

## 2010 SUPPORTING STATEMENT

### 7 CFR Part 1944-K Technical & Supervisory Assistance (TSA) Grants OMB No. 0575-0188

#### A. Justification

1. Explain the circumstances that make the collection of information necessary.

Section 525 (a) of Title V of the Housing Act of 1949 authorizes the USDA Secretary to make grants to enter into contracts with eligible organizations, “to pay part or all of the cost of developing, conducting, administering or coordinating comprehensive programs of technical and supervisory assistance which will aid needy low-income individuals and families in benefiting from Federal, State, and local housing programs in rural areas.” This authority is implemented through 7 CFR part 1944, subpart K (RD Instruction 1944-K).

Section 525 TSA grants promote successful homeownership among the neediest low-income families in rural areas of greatest need for housing. This is accomplished through the establishment or support of housing delivery and counseling projects run by eligible applicants. Information is needed from applicant organizations to determine eligibility, evaluate program proposals, and monitor program success.

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.

Information is used by Rural Development staff in its local, State, and National Offices to determine applicant eligibility for a grant, to determine project feasibility, to compare to other proposals for selection of limited funding, and to monitor performance after grants have been awarded. Selected applicants will be notified and required to submit a formal application for grant approval. Organizations awarded grants will be required to submit quarterly progress reports.

#### **Reporting Requirements – No Forms**

**Program Proposal – Narrative Presentation.** A narrative describing the applicant’s ability to meet the eligibility requirements. The narrative must include:

- The technical and supervisory assistance to be provided. This should provide sufficient detail of: the content of any classroom or individual training to provided to potential, low-income participants to prepare them for

homeownership; a description of training materials to be used; and, a listing and description of any additional persons or resources to be used to provide the training;

- The time schedule for implementing the program;
- The staffing pattern to execute the program and salary range for each position, existing and proposed;
- The estimated number of low-income and low-income minority families the applicant will assist in obtaining affordable adequate housing;
- The estimated number of Rural Development borrowers who are delinquent or being foreclosed that the applicant will assist in resolving their financial problems relating to their delinquency;
- The estimated number of households which will be assisted in obtaining adequate housing in the TSA area through new construction and/or rehabilitation;
- Annual estimated budget for each of the two years based on the financial needs to accomplish the objectives outlined in the proposal. The budget should include proposed direct and indirect costs for personnel, fringe benefits, travel, equipment, supplies, contracts, and other costs categories, detailing those costs for which the grantee proposes to use the TSA grant separately from non-TSA resources, if any;
- The accounting system (cash or accrual) to be used;
- The method of evaluation proposed to be used by the applicant to determine the effectiveness of its program;
- The sources and estimated amounts of other financial resources to be obtained and used by the applicant for both TSA activities and housing development and/or supporting facilities; and
- Any other information necessary to explain the manner of delivering the TSA assistance proposed.

**Experience and Capacity Information.** Complete information about the applicant's previous experience and capacity to carry out the objectives of the proposed TSA program. This should address all applicant eligibility criteria as outlined in §1944.510 of RD Instruction 1944-K.

**Legal Existence Documentation.** Evidence of the applicant's legal existence, including, in the case of a private nonprofit organization, a copy of, or an accurate reference to, the specific provisions of State law under which the applicant is organized; a certified copy of the applicant's Articles of Incorporation and Bylaws or other evidence of corporate existence; certificate of incorporation for other than public bodies; evidence of good standing from the State when the corporation has been in existence one year or more; the names and addresses of the applicant's members, directors, and officers; and, if another organization is a member of the applicant-organization, its name, address, and principal business.

**Financial Statement of Organization.** For a private nonprofit entity, a current financial statement, dated and signed by an authorized officer of the entity, showing the amounts and specific nature of assets and liabilities together with information on

the repayment schedule and status of any debt(s) owed by the applicant. If the applicant is an organization being assisted by another private nonprofit organization, the same type of financial statement should also be provided by that organization.

**Service Area Information.** A brief narrative statement which includes information about the area to be served and the need for improved housing (Census 2000 data of portion of individuals below Poverty Level and housing units lacking complete kitchen facilities and lacking complete plumbing for counties in service area), the need for the type of technical and supervisory assistance being proposed, the method of evaluation to be used by the applicant in determining the effectiveness of its efforts (as related to the requirements in the narrative), and any other information necessary to address this issue.

**Other Activities Listing.** A list of other activities the applicant is engaged in and expects to continue and a statement as to any other funding and whether it will have sufficient funds to assure continued operation of the other activities for at least the period of the TSA grant agreement.

