

Community Development Financial Institutions Fund, Department of the Treasury

Supporting Statement

Community Development Financial Institutions Fund

New Markets Tax Credit Program American Recovery and Reinvestment Act Allocatee

Quarterly New Markets Report

OMB Approval Number

A. Justification

1. Circumstances necessitating collection of information

The CDFI Fund is requiring American Recovery and Reinvestment Act (ARRA) New Markets Tax Credit Allocatees to complete, on a quarterly basis, a much shorter version of the CDFI Fund's Transactional Level Report (TLR), which Allocatees currently report through the Community Investment Impact System (CIIS). The Quarterly New Markets Report (QNMR) will help the CDFI Fund meet its own ARRA agency reporting requirements per agreement with OMB. While under ARRA, Allocatees are not required to publicly report to FederalReporting.gov, the CDFI Fund will implement the QNMR to meet OMB's requirement that NMTC Allocatees provide quarterly reports. The QNMR provides qualitative and quantitative information on the Allocatees' compliance with performance goals as outlined in their Allocation Agreements with the CDFI Fund.

2. Method of collection and use of data

The CDFI Fund will collect the QNMR data through the CDFI Fund's existing Community Investment Impact Systems (CIIS) by using an abbreviated version of the Transactional Level Report (TLR) for performance and compliance reporting by ARRA allocatees of the New Markets Tax Credit (NMTC) program. The CDFI Fund currently requires NMTC Allocatees to submit an annual report. In order to align NMTC Allocatees' reporting requirements with Section 1512 (f) of the ARRA, the reports must be submitted by Allocatees 10 days after the end of each calendar quarter. This results in an initial reporting deadline of October 10, 2009, with quarterly reports due 10 days after the end of each calendar quarter thereafter.

3. Use of Information Technology

The QNMR will be submitted via the web through the existing CIIS IT systems.

4. Efforts to identify duplication

All of the information requested is required in order to evaluate Allocatee compliance with the CDFI Fund's Allocation Agreements and does not duplicate other information collections.

5. Impact on small entities

This collection of information is not expected to have a significant impact on small entities since the data requirements are significantly less than the standard annual Transactional Level Report (TLR), consisting of only 17 questions as opposed to the maximum of 260 potential questions. Small entities that become NMTC Allocatees must demonstrate significant management and technical reporting capacity to be selected for an award.

In addition, the CDFI Fund has made two distinct efforts to minimize the reporting burden on all Allocatees, regardless of size by eliminating the most burdensome questions in the annual TLR

(the investment capital table, and the summary income and expense tables) and the CDFI Fund has retained only those questions that directly relate to ARRA reporting.

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

The CDFI Fund cannot determine Allocatees' compliance with the Allocation Agreements, nor can it measure Allocatees' performance, or perform program evaluation without this quarterly collection of data.

7. Circumstances requiring special information collection

Not applicable.

8. Solicitation of comments on information collection

The CDFI Fund is seeking emergency clearance and will not seek public comments since the questions within the QNMR are a subset of questions in the existing TLR instrument already cleared under OMB 1559-0027 (which is scheduled to expire 7/31/2010).

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 information supplied in the annual report.

11. Justification of sensitive questions.

Virtually all of the data collected will be based on questions that Allocatees must supply to the CDFI Fund on an annual basis and are therefore not considered of a sensitive nature. The CDFI Fund plans to release certain CIIS QNMR data to the public only in an aggregated format. Except as may be permitted pursuant to the Freedom of Information Act (FOIA) or otherwise required by law, the Fund will not release: (i) data that is collected only for compliance purposes, or (ii) the identities of the borrowers/investees. In addition, the CDFI Fund will not release an organization's name or any other data that can be used to identify an organization. Please note, however, that such identifying data may be released pursuant to a FOIA request or as otherwise required by law.

12. Estimate of the hour burden of information collection.

The total hour burden of this information collection is 960 hours for QNMR reports from all Allocatees ([60 respondents; 4 hours per respondent quarterly](#)).

13. Estimate of total annual cost burden to respondents

In addition to the time burden described in number 12, costs may include purchase of new or upgraded software, information technology consultants to complete the online portions of the QNMR through CIIS. Once the start-up investments have been made, there should be no additional quarterly costs associated with this data collection.

14. Estimate of annualized cost to the Government

The costs to the Government are those related to the staffing of the CDFI Fund's Certification and Compliance Monitoring and Evaluation Unit and Financial Strategies and Research Unit, and the annual maintenance and data collection costs for the QNMR submitted through CIIS are

expected to average \$370,000 (which includes the costs for ARRA reporting requirements for the CDFI and NACA Programs via CIIS). A contract was awarded on September 10, 2009 for programming and loading the QNMR onto the existing CIIS system for the CDFI Fund.

15. Any program changes or adjustments

This submission to OMB is a new one but based on the previously authorized Annual Report OMB # 1559-0006 and CDFI Annual Survey OMB # 1559-0027.

16. Plans for information tabulation and publication

Confidential and proprietary information collection through the quarterly report will not be published.

17. Reasons for not displaying expiration date of OMB approval

Not applicable.

18. Explanation of exceptions to certification statement

Not applicable.

B. Collections of Information Employing Statistical Methods

This section is not applicable.