

April 7, 2009

Supporting Statement for Paperwork Reduction Act Submissions

OMB Control Number: 1660 - 0083

Title: Application for Community Disaster Loan (CDL) Program

Form Number(s): FF 090-0-1; FF 116-0-1; FF 085-0-1; FF 090-0-2

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.

Specific Instructions

A. Justification

1. Explain the circumstances that make the collection of information necessary. 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 (CDL) Program is authorized by Section 417 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288, as amended, 42 U.S.C. 5121-5207, provides policies and procedures for local governments, State and Federal officials that are interested in Community Disaster Loan Programs; FEMA regulations 44 CFR, Part 206.364, Subpart K, implements the statutes for the Community Disaster Loan Programs.

In response to the series of devastating disasters in 2008, Congress passed the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act 2009 which provided an additional amount for Disaster Relief, \$7,960,000,000, to remain available until expended. The amount provided may be up to \$98,150,000 and may be transferred to the Disaster Assistance Direct Loan Program Account for the cost of direct

loans as authorized under section 417 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5184), of which up to \$4,200,000 is for administrative expenses to carry out the direct loan program. The transfer may be made to subsidize gross obligations for the principal amount of direct loans not to exceed \$100,000,000 under section 417 of the Act.

Note: As a result of these disasters, as well as the recent addition of available funds, FEMA has been coordinating affected states to determine the scope of potential CDL requests. While initial discussions have occurred within the Public Assistance Division concerning the affect of these disasters on the CDL Program, and given the very recent addition of funds, no timetable has yet been established that details their full impact on the program.

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: how the information will be shared, if applicable, and for what programmatic purpose.

The Assistant Administrator of the Disaster Assistance Directorate may make a Community Disaster Loan to any State, local or tribal government which has suffered a substantial loss of tax and other revenues as a result of a major disaster. Local governments may indicate interest in acquiring a Community Disaster Loan by contacting their Governor's Authorized Representative. The Governor's Authorized Representative submits a letter to FEMA requesting the Community Disaster Loan Program for their State.

This instigates the evaluation process for each applicant identified by the State. FEMA works directly with applicants regarding regulatory requirements and completes loan package that includes the following forms completed by the applicant: FF 090-0-1 (Certificate of Eligibility), FF 116-0-1 (Promissory Note) along with the Disbursement Request, FF 085-0-1 (Local Government Resolution/Collateral Security), FF 090-0-2 Application for Federal Assistance (Application for Community Disaster Loan), and the Annual Financial Report if applicable. Along with these completed forms, the applicant submits a Letter of Application developed by FEMA during the evaluation process indicating their request for assistance in the amount determined by the FEMA evaluator.

FEMA Form 090-0-1 (Former FEMA Form 90-143), Certification of Eligibility for Community Disaster Loans – is used to certify that applicants meet the most basic regulatory requirements as they relate to eligibility.

FEMA Form 116-0-1 (Former FEMA Form 90-6), Promissory Note – is used to execute the loan. In accordance with Title 44 of the Code of Federal Regulations 206.365, Loan Administration, the applicant completes the Disbursement Request.

The **Disbursement Request** is used to clarify information with the applicant for FEMA to determine whether the level and frequency of periodic loan disbursements remain necessary given the current financial condition of the application. Therefore, burden estimates for this information is not necessary.

FEMA Form 085-0-1 (Former FEMA Form 90-100), Local Government Resolution – Collateral Security – is used to execute Collateral Security.

FEMA Form 090-0-2 (Former FEMA Form 90-7), Application for Community Disaster Loan - is for the applicant to apply for a loan under the Community Disaster Loan (CDL) Program.

Annual Financial Report: In accordance with Title 44 of the Code of Federal Regulations 206.365, Loan Administration, FEMA will periodically review the applicant’s loan. The Annual Financial Report request provides FEMA with the information necessary to comply with this requirement. When each incremental disbursement is requested, the local government submit a copy of its most recent financial report (if not submitted previously) for consideration by FEMA in determining whether the level and frequency of periodic payments continue to be justified.

Letter of Application – This letter is for the State to send a letter to FEMA indicating interest in the Program on behalf of interested applicants.

SF 1199A, Direct Deposit Sign-Up Form – is used to process payment data from the Federal agency to the financial institution and/or its agent. The program office uses this form to create direct deposit accounts for eligible applicants to receive loan funds.

The burden for the form above is not calculated in this collection and is captured by the U.S. Department of Treasury in OMB number 1510-0007.

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.

This information collection does not include electronic or web-based capabilities for submission. The forms could be downloaded from the FEMA website in pdf format however; FEMA will still need the original documents with signatures to process the application. FEMA works directly with CDL applicants on-site to collect information as it applies to eligibility. FEMA completes a report detailing eligibility based upon this information along with applicant concurrence on information presented in the report. From this information, FEMA works directly with the applicant on-site to complete the loan package for submission to the Governor’s Authorized Representative (GAR) for

submission to the FEMA Region. The applicant can then deliver the loan package directly to the GAR who delivers it with recommendation to the FEMA Region.