**Support Statements from Local Governments or Partners.** Written statements from the county, parish, or township governments of the area affected that the project is beneficial and does not duplicate current activities. If the local governmental units will not provide such statements, the applicant will prepare and include with its preapplication a summary of its analysis of alternatives considered. However, Indian nonprofit organization applicants should obtain the written concurrence of the Tribal governing body in lieu of the concurrence of the county governments.

**Written Commitment.** Sponsored applicants should submit a written commitment for financial and/or technical assistance from their sponsoring entity.

**Grant Agreement.** This is the legal document that will be executed by the grantees and the Agency when grants are awarded. It sets forth the obligations of the grantees and the Agency.

**Financial Management System.** If awarded a grant, the grantee's organization must provide a financial management system that complies with OMB Circular A-110. The financial management system must also provide for effective control over and accountability for all Federal funds as required by 7 CFR parts 3015, 3016, and 3019, as applicable.

**Project Performance Reports.** These reports will summarize the grantees' activities and progress in meeting established goals for the prior quarter. USDA's Departmental Regulations (7 CFR Parts 3015, 3016, and 3019) concerning the administration of grants requires that grantees submit performance reports each quarter. The reports are necessary so that RHS can ensure the objectives of the grants are being met. There is no approved or required format for these reports.

**Final Performance Report.** Within 90 days after the termination or expiration of the grant agreement, the grantee will provide a summary of the project's accomplishments, problems, and planned future activities of the grantee. Final reports may serve as the last quarterly report. There is no approved or required format for these reports.

**Extension/Revision of Grant Agreements or Conditions.** If grant funds are remaining at the end of the two-year grant agreement, the grantee can make written request to extend the TSA program. Similarly, any significant change in the budget or program plans, as described in OMB Circular A-110, Subpart B, Section .25, Revision of Budget and Program Plans (7 CFR Part 3019.25), requires written request to and prior approval by the granting Agency. Such requests may include a revised budget and/or revised program plan. There is no approved or required format for these requests.

**Meetings to Discuss Problems/Provide Assistance.** For the grantee to perform a successful TSA program, timely and effectively management assistance is provided by local Rural Development officials. There is no approved or required format for these meetings.

***Counseling to Delinquent Borrowers.***

***Change in Conditions.***

**Disposition Instructions.** If certain equipment or real estate is purchased with TSA grant funds, the grantee must account for its use and disposition. Depending on the value of the asset, as described in 7 CFR Parts 3015, 3016 and 3019, the grantee must make written request to and receive prior approval from the granting Agency. There is no approved or required format for these requests.

**Solicitation of Citizens.** TSA grants may fund technical assistance, as per 7 CFR Part 1944.506 (i), specifically related to the supervisory assistance provided by the project. This may include market surveys, engineering studies, cost estimates and feasibility studies related to applications for housing assistance to meet the specific needs of the low-income families assisted under the TSA program. In certain cases, this may require published notice of public meetings, actual holding of public meetings and receiving written comments. Upon the granting Agency's request, information on actions soliciting citizen participation will be provided. There is no approved or required format for these requests.

### **Reporting Requirements – Forms**

**Request for Advance or Reimbursement (Standard Form 270).** This form is used by grantees to request advances or reimbursements of cash outlays. The use of

this form is prescribed by OMB Circulars A-102 and A-110. It is only required from grant recipients.

*When proposals are selected for funding, those applicants will also be required as part of a formal application to submit the following which are required by other Departmental Regulations:*

**Certification Regarding Debarment, Suspension, and Other Responsibility Matters – Primary Covered Transactions (Form AD-1047).** This written certification certifies that the applicant is not presently debarred, suspended, or voluntarily excluded from covered transactions by any Federal department or agency. It is required by USDA Departmental Regulation (7 CFR Part 3017) which implements Executive Order 12549.

**Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions (Form AD-1048).** This written certification certifies that any lower tier participants (subgrantees, if any) are not presently debarred, suspended, or voluntarily excluded from participation in the grant transaction by any Federal department or agency. Separate forms must be signed by each subgrantee. This certification is required by USDA Departmental Regulation (7 CFR Part 3017) which implements Executive Order 12549.

**Certification Regarding Drug-free Workplace Requirements (Grants) Alternative I – For Grantees Other Than Individuals (AD-1049).** This written certification certifies that the grantee will provide a drug-free work place. This certification is required by USDA Departmental Regulation (7 CFR Part 3017) which implements Section 5151-5160 of the Drug-Free Workplace Act of 1988.

**Disclosure of Lobbying Activities (Standard Form LLL).** Disclosure forms are required only from applicants/recipients who have made payments to persons for influencing activities as described in 7CFR Part 3018 and in FAR Subpart 3.8. Negative reports are not required, but applicants may need to review this form to determine if completion is needed.

