



## "COMMUNITY SUPPORT REQUIREMENTS"

OMB NUMBER 2590-0005

### SUPPORTING STATEMENT

#### A. Justification

1. Section 10(g)(1) of the Federal Home Loan Bank Act (Bank Act) requires the Federal Housing Finance Agency (FHFA) to promulgate regulations establishing standards of community investment or service that Federal Home Loan Bank (Bank) members must meet in order to maintain access to long-term advances.<sup>1</sup> In establishing these community support requirements for Bank members, the FHFA must take into account factors such as the Bank member's performance under the Community Reinvestment Act of 1977 (CRA) and record of lending to first-time homebuyers.<sup>2</sup> 12 CFR part 944 provides appropriate standards and review criteria for determining compliance with section 10(g) of the Bank Act.<sup>3</sup>

2. The FHFA uses the information collection contained in FHFA Form 60, the Community Support Statement Form, and part 944 to determine whether Bank members satisfy the statutory and regulatory community support requirements. Only Bank members that meet these requirements may maintain continued access to long-term Bank advances.<sup>4</sup>

3. The information collection does not involve the use of automated, electronic, mechanical or other technological collection techniques or other forms of information technology. Respondents may use electronic mail to submit the Community Support Statement.

4. The information collection avoids duplication because it requires the submission of information that already is available to, or compiled by, Bank members for other purposes. For instance, a member that is subject to the CRA must submit to the FHFA its federal CRA performance rating and CRA evaluation date. The member already is required to maintain this information pursuant to the regulations implementing the CRA.<sup>5</sup>

5. The information collection does not have a significant economic impact on a substantial number of small entities. The regulation implements statutory requirements and is applicable to all Bank members regardless of their size. The FHFA does not have the authority to make adjustments to the statutory requirements to accommodate small entities.

6. If the FHFA did not collect the information, it would be unable to determine whether Bank members satisfy the community support standards they must meet in order to maintain access to long-term Bank advances.

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<sup>1</sup> See 12 U.S.C. § 1430(g)(1).

<sup>2</sup> See 12 U.S.C. §§ 2901, *et seq.* and § 1430(g)(2).

<sup>3</sup> See 12 CFR part 944.

<sup>4</sup> See 12 U.S.C. § 1430(g).

<sup>5</sup> See, e.g., 12 CFR 25.43 (Office of the Comptroller of the Currency).



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7. There are no special circumstances that would require the FHFA to conduct the information collection in a manner inconsistent with the guidelines provided in Question 7.

8. In accordance with the requirements of 5 CFR 1320.8(d), the FHFA published a request for public comments regarding this information collection in the *Federal Register* on May 29, 2009. See 74 FR 25744 (May 29, 2009). The 60-day comment period closed on July 28, 2009. The FHFA received no comments.

9. The FHFA will maintain the confidentiality of information obtained from respondents as required by applicable statute, regulation or agency policy.

10. There are no questions of a sensitive nature in the information collection.

11. There are no questions of a sensitive nature in the information collection.

12. The FHFA based the calculations for Community Support Statement review and processing upon an annual average of 4,100 respondents, the calculations for imposing restrictions on access to long-term advances upon an annual average of 100 respondents, and the calculations for removing restrictions on access to long-term advances upon an annual average of 15 respondents.

**A. FHFA's Annualized Burden**

The estimated annualized cost to the FHFA of the information collection is \$60,858. This amount includes salaries, benefits and other costs associated with collection, production, review and analysis of community support submissions. The estimated annual hour burden is 1,553 hours. These estimates are based on the following calculations:

Senior program analyst selects Bank members for review each calendar quarter and prepares required notices.

- ◆ Selection time: 3 hours per quarter
- ◆ Total hours: 12
- ◆ Hourly rate: \$70 (includes salary, benefits and overhead)
- ◆ Total cost: \$840

Senior program analyst responds to questions from Bank staff and Bank members concerning community support requirements.

- ◆ Response time: .25 hours per question
- ◆ Total Responses: 250
- ◆ Total hours: 62.5
- ◆ Hourly rate: \$70 (includes salary, benefits and overhead)



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- ◆ Total cost: \$4,375

Office assistant reviews and processes each Community Support Statement to ensure compliance with statutory and regulatory requirements.

- ◆ Review/processing time: .33 hours
- ◆ Total statements: 4,100
- ◆ Total hours: 1,353
- ◆ Hourly rate: \$36 (includes salary, benefits and overhead)
- ◆ Total cost: \$48,708

Office assistant notifies each member that meets the community support requirements.