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 is not collected in any form, and therefore is not duplicated elsewhere.

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.

This information collection does not have an impact on small businesses or other small entities.

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.

The consequences to the public are that if the collection does not occur, local governments will not have access to loan funds that may sustain their ability to provide municipal services that would directly affect the public.

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

This information collection is conducted in a manner consistent with the guidelines in 5 CFR 1320.5(d)(2).

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

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

(c) Requiring respondents 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.

(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.

(f) Requiring the use of a statistical data classification that has not

been reviewed and approved by OMB.

(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.

(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.

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 December 16, 2008, Volume 73, Number 242, pp. 76370. No comments were received. 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.

During the provision of loans after Hurricane Katrina and subsequent disasters, FEMA has worked with four (4) Governor's Authorized Representatives administering over 150 loans utilizing these forms providing over \$1 billion in loans. In conversations with these State Representatives, none registered a complaint with the process nor the forms required to implement it. Each was satisfied with the process and results. FEMA works frequently with each GAR who acts as the liaison between FEMA and the applicant on matters relating to annual reports, disbursement requests, or technical questions regarding the program. Such consultations occur until all loans have been closed or forgiven.

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.

During the provision of loans after Hurricane Katrina and subsequent disasters, FEMA has worked with over 100 applicants utilizing these forms providing over \$1 billion in loans. In conversations with these applicants, whom we communicate frequently with during their maintenance and cancellation process regarding these loans, none have registered a complaint with the process nor the forms required to implement it. Information regarding the loan process and its constraints was collected verbally from each applicant during the process including group meetings coordinated with the respective GARs. From such contact and meetings, FEMA streamlined the process to make it more efficient and less burdensome for the applicants.

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

FEMA does not provide payments or gifts to respondents in exchange for a benefit sought.

10. Describe any assurance of confidentiality provided to respondents. Present the basis for the assurance in statute, regulation, or agency policy.

There are no assurances of confidentiality provided to the respondents for this information collection. A copy of the Privacy Threshold Analysis (PTA) has been submitted to FEMA's Privacy Office for review.

11. Provide additional justification for any question 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.

There are no questions of 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 for each collection instrument (separately list each instrument and describe information as requested). 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.

FEMA has estimated that approximately 50 respondents will complete the **FEMA Form 090-0-1** (Certification of Eligibility for Community Disaster Loans). Each form is estimated to take 2.5 hours to research and obtain acquired signatures to complete. The total annual burden is estimated to be 50 responses x 2.5 hours per response = 125 hours.

FEMA has estimated that approximately 50 respondents will complete the **FEMA Form 116-0-1** (Promissory Note). Each form is estimated to take 4 hours to complete with the appropriate signatures. The total annual burden is estimated to be 50 responses x 4 hours per response = 200 hours.

FEMA has estimated that approximately 50 respondents will complete the **FEMA Form 085-0-1** (Local Government Resolution Collateral Security). Each form is estimated to take 10 hours to research, craft the resolution and obtain acquired signatures to complete. The total annual burden is estimated to be 50 responses x 10 hours per response = 500 hours.

FEMA has estimated that approximately 50 respondents will complete the **FEMA Form 090-0-2** Application for Community Disaster Loan. Each form is estimated to take 1 hour to research and obtain acquired signatures to complete. The total annual burden is estimated to be 50 responses x 1 hour per response = 50 hours.

FEMA has estimated that approximately 50 respondents will complete the **Annual Financial Report**. Each report is estimated to take 1 hour to complete with the appropriate signatures. The total annual burden is estimated to be 50 responses x 1 hour per response = 50 hours.

FEMA has estimated that approximately 50 respondents will complete the **Letter of Application**. Each letter is estimated to take 1 hour to complete. The total annual burden is estimated to be 50 responses x 1 hour per response = 50 hours.

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.

c. Provide an estimate of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost to the respondents of contracting out or paying outside parties for information collection activities should not be included here. Instead this cost should be included in Item 13.

