

Supporting Statement for Paperwork Reduction Act Submissions
Community Development Financial Institutions (CDFI) Fund
CDFI Certification Application, OMB 1559-0028
CDFI Form 0005

A. Justification

1. Circumstances necessitating collection of information

Pursuant to 12 U.S.C 4701 et seq. the Community Development Financial Institutions Fund (the CDFI Fund) implements the Community Development Financial Institutions (CDFI) Program. The CDFI Fund's mission is to increase the capacity of financial institutions to provide capital, credit, and financial services in underserved markets. In order to qualify for a financial or technical assistance award from the CDFI Fund an applicant must be certified by the CDFI Fund as a CDFI. As an integral part of the CDFI certification procedure, the CDFI Fund has developed a certification application, which is used to determine whether an entity seeking CDFI certification meets the CDFI Fund's requirements for such certification. These requirements are specified in the CDFI Fund's regulations at 12 C.F.R. 1805.201.

2. Method of collection and use of data

The certification application will be collected by entities seeking CDFI certification and recertification. The data collected via the certification application will be used by the CDFI Fund to evaluate whether an entity may be certified as (or, in the case of applicants for recertification, continues to be) a CDFI.

3. Use of Information Technology

At present, the certification application is collected in paper format. The CDFI Fund is planning to collect the renewed CDFI certification application electronically either in part or in its entirety.

4. Efforts to identify duplication

Similar information is not available from other sources and it 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

Since CDFI certification is a prerequisite for receiving funding from the CDFI Fund, the certification application is a critical part of the CDFI Program. Moreover, once certified, an entity's certification lasts for three years provided the entity continues to meet the certification requirements.

7. Circumstances requiring special information collection

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

8. Solicitation of comments on information collection

Comments on the certification application were solicited via notice in the Federal Register on May 30, 2008, (73 FR 31191). Two comments were received and are attached. The CDFI Fund will

consider the comments in any future modifications to the application form or format, as requested by the commentors.

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 regulations with respect to confidentiality of the information provided in this collection of information. The CDFI Fund has provided no other assurances of confidentiality to respondents.

11. Justification of sensitive questions.

No questions of a sensitive nature are asked in this collection of information.

12. Estimate of the hour burden of information collection.

The total hour burden of this information collection is estimated at: 300 respondents annually (100 for certification + 200 for re-certification) x 1 response annually x 37.5 hours per respondent = 11,250 hours. As noted above, once certified as a CDFI, an entity's certification lasts for three years provided the entity continues to meet the certification requirements.

13. Estimate of total annual cost burden to respondents

It is not expected that this information collection will have a cost burden to respondents. No purchases of equipment or services are necessary for this information collection.

14. Estimate of annualized cost to the Government

The cost to the Government is the CDFI Fund staff time required to review the submitted certification applications.

15. Any program changes or adjustments

An adjustment of 1,350 hours to the Annual Reporting and Recordkeeping Hour Burden is due to a reassessment of the CDFI Fund's previous estimates. The factors affecting the revised estimate include: 1) the number of anticipated respondents per year – we anticipate the average number of respondents per year to be fewer than in the prior estimate, 2) the mix of respondents – we anticipate fewer new certification respondents and more recertification respondents than in the prior estimate, and 3) average burden hours per respondent - we anticipate that with the new electronic application system we are developing (as opposed to the old paper application) the average burden hours per respondent will be less for new certification respondents, and even less for recertification respondents.

16. Plans for information tabulation and publication

Confidential or proprietary information collected through this information collection will not be published.

17. Reasons for not displaying expiration date of OMB approval

The CDFI Fund intends to display the expiration date of the OMB approval on the collections of information.

18. Explanation of exceptions to certification statement

Not applicable.

B. Collections of Information Employing Statistical Methods

Not applicable.