- ◆ Processing time: .02 hours
- ◆ Total statements: 4100
- ◆ Total hours: 82
- ◆ Hourly rate: \$36 (includes salary, benefits and overhead)
- ◆ Total cost: \$2,952

Management imposes a restriction on access to long-term advances on each member that did not meet the community support requirements.

- ◆ Review/processing time: .25 hours
- ◆ Total letters: 100
- ◆ Total hours: 25
- ◆ Hourly rate: \$102 (includes salary, benefits and overhead)
- ◆ Total cost: \$2,550

Senior program analyst reviews and processes each request to remove a restriction on access to long-term advances.

- ◆ Review/processing time: 1 hours
- ◆ Total requests: 15
- ◆ Total hours: 15
- ◆ Hourly rate: \$70 (includes salary, benefits and overhead)
- ◆ Total cost: \$1,050

Management removes the restriction on access to long-term advances for each member requesting removal that meets the community support requirements.

- ◆ Review time: .25 hours
- ◆ Total letters: 15



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- ◆ Total hours: 3.75
- ◆ Hourly rate: \$102 (includes salary, benefits and overhead)
- ◆ Total cost: \$382.50

GRAND TOTALS: Cost: \$60,858    Hours: 1,553

**B. Respondents' Annualized Burden**

The estimated annualized cost to respondents of the information collection is \$209,865. This amount includes salaries, benefits, and other costs associated with preparation, review, and production of Community Support Statements and requests to remove restrictions on access to long-term advances. The estimated annualized hour burden is 4,115 hours. These estimates are based on the following calculations:

Analyst prepares and processes a Community Support Statement.

- ◆ Review/processing time: .75 hours
- ◆ Total statements: 4100
- ◆ Total hours: 3,075
- ◆ Hourly rate: \$42 (includes salary, benefits and overhead)
- ◆ Total cost: \$129,150

An appropriate senior officer reviews and signs the Community Support Statement.

- ◆ Review time: .25 hours
- ◆ Total statements: 4100
- ◆ Total hours: 1,025
- ◆ Hourly rate: \$78 (includes salary, benefits, and overhead)
- ◆ Total cost: \$79,950

Analyst prepares and processes a request to remove a restriction on access to long-term advances.

- ◆ Review/processing time: .75 hours
- ◆ Total requests: 15
- ◆ Total hours: 11.25
- ◆ Hourly rate: \$42 (includes salary, benefits and overhead)
- ◆ Total cost: \$472.50

An appropriate senior officer reviews and signs the request to remove a restriction on access to long-term advances.



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- ◆ Review time: .25 hours
- ◆ Total requests: 15
- ◆ Total hours: 3.75
- ◆ Hourly rate: \$78 (includes salary, benefits and overhead)
- ◆ Total cost: \$292.50

GRAND TOTALS: Cost: \$209,865 Hours: 4,115

**C. Federal Home Loan Banks' Annualized Burden**

The estimated annualized cost to the Banks of the information collection is \$129,150. This amount includes salaries, benefits, and other costs associated with notifying members of their selection for review and with establishing and maintaining a Community Support Program. The estimated annualized hour burden is 3075 hours. These estimates are based on the following calculations:

Bank prepares notice to each member selected for review each quarter.

- ◆ Processing time: .25 hours
- ◆ Total notices: 4,100
- ◆ Total hours: 1,025
- ◆ Hourly rate: \$42 (includes salary, benefits, and overhead)
- ◆ Total cost: \$43,050

Bank establishes and maintains a Community Support Program to: (1) Provide technical assistance; (2) Promote and expand community-oriented mortgage lending; (3) Identify opportunities for members to expand financial and credit services in underserved neighborhoods; and (4) Encourage members to increase their community-oriented mortgage lending by providing incentives such as awards and technical assistance.

- ◆ Processing time: .25 hours
- ◆ Total members: 8,200
- ◆ Total hours: 2,050
- ◆ Hourly rate: \$42 (includes salary, benefits, and overhead)
- ◆ Total cost: \$86,100

GRAND TOTALS: Cost: \$129,150 Hours: 3,075

13. The FHFA has not identified any costs to respondents other than the costs discussed in detail under Question 12.



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14. The estimated annual cost burden to the Federal government is \$60,858. The method used to determine these costs is discussed in detail under Question 12.

15. The adjustments in Items 13 and 14 of the OMB Form 83-I are a result of the growth in the number of Bank members, changes in salaries and expenses and changes in how Community Support Statements are reviewed and processed. There are no program changes to report.

16. The FHFA will not publish the results of this information collection.

17. The FHFA plans to display the expiration date for OMB approval.

**B. Collection of Information Employing Statistical Methods**

The information collection does not employ statistical methods.

Attachments