Table A.12: Estimated Annualized Burden Hours and Costs

Type of Respondent	Form Name / Form Number	No. of Respondents	No. of Responses per Respondent	Avg. Burden per Response (in hours)	Total Annual Burden (in hours)	Avg. Hourly Wage Rate + 1.4 Increase	Total Annual Respondent Cost
Local Government	Certification of Eligibility for Community Disaster Loans / FEMA Form 090-0-1	50	1	2.5 hrs	125	\$46.87	\$5,859.00
Local Government	Promissory Note / FEMA Form 116-0-1	50	1	4.0 hrs	200	\$46.87	\$9,374.00
Local Government	Local Government Resolution – Collateral Security / FEMA Form 085-0-1	50	1	10.0 hrs	500	\$46.87	\$23,435.00
Local Government	Application for Community Disaster Loan / FEMA Form 090-0-2	50	1	1.0 hr	50	\$46.87	\$2,344.00
Local Government	Annual Financial Report	50	1	1.0 hr	50	\$30.80	\$1,540.00
Local Government	Letter of Application	50	1	1.0 hr	50	\$46.87	\$2,344.00
Total		50			975		\$44,896.00

According to the U.S. Department of Labor, Bureau of Labor Statistics website (www.bls.gov) the wage rate category for local government management occupations is estimated to be 46.87 per hour (1.4 increase included), therefore, the estimated burden hour cost to respondents local government’s management occupation is estimated to be \$43,356.00 annually.

According to the U.S. Department of Labor, Bureau of Labor Statistics website (www.bls.gov) the wage rate category for local government accountants/auditors occupations is estimated to be 30.80 per hour (1.4 increase included), therefore, the estimated burden hour cost to respondents local government’s management accountants/auditors occupation is estimated to be \$1,540.00 annually.

Note: 1.4 percent was added to account for benefits paid by the employer; the total average burden hour cost to respondents is \$44,896.00.

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 14.)

The cost estimates should be split into two components:

- a. Operation and Maintenance and purchase of services component. These estimates should take into account cost associated with generating, maintaining, and disclosing or providing information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred.**
- b. Capital and Start-up-Cost should include, among other items, preparations for collecting information such as purchasing computers and software, monitoring sampling, drilling and testing equipment, and record storage facilities.**

There are no record keeping, capital, start-up or maintenance costs associated with this information collection.

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.

Annual Cost to the Federal Government

Item	Cost (\$)
Contract Costs – contractors (Fluor, NISTAC, ERPMC) utilized to analyze financial data to determine eligibility per the regulations. They are paid from Task Order associated with Community Disaster Loan funds allocated in the law.	\$1,000,000
Staff Salaries 1 of GS 14 Step 1 employees spending approximately 10% of time annually monitoring and reviewing information for this data collection. $\$98,003 \times 10\% = \$9,800$.	\$9,800
Facilities [cost for renting, overhead, ect. for data collection activity]	0
Computer Hardware and Software [cost of equipment annual lifecycle]	0
Equipment Maintenance [cost of annual maintenance/service agreements for equipment]	0
Travel	0
Printing [number of data collection instruments annually]	0
Postage [annual number of data collection instruments x postage]	0
Other	0
Total	\$ 1,009,800.00

Estimated annual cost to the Federal government totals \$1,009,800.00 allocated between FEMA staff involved in collection-related activities is \$9,800.00 and the contractor expenses is \$1,000,000.00. The assumption being 50 loans, 25 weeks worth of work, one (1) loan completed by a single contractor per week and one (1) FEMA staff member overseeing operations per week. In total, it will take 25 weeks worth of contractors to complete with FEMA oversight lasting 5 weeks.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I in a narrative form. Present the itemized changes in hour burden and cost burden according to program changes or adjustments in Table 5. Denote a program increase as a positive number, and a program decrease as a negative number.

A "Program increase" is an additional burden resulting from an federal government regulatory action or directive. (e.g., an increase in sample size or coverage, amount of information, reporting frequency, or expanded use of an existing form). This also includes previously in-use and unapproved information collections discovered during the ICB process, or during the fiscal year, which will be in use during the next fiscal year.

A "Program decrease", is a reduction in burden because of: (1) the discontinuation of an information collection; or (2) a change in an existing information collection by a Federal agency (e.g., the use of sampling (or smaller samples), a decrease in the amount of information requested (fewer questions), or a decrease in reporting frequency).

"Adjustment" denotes a change in burden hours due to factors over which the government has no control, such as population growth, or in factors which do not affect what information the government collects or changes in the methods used to estimate burden or correction of errors in burden estimates.

Itemized Changes in Annual Burden Hours						
Data collection Activity/Instrument	Program Change (hours currently on OMB Inventory)	Program Change (New)	Difference	Adjustment (hours currently on OMB Inventory)	Adjustment (New)	Difference
Certification of Eligibility for Community Disaster Loans / FEMA Form 090-0-1				250	125	-125
Promissory Note / FEMA Form 116-0-1				412	200	-212
Local Government Resolution – Collateral Security / FEMA Form 085-0-1				1,030	500	-530
Application for				3	50	+47

Community Disaster Loan / FEMA Form 090-0-2						
Annual Financial Report				0	50	+50
Direct Deposit Sign-Up Form / Standard Form 1199A				17	0	-17
Letter of Application				100	50	-50
Total(s)				1,812	975	-837

Explain:

This is a reduction of the number of respondents reported previously due to the ceiling on funding available. Burden hours were estimated based upon historical experience dating back a decade or more as well as recent experience implementing the program in 2007.

