

Emergency Clearance Justification Memo  
Community Development Financial Institutions Fund  
Bank Enterprise Award (BEA) Program FY 2009 BEA Program Uses of BEA Program Award  
Report and BEA Program Explanation of Noncompliance

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The Community Development Financial Institutions Fund (the Fund) is requesting emergency Paperwork Reduction Act clearance of two forms pertaining to the reporting under the BEA Program: 1) the FY 2009 BEA Program Uses of BEA Program Award Report; and, 2) BEA Program Explanation of Noncompliance.

The Fund implements the Bank Enterprise Award (BEA) Program that provides incentives to insured depository institutions to increase their support of Community Development Financial Institutions (CDFIs) and their activities in economically distressed communities. Applicants submit an application and are evaluated in accordance with statutory and regulatory requirements (12 CFR 1806).

Beginning in the FY 2009 funding round, the CDFI Fund will require that BEA awards be used for future CDFI support and community development activities, as defined under the BEA Program regulations. The FY 2009 BEA Program updated all materials – regulations, Notice of Funds Availability and application – with 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. Awardees will be required to report to the Fund how the award was deployed by completing and electronically submitting: 1) a Uses of BEA Program Award Report; and, 2) in the event of noncompliance, a BEA Program Explanation of Noncompliance form.

The clearance package includes a draft of the Uses of BEA Program Award Report and BEA Program Explanation of Noncompliance. Comments on the reporting requirement of this Program were solicited in the *Federal Register* on June 4, 2008; eight comments were received. There were no significant comments on the burden of submitting such materials. The forms will be cleared internally with the 2009 Award Agreement.

Based on prior funding rounds, the Fund anticipates that approximately two-thirds of awardees will be required to submit the Uses of BEA Program Award Report and BEA Program Explanation of Noncompliance form. The total hour burden of this information collection is estimated at 1 hour per awardee. Given the low burden of collection and prior request of public comments, the Fund would not expect a full PRA process to yield any revisions to the existing materials. In addition, the BEA Program will undergo additional changes in the FY 2010, which will require revisions to the Program materials including the Uses of BEA Program Award Report and BEA Program Explanation of Noncompliance. The Fund is preparing to submit those proposed changes for public comments and full PRA processing at that time. For these reasons, and so not to hold up the award agreement for the 2009 awardees (made in July), the CDFI Fund is seeking an emergency clearance process for these two forms.