#### **Reporting Requirements – Forms Approved Under Other OMB Numbers**

**Equal Opportunity Agreement (Form RD 400-1).** This form is required for use with construction projects in excess of \$10,000, pursuant to Executive Order 11246. This form is approved under OMB number 0575-0018. The time required to complete this information collection is estimated to average 10 minutes per response. This form is required only from applicants selected to submit a complete application. We estimate there will be 10 applicants selected for funding, with 2 hours spent completing this form.

**Assurance Agreement (RD 400-4).** All recipients of Federal financial assistance are required by civil rights law to provide written assurances. This form assures the Government that the recipient is in compliance with and will continue to comply

with Title VI of the Civil Rights Act of 1964. This form is approved under OMB number 0575-0018. The time required to complete this information collection is estimated to average 15 minutes per response. This form is required only from applicants selected to submit a complete application. We estimate there will be 10 applicants selected for funding, with 3 hours spent completing this form.

**Request for Environmental Information (Form RD 1940-20).** Federal agencies are required by law to independently assess the expected environmental impacts associated with Federal actions. This form provides important information from the applicant to permit Rural Development to perform its evaluation. This form is approved under OMB number 0575-0094. The time required to complete this information collection is estimated to average 15 minutes per response. This form is required only from applicants selected to submit a complete application. We estimate there will be 10 applicants selected for funding, with 3 hours spent completing this form.

**Application for Federal Assistance (Standard Form 424).** This form is used by applicants as a required cover sheet for applications submitted for Federal assistance. This form is prescribed by OMB Circulars A-102 and A-110. This form is approved under OMB number 4040-0004. The time required to complete this information collection is estimated to average 45 minutes per response. It is estimated that there will be 30 applicants which will result in 23 hours spent completing this form and providing the necessary required attachments.

**Budget Information –Non-Construction Programs (Standard Form 424A).** This form provides a budget of the overall project cost and is required of all applicants. This form is prescribed by OMB Circulars A-102 and A-110 and is approved under OMB No. 4040-0006. The time required to complete this information collection is estimated to average 180 minutes per response. It is estimated that there will be 30 applicants which will result in 90 hours spent completing this form.

**Assurances – Non-Construction Programs (Standard Form 424B).** This form certifies that the grantee will comply with applicable Executive Orders and statutes. This form is prescribed by OMB Circulars A-102 and A-110. It is approved under OMB No. 4040-0007. The time required to complete this information collection is estimated to average 15 minutes per response. It is estimated that there will be 30 applicants which will result in 8 hours spent completing this form.

**Financial Status Report (Standard Form 425).** This form tracks all project outlays and income. The use of this form is prescribed by OMB Circulars A-102 and A-110. The form is approved under OMB No. 0348-0061. It is only required from grant recipients. The time required to complete this information collection is estimated to average 30 minutes per response. It is estimated that there will be 10 respondents who will complete this form 4 times annually. This will result in 20 hours spent completing this form.

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.

The agency has eliminated all unnecessary burden and, wherever possible, utilized industry standard forms, eliminated duplicative Rural Development forms, and made use of our expanded automation capabilities. No electronic submission of information is required. However, applicants can obtain all Standard Forms and most other forms through USDA and other Federal agency websites, thereby reducing unnecessary burden imposed on our customers. This will reduce the time it takes the public to complete required information, reduce the need to stock forms throughout Rural Development offices, and result in cost savings to the public. With the implementation of E-GOV in June 2002, individuals are now able to make application online. We have 64 eForms which the public can access and print for personal use. Rural Development is committed to automation and reducing the burden upon the public.

Quarterly reports and related forms may also be submitted electronically to Rural Development by facsimile transmission or by e-mail.

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.

The information that is collected will be used to competitively award an estimated 10 grants totaling \$1 million. These grants will be awarded based on the qualifications of the applicants and the need for the TSA program in the service area. This information is needed to make these determinations and is unavailable elsewhere. Therefore, there will be no duplication.

5. If the collection of information impacts small businesses or other small entities (items 5 of OMB Form 83-1), describe any methods used to minimize burden.

The information collection required for this initiative places no additional burden on small entities beyond that which is performed in normal business practice to obtain Federal grant funds.

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or conducted less frequently, as well as any technical or legal obstacles to reducing burden.

The information collected for this initiative is the minimum needed by Rural Development to determine eligibility, to select the most qualified applicants, and to

monitor performance during the grant period. Failure to collect this information could result in waste and improper use of Federal funds.

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

a. Requiring respondents to report information more than quarterly.

Any grantee determined to be 'high risk' may be required to submit monthly progress reports. There are no other reporting requirements that are required more frequently than quarterly.

b. Requiring written responses in less than 30 days.

There are no specific information collections requiring a response in less than 30 days.

c. Requiring more than an original and two copies.