FEMA Form 090-0-1 (Certification of Eligibility for Community Disaster Loans): The number of respondents for this form has decreased from 100 to 50 respondents. Therefore, the total annual burden hours decreased from 250 to 125.

FEMA Form 116-0-1 (Promissory Note): The number of respondents for this form has decreased from 103 to 50 respondents. Therefore, the total annual burden hours decreased from 412 to 200.

FEMA Form 085-0-1 (Local Government Resolution Collateral Security): The number of respondents for this form has decreased from 103 to 50 respondents. Therefore, the total annual burden hours decreased from 1,030 to 500.

FEMA Form 090-0-2 Application for Community Disaster Loan: The number of respondents for this form has increased from 3 to 50 respondents. Therefore, the total annual burden hours increased from 3 to 50. (This increase has occurred to correct the number of respondents that was improperly recorded during the previous submission)

Annual Financial Report: The number of respondents for this report has increased from 0 to 50 respondents. Therefore, the total annual burden hours increased from 0 to 50 due to burden hours not being capture in the previous submission. (This increase is in accordance with Title 44 of the Code of Federal Regulations 206.365, Loan Administration)

Standard Form 1199A (Direct Deposit Sign-Up Form): The burden for this form is not calculated on individual agency collections and as such, it has been removed from the inventory of this collection. Therefore, the number of respondents for this form has decreased from 103 to 0 respondents. Therefore, 17 hours has been eliminated from the total annual burden hours.

Letter of Application: This letter is for the State to send a letter to FEMA indicating interest in the Program on behalf of interested applicants. The number of respondents for this letter has decreased from 100 to 50 respondents. Therefore, the total annual burden hours decreased from 100 to 50.

Itemized Changes in Annual Cost Burden						
Data collection Activity/Instrument	Program Change (cost currently on OMB Inventory)	Program Change (New)	Difference	Adjustment (cost currently on OMB Inventory)	Adjustment (New)	Difference
Certification of Eligibility for Community Disaster Loans / FEMA Form 090-0-1				\$9,985	\$5,859	-\$4,126
Promissory Note / FEMA Form 116-0-1				\$16,455	\$9,374	-\$7,081
Local Government Resolution – Collateral Security / FEMA Form 085-0-1				\$23,964	\$23,435	-\$529
Application for Community Disaster Loan / FEMA Form 090-0-2				\$119	\$2,344	+\$2,225
Annual Financial Report				0	\$1,540	+\$1,540
Direct Deposit Sign-Up Form / Standard Form 1199A				\$679	\$0	-\$679
Letter of Application				\$3,994	\$2,344	-\$1,650
Total(s)				\$55,196.00	\$44,896.00	-\$10,300.00

Explain:

This is a reduction of the number of respondents reported previously due to the ceiling on funding available. Burden hours were estimated based upon historical experience dating back a decade or more as well as recent experience implementing the program in 2007.

FEMA Form 090-0-1 (Certification of Eligibility for Community Disaster Loans): The number of respondents for this form has decreased from 100 to 50 respondents. Therefore, the total annual cost burden decreased from \$9,985 to \$5,859.00.

FEMA Form 116-0-1 (Promissory Note): The number of respondents for this form has decreased from 103 to 50 respondents. Therefore, the total annual cost burden decreased from \$16,455 to \$9,374.

FEMA Form 085-0-1 (Local Government Resolution Collateral Security): The number of respondents for this form has decreased from 103 to 50 respondents. Therefore, the total annual cost burden decreased from \$23,964 to \$23,435.

FEMA Form 090-0-2 Application for Community Disaster Loan: The number of respondents for this form has increased from 3 to 50 respondents. Therefore, the total annual cost burden increased from \$119 to \$2,344.00.

Annual Financial Report: The number of respondents for this report has increased from 0 to 50 respondents. Therefore, the total annual cost burden increased from \$0 to \$1,540 due to cost not being capture in the previous submission.

Standard Form 1199A (Direct Deposit Sign-Up Form): The burden for this form is not calculated on individual agency collections and as such, it has been removed from the inventory of this collection. Therefore, -\$679.00 has been eliminated from the total annual cost burden.

Letter of Application: This letter is for the State to send a letter to FEMA indicating interest in the Program on behalf of interested applicants. Therefore, the total annual cost burden decreased from \$3,994 to \$2,344.00.

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.

FEMA does not intend to employ the use of statistics or the publication thereof for this information collection.

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

FEMA will display the expiration date for OMB approval of this information collection.

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

FEMA does not request and exception to the certification of this information collection.

B. Collections of Information Employing Statistical Methods.

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:

There is no statistical methodology involved in this collection.