

Supporting Statement for the Bank Enterprise Award Program of the  
Community Development Financial Institutions Fund  
Bank Enterprise Award (BEA) Program Application  
OMB 1559-0005, CDFI Form 0002

A. Justification

1. Circumstances necessitating collection of information

The Community Development Financial Institutions (CDFI) Fund implements a Bank Enterprise Award (BEA) Program that provides incentives to insured depository institutions to increase their support of CDFIs and their activities in economically distressed communities. The Application form and materials will be used by applicants to the Program to apply for Bank Enterprise Awards. Applicants are required to complete and submit an application so that the Fund can evaluate applicants for awards allowable according to statutory and regulatory requirements (12 CFR 1806).

2. Method of collection and use of data

Data will be collected by the Fund once per funding round in the form of an application and supporting documentation submitted by institutions wishing to be considered for a Bank Enterprise Award. The Fund uses submitted information to determine qualified award amounts.

3. Use of Information Technology

The Fund has established an online mapping system that allows applicants to determine and define their targeted distressed community as well as to geocode transaction to determine if they are eligible. This mapping system is simple to use and reduces the burden to applicants, which would otherwise have to define targeted distressed communities and geocode transactions by hand. The Fund also allows applicants to submit a list of all eligible transactions electronically, which allows for more efficient award calculation.

4. Efforts to identify duplication

The Fund does not request information available from other Federal agencies, namely, financial institution regulatory agencies.

5. Impact on small entities

This collection of information is not expected to have significant impact on small entities. During the development of the Application Form, the Fund consulted with other Federal agencies specifically, financial institution regulatory agencies to determine what information is available to the Fund from the sources. In doing this, the Fund was able to lessen any potential burden on small entities. The Fund also requested public comment on the application and did not receive any significant comments from small entities on the application's burden.

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

The Fund cannot meet its statutory requirement to make award decisions without the materials received from applicants. Elements specified in the Program's regulation limit the amount to which the burden can be reduced.

7. Circumstances requiring special information collection

Not applicable.

8. Solicitation of comments on information collection

Comments on the previous application for this Program were solicited in the *Federal Register* on October 28, 2004; no comments were received. Comments on this application for this Program were solicited in the *Federal Register* on September 2, 2008, Volume 73, page 51343; two comments were received, with no significant comments on the burden or collection materials.

9. Provision of payment to respondents

No payment or gift will be made to respondents.

10. Assurance of confidentiality

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

11. Justification of sensitive questions.

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

12. Estimate of the hour of burden of information collection

The total hour burden of this information collection is estimate at 900 with an estimated 15 hours for the application per respondent. The Fund anticipates 60 respondents to the application (based on the number of applications received in the FY 2008 round).

13. Estimate total annual cost burden to respondents

There are no cost burdens associated with the collection of this data. No purchases of equipment or services are necessary to complete this application.

14. Estimate of annualized cost to the Government

The cost to the Government is the Fund staff time required to develop the application, follow-up with respondents, tabulate the data, calculate award amounts, and report the results.

15. Any program changes or adjustments

The FY 2009 BEA Program application is substantively the same as the previous application (FY 2008) other than changes in dates and:

- a. Applicants seeking an award for CDFI Support Activities are no longer required to submit Distressed Community maps or complete Certification 3 which required Applicants to designate a Distressed Community. Elimination of this requirement is expected to decrease the burden on applicants.
- b. Eliminated the Statement of Integral Involvement for CDFI Partners. The review process does not verify the numbers submitted or crosscheck it with the required CDFI Partner Distressed Community maps. (Emphasis during the review process is placed on verifying that the maps qualified.) Applicants will, however, need to certify that their CDFI Partners are Integrally Involved (as defined in the Interim Rule). Elimination of this requirement is expected to minimally increase the burden on applicants as they will

need to include one additional certification in their application package. It does however decrease the administrative burden for CDFI Partner who were previously required to submit the Statement of Integral Involvement if they received funds from an applicant. It also decreases the administrative burden to the Fund as it eliminates the staff time required to follow-up with CDFI Partners if information was missing or incomplete.

- c. The application includes a certification that requires applicants to certify that their reported Baseline Period Qualified Activities are located in Distressed Communities and are eligible transactions as defined under the BEA Program regulations and NOFA. Currently, the application review process does not verify the Baseline Period values and there is no certification that specifically states that the numbers are true and accurate. This new certification will minimally increase the administrative burden for 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 two fields (activity and amount) in an electronic document.
- d. The application requires that applicants electronically report community development impacts for all Distressed Community Financing Activities and Service Activities. This was voluntary in past applications. This requirement is not expected to significantly increase the burden on applicants because, when a voluntary requirement, the majority of applicants provided the information. Also the collection of this information only requires the completion of one additional field in an existing electronic spreadsheet.
- e. Additional language indicating that an applicant receiving an award over \$50,000 will be subject to new compliance and reporting requirements as part of the terms and conditions of the BEA Program Award Agreement. This is not expected to increase the application burden; however, it will require awardees to comply with requirements after receiving the award.

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

Not applicable. Information disseminated includes OMB number.

18. Explanation of exception to certification statement

Not applicable.