

Emergency Clearance Justification Memo
Community Development Financial Institutions Fund
Bank Enterprise Award (BEA) Program FY 2008 Application
OMB No.1559-0005

The Community Development Financial Institutions Fund (the Fund) is requesting emergency clearance of the FY 2008 BEA Application Materials. The clearance package includes: application and supporting tables and instructions, voluntary survey, glossary of terms, and supplementary guidance. This package has completed internal clearance at the Fund.

The FY 2008 application contains two substantive changes to the FY 2007 application (described in more detail below). The Fund requests emergency clearance of these items in order to meet program application deadlines as stated in the BEA Program Notice of Funds Availability (NOFA) published in the Federal Register on January 3, 2007 (72 Federal Register 189). Specifically, the Fund is to make the FY 2008 application available via Grants.gov approximately 2 months prior to the end of the Assessment Period (December 31, 2007) for the FY 2008 funding round. Therefore BEA applicants will expect the application to be posted in November 2007. The application due date is March 13, 2008.

The substantive changes to the FY 2008 application are:

1. The inclusion of a brief voluntary survey to collect information on past and planned use of BEA awards (page 47 and attachment). This was developed in response to OMB's concern that the Fund should better understand how awardees use BEA funding. The collection of this information is not expected to have a significant impact on applicants as it is brief (5 multiple choice questions), voluntary, and does not require additional information or documentation to be submitted with the application.
2. A requirement that applicants electronically report addresses for all distressed community transactions (page 36). This requirement is in accordance with the Fund's response to the 2006 Government Accountability Office (GAO) report on the BEA program ("Treasury's Bank Enterprise Award Program: Impact on Investment in Distressed Communities is Difficult to Determine, But likely Not significant for Some Banks"). In a letter to GAO dated September 15, 2006, the Fund stated that it would adopt a policy to require applicants to electronically report addresses for all Distressed Community Financing transactions of \$250,000 and above in FY 2007 and for all transactions in FY 2008. This requirement is not expected to significantly increase the burden on applicants as it does not require applicants to supply additional materials or documentation than previously collected. The collection of this information only requires the completion of four fields (address, city, state and zip code) in an existing electronic spreadsheet.

If the Fund were to eliminate these changes, it would be to the detriment of the BEA program. The revisions are included to mitigate criticisms of the program and enhance its efficacy going forward. However, due to timing constraints described above, the FY 2008 application with the revisions would not be able to complete the PRA review and conform to the BEA NOFA deadlines. Given the nature of the changes and lack of public comments to previous solicitations for comments on BEA applications, the Fund would not expect a full PRA process to yield any

revisions to the existing materials. In addition, the BEA Application's PRA approval expires in May 2008 which will require a full substantive PRA review of the application and materials in early 2008. The Fund is preparing to submit the complete application package for public comments at that time.