

Department of the Treasury, Departmental Offices
Supporting Statement and Request for Clearance
Troubled Asset Relief Program – CDCI Application

1. Circumstances necessitating the collection of information

Authorized under the Emergency Economic Stabilization Act (EESA) of 2008 (Public Law 110-343), the Department of the Treasury is implementing several aspects of the Troubled Asset Relief Program. The statute provides the Secretary broad authority to purchase and insure mortgage assets, and to purchase any other financial instrument that the Secretary, in consultation with the Federal Reserve Chairman, determines necessary to stabilize our financial markets—including equity securities. The TARP is comprised of several components including a voluntary Community Development Capital Initiative (CDCI) under which the Department may purchase qualifying assets from U.S. banking organizations that are certified Community Development Financial Institutions (CDFI). Treasury, through federal banking and credit union agencies, is seeking applicant information for financial institutions that seek participation in the CDCI.

Eligible institutions include bank holding companies, financial holding companies, insured depository institutions, credit unions, savings and loan holding companies that engage solely or predominately in activities that are permissible for financial holding companies under relevant law, subchapter S corporations, and mutual organizations. To qualify, the applicant must be established and operating in the United States and may not be controlled by a foreign bank or company, and must be a certified CDFI.

Additionally, CDFIs that have participated in and have outstanding obligations under the TARP Capital Purchase Program (CPP) may apply to request an exchange of securities purchased under CPP by Treasury, for securities to be issued to Treasury under the CDCI. Eligibility to participate in the CDCI solely for purposes of exchanging outstanding obligations under CPP shall occur without regard to whether the institution seeks to participate in the CDCI for purposes of receiving additional capital. Institutions seeking additional capital under the CDCI shall submit a separate application for that purpose.

2. Use of the data

The application information will be used to determine eligibility and participation in the CDCI.

3. Use of information technology

Applications may be submitted through e-mail.

4. Efforts to identify duplication

The information that will be collected in the CDCI application is a one-time request. To limit duplication, financial institutions may rely on data collected on its latest quarterly supervisory report filed by the applicant with its appropriate federal banking agency.

5. Impact on small entities

Most of the participating financial institutions do not meet the definition of small entities. Further, the information collection imposes only minimal burdens because the information is readily available to the financial institutions.

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

If the information is not collected, Treasury will not be able to determine which financial institutions seek to participate in the program, the amount of capital to be purchased, and whether the institutions are eligible for the CDCI. The application for CDCI participation is a one-time submission during a limited period of statutory authority.

7. Circumstances requiring special information collection

Applicants may be required to submit amended applications to provide the banking agencies with adequate and timely information.

8. Solicitation of comments on information collection

A notice soliciting public comments was published in the Federal Register on April 12, 2010, at 75 FR 18569 and no comments were received.

9. Provision of payments to recordkeepers

Not applicable.

10. Assurance of confidentiality

The information collection provides that applicants may request confidential treatment of specific portions of applications. Any confidential information provided voluntarily by financial institutions will be maintained as confidential consistent with applicable provisions of the Trade Secrets Act and Freedom of Information Act. See application instructions.

11. Justification of sensitive questions

Not applicable.

12. Estimated burden of information collection

Treasury estimates that the application will take approximately two hours to complete, and that roughly 200 companies will apply to participate in the program. The total estimated one-time burden for the collection is 400 hours (200 x 2 hrs).

13. Estimated total annual cost burden to respondents

Treasury estimates that there will be no annualized capital/start-up costs for the respondents to collect and submit this information.

14. Estimated cost to the federal government

There will be no annualized capital/start-up costs for the government to receive this information.

15. Reasons for change in burden

Not applicable. The burden for the CDCI program hasn't changed, because applications are still being finalized for the program.

16. Plans for tabulation, statistical analysis and publication

Not applicable.

17. Reasons why displaying the OMB expiration date is inappropriate

Display of the OMB expiration date will create confusion because, under EESA, this program has a limited duration.

18. Exceptions to certification requirement of OMB Form 83-I

Regarding this request for OMB approval, there are no exceptions to the certification statement in item 19 of Form 83-I.