efforts to identify duplication

The required collection of information does not duplicate any other CDFI Fund or Federal program information-gathering tool.

5. Impact on small entities

This collection of information is not expected to have significant impact on small entities.

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

The disclosures are only required on a per event basis. The audited financial statements are only submitted on an annual basis.

7. Circumstances requiring special information collection

The disclosures are required on a per event basis as the need arises. The allocatee will only be required to make a disclosure to the CDFI Fund if a disclosure event occurs.

8. Solicitation of comments on information collection

The CDFI Fund published in the Federal Register the notice required by 5 C.F.R. § 1320.8(d) on November 6, 2006. See 71 FR 65034 (copy attached). The CDFI Fund did not receive any comments.

9. Provision of payment to respondents

No payments or gifts will be made to respondents.

10. Assurance of confidentiality

The CDFI Fund is subject to all Federal statutes and regulations regarding confidentiality of information provided by allocatees. No other assurances have been provided.

11. Justification of sensitive questions.

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

12. Estimate of the hour burden of information collection.

The total hour burden of this information collection is estimated as follows:

Sections 6.2 and 6.9: 5 respondents x 2 hours = 10 hours

Section 6.10: 62 respondents x 1 hour = 62 hours

There is no burden associated with the audited financial statements since this collection of information is usual and customary for the respondents.

13. Estimate of total annual cost burden to respondents

There are no cost burdens to respondents for this collection of data. No purchases of equipment or services will need to be made by respondents for this information collection other than as required as part of customary and usual business or private practice.

14. Estimate of annualized cost to the Government

The cost to the Government is the CDFI Fund staff time required to review the submitted disclosures and financial statements.

15. Any program changes or adjustments

The number of burden hours for Section 6.10 decreased slightly as a result of a decrease in the number of respondents.

16. Plans for information tabulation and publication

Confidential or proprietary information collected through the allocation application will not be published.

17. Reasons for not displaying expiration date of OMB approval

Information disseminated post-OMB approval will include OMB number.

18. Explanation of exceptions to certification statement

Not applicable.

**B. Collections of Information Employing Statistical Methods**

This section is not applicable.