Applicants submitting multi-state proposals will be required to submit additional copies of all application materials and performance reports to additional States (the State to receive most services will be designated to receive the original, and two copies of the application package and all other reports required after grant closing). The quarterly performance reports will provide the RHS National Office and the State Directors with a summary of the grantees accomplishments and inform the Agency of any problems the grantee is experiencing. There is no specific form or format for the quarterly performance reports.

d. Requiring respondents to retain records for more than 3 years.

Respondents are not required to retain records for more than three years unless they are awarded a grant, and litigation, claim, audit, or investigation is commenced before the expiration of the 3-year period. In such cases, records must be retained until all litigation, claims, audits, or investigative findings involving the records have been resolved.

e. Not utilizing statistical sampling.

There are no such requirements.

f. Requiring use of statistical sampling which has not been reviewed and approved by OMB.

No such requirements exist.

g. Requiring a pledge of confidentiality.



There is no such requirement.

h. Requiring submission of proprietary trade secrets.

There is no such requirement.

8. If applicable, identify the date and page number of publication in the Federal Register of the agency's notice soliciting comments on the information collection. Summarize public comments received and describe actions taken by the agency in response to these comments. 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, reporting format (if any), and on data elements to be recorded, disclosed, or reported.

A Notice was published in the Federal Register, Vol. 75, No. 189, page number 60405 on September 30, 2010 soliciting comments on this information collection. No comments were received.

The Agency has maintained ongoing contact regarding the overall operation of the program, as well as the collection of information, with current active/respective applicant users to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, reporting format (if any), and on data elements to be recorded, disclosed, or reported.

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

There is no payment or gift to respondents.

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

There is no assurance of confidentiality provided to respondents.

11. Provide additional justification for any question of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private.

The information collection does not contain any questions of a sensitive nature such as sexual behavior, religious beliefs, or other matters commonly considered private.

12. Provide estimates of the hour burden of the collection of information.

The burden for collecting information under this grant program is based on an estimated 30 organizations submitting proposals and 10 grants awarded. See the attached spreadsheet for a breakdown of the hour burden and cost of this information

collection. The estimate is based on past experience of Rural Development employees and existing grantees. For the purposes of this estimate, a wage class of \$16.73 per hour was used, except for the financial management system, where \$27.51 was used. This is the pay rate of a GS-6 and GS-11 on the Federal GS pay scale. Based on expense information provided by grantees, most paperwork is completed by housing specialists or grant writers within the non-profit groups with pay in the range of GS-5 to GS-7. Financial records are prepared by agency bookkeepers or accountants with pay similar to GS-11.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information.

There are no capital/start-up or ongoing operation/maintenance costs associated with this information collection.

14. Provide estimates of annualized cost to the Federal Government.

The annual cost, which includes benefits, travel, communication, supplies, etc., for Rural Development to develop and administer this grant program is estimated at \$51,372. These costs are based on: (in the National Office) one GS-13 loan specialist in the National Office spending 800 hours; a two-person selection panel at a GS-12 salary, 80 hours; support staff of a GS-7 clerk, 250 hours; (in State offices) GS-12 loan specialists in 20 participating states, 200 hours; and, GS-15 state directors in 20 participating states spending a combined total of 50 hours. Below is a breakdown of the employee positions and grade levels that will administer this grant program. Salaries are based on Step 1 for each grade level, effective January 2010.

	<u># People</u>	<u>Grade/Salary(Hourly)</u>	<u>Hours</u>	<u>Cost</u>
<b>National Office</b>				
Loan Specialists	1	13/\$89,033 (42.66)	800	\$34,128
Selection Panel	2	12/\$74,872 (35.88)	80	\$ 2,870
Support Staff	1	7/\$42,209 (20.22)	250	\$ 5,055
<b>State Office</b>				
Loan Specialists	20	12/\$68,809 (32.97)	200	\$ 6,594
State Directors	20	15/\$113,735 (54.50)	50	\$ 2,725
			Total --	----- \$51,372

15. Explain the reasons for any program changes or adjustments reported in items 13 or 14 of the OMB Form 83-1.

There was an increase of 42 hours due to the fact that the Standard Form 270 and the SF-LLL are now included in the agency's reported burden. In the previous submission, they were documented under forms approved under other burden packages.

16. For collection of information whose results will be published, outline plans for tabulation and publication.

Rural Development has no plans to publish the information collected under the provisions of this initiative.

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

It is not cost effective for Rural Development to display the expiration date on the forms due to the large number of field offices and the significant differences in the volume of forms used by these offices.

18. Explain each exception to the certification statement identified in item 19 on OMB 83-1.

There are no exceptions requested.

19. How is this information collection related to the Service Center Initiative (SCI)? Will the information collection be part of the one stop shopping concept?

This information is not related to and will have no impact on the Service Center Initiative.