

Supporting Statement for the Capital Magnet Fund,
Community Development Financial Institutions Fund
FY 2010 Capital Magnet Fund Application

A. Justification

1. Circumstances necessitating collection of information

In FY 2010, the Community Development Financial Institutions (CDFI) Fund will implement the Capital Magnet Fund (CMF) to competitively award grants to CDFIs and qualified nonprofit housing organizations to finance affordable housing and related community development projects. The CMF was authorized in July of 2008 under Section 1339 of the Housing and Economic Recovery Act of 2008 (Pub. L. 110-289), and \$80 million was appropriated for this initiative under the Omnibus Appropriations Act of 2010. Applicants must submit an application form and will be evaluated in accordance with requirements stated in the Notice of Funding Availability (NOFA). This is the first year the program will be administered, with future rounds depending upon appropriations from Congress or proceeds from the Government-Sponsored Entities as outlined in Housing and Economic Recovery Act of 2008.

2. Method of collection and use of data

Data will be collected by the CDFI Fund through an application form submitted by organizations wishing to be considered for a CMF award. The CDFI Fund will use submitted information to select organizations to receive CMF awards. Some information provided in the application will be used as performance goals and measurements in the assistance agreements.

3. Use of Information Technology

The CDFI Fund will require applicants to submit electronically an interactive application form (a fillable PDF), which will enable the CDFI Fund to collect and store data from the application and related eligibility forms.

4. Efforts to identify duplication

Because the CMF program is similar to, but in many critical respects unique from, other CDFI Fund programs, a new application form is required. But the CDFI Fund made efforts to ensure that the questions asked in the application materials included best practices and consistency with other Federal programs – not just those at the CDFI Fund (e.g., the New Markets Tax Credit and CDFI Program), but also those administered by other Federal agencies. The CDFI Fund issued a Request for Public Comments in which it specifically asked for ideas of other programs that the CMF could be modeled after. During the application drafting process, CDFI staff met with staff from both the Department of Agriculture’s Rural Development office and the Department of Housing and Urban Development’s Community Planning and Development office to identify areas of overlap and precedent.

5. Impact on small entities

This collection of information is not expected to have a significant impact on small entities. During the development of the application, the CDFI Fund consulted with other Federal agencies to determine what information small entities would be able to provide to the Fund. In doing this,

the CDFI Fund was able to develop an application form with minimal potential burden on small entities.

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

The CDFI Fund cannot meet its statutory requirement to make award decisions without using an application form; this is anticipated to be a one-time collection for the FY 2010 funding round. Elements specified in the program's authorizing statute limit the amount to which the application burden can be reduced below the current level.

7. Circumstances requiring special information collection

Not applicable.

8. Solicitation of comments on information collection

This is a new collection in which the CDFI Fund is requesting emergency clearance.

The CDFI Fund published a Request for Public Comments in the Federal Register, Vol. 74, No. 43, page 9869 on March 6, 2009, soliciting comments regarding how the Fund should design, implement, and administer the program. It received 36 responses, of which 22 were unique. Many of the individual comments are reflected in the final application. Input was also solicited from the Department of Agriculture's Rural Development office and the Department of Housing and Urban Development's Community Planning and Development office. There were no specific comments on the potential burden.

9. Provision of payment to respondents

No payment or gift 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 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 12,500, with an estimated 50 hours for the application per respondent and an anticipated 250 respondents. These estimates are based upon historical participation rates in other CDFI Fund programs.

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 CDFI Fund staff time and IT systems required to develop the application, follow-up with respondents, review and score the applications, determine award amounts, and report the results.

15. Any program changes or adjustments

Not applicable. This is the first year of the program.

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

Display of the OMB expiration date may confusion applicants in the submission of applications by the appropriate deadline and that the program may have a limited duration. The non-display of the OMB expiration date is requested.

18. Explanation of exception to certification statement

Not applicable.