

Department of the Treasury, Departmental Offices
Supporting Statement

New Issue Bond Program and Temporary Credit and Liquidity Program
OMB Control Number 1505-0224

1. Circumstances necessitating the collection of information

Authorized under section 304(g) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1719(g)) and Section 306(l) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1455(l), as amended by the Housing and Economic Recovery Act (HERA) of 2008 (Public Law 110-289; approved July 30, 2008) the Department of the Treasury (Treasury) implemented two programs under the HFA (Housing Finance Agency) Initiative. The statute provides the Secretary authority to purchase securities and obligations of Fannie Mae and Freddie Mac (the GSEs) as he determines necessary to stabilize the financial markets, prevent disruptions in the availability of mortgage finance, and to protect the taxpayer.

On December 4, 2009, the Secretary made the appropriate determination to authorize the two programs of the HFA Initiative: the New Issue Bond Program (NIBP) and the Temporary Credit and Liquidity Program (TCLP). Under the NIBP, Treasury has purchased securities from the GSEs backed by mortgage revenue bonds issued by participating state and local HFAs. Under the TCLP, Treasury has purchased a participation interest from the GSEs in temporary credit and liquidity facilities provided to participating HFAs as a liquidity backstop on their variable-rate debt.

In order to properly manage the two programs of the initiative, continue to protect the taxpayer, and assure compliance with the Programs' provisions, Treasury is instituting a series of data collection requirements to be completed by participating HFAs and furnished to Treasury through the GSEs.

2. Use of the data

The reporting package includes requests for program bond information, loan performance metrics and HFA financial reporting. Through these reporting requirements, Treasury aims to collect different types of data to achieve several objectives as provided in the table below.

Reporting Category:	Rationale:
HFA Business Reporting <ul style="list-style-type: none">• Financial Reports and other Submissions• Notices & Certifications	Most of these requirements are already explicitly spelled out in various program documents. The request constitutes the information necessary for the day-to-day management of the NIBP and TCLP and for Treasury to monitor the financial health of the HFAs to which it has risk exposure under the Initiative.

<p>Indenture Detail</p> <ul style="list-style-type: none"> • Single Family Indenture Reporting • Multi-loan MF Indenture Reporting • Single-loan MF Indenture Reporting 	<p>The data requested here are designed to provide Treasury with relevant detail on precisely how its risk position is changing over time. The information will allow Treasury to compare actual losses versus expected losses, project cash flows and re-calibrate loss expectations. The information will enable Treasury and the GSEs to update cost estimates for the program and remain consistent with government-wide accounting standards. Lastly, the information will provide Treasury and the GSEs with the transparency necessary to keep senior officials appropriately informed of the status of the taxpayer investment.</p>
<p>Policy Success Metrics</p>	<p>Because the HFA Initiative constitutes an investment of the taxpayer in helping to stabilize the housing market, it is essential that the Treasury has the information necessary to measure the impact of the Initiative as a policy response.</p>
<p>Compliance Checklist</p>	<p>Compliance is a top priority of Treasury in the implementation of the various programs involved in economic stabilization. The compliance checklist is designed to allow each HFA to certify in a single document its compliance with the Initiative’s key provisions that relate to the soundness of the securities in which the taxpayer is invested.</p>

3. Use of information technology

All of the information associated with this collection is to be submitted in electronic form. Depending on the specific information type, it will either be in PDF or Excel format. Initially, submissions will be by e-mail to a central mailbox created for the specific purpose of this collection. In the future, Treasury hopes to develop, in coordination with the GSEs, a web-based IT platform that will facilitate the upload of reporting from participating HFAs, track necessary submission, and automatically make submission available to the properly authorized individuals at Treasury and the GSEs.

4. Efforts to identify duplication

Some aspects of the information collection may involve data already collected and published by the HFAs. However, in such cases, the HFA will be able to submit the data in the form in which it already exists thus minimizing the incremental burden of this collection. Furthermore, to the extent that any information being collected duplicates information already published, the large number of participants and heterogeneity of reporting standards makes it unreasonable for Treasury to collect the information deemed necessary without instituting a uniform set of reporting requirements.

Other aspects of the information collection regard reporting on matters that are unique to the HFA Initiative's programs. In these cases, no existing reporting exists, and the potential for duplication is not a concern.

5. Impact on small entities

The HFAs participating in the Initiative vary in size, and some may be considered to be small entities. Local HFAs, which are the most likely to fit the criteria for small entities have less frequent reporting requirements than their state-level counterparts thus reducing their reporting burden. Additionally, for those HFAs whose size and complexity makes timely delivery of all reporting a challenge, Treasury intends to provide accommodation in deadlines and frequency so as not to create an undue burden on such small entities.

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

Any reduction of the burden associated with this information will diminish Treasury's ability to manage programs from an operational standpoint, and to evaluate its success in achieving its policy goals. Furthermore, because this collection is essential to Treasury being able to monitor its risk position, less frequent collections would be contrary to the provision of HERA mandating that any purchase of GSE obligations be undertaken such that the taxpayer is protected. While it would be preferable to have the same reporting frequency from local HFAs from state HFAs, Treasury believes it is acceptable to operate with the lesser frequency in the interest of keeping the reporting burden on small entities to a reasonable level.

7. Circumstances requiring special information collection

The only potential for this collection involving one of the defined special circumstances is the request for certain quantitative information on a monthly basis. Because the characteristics of outstanding loans may change materially every month, quarterly updates would diminish Treasury's ability to project cash flows and costs as well as to be able to make informed policy decisions based on past performance. However, this type of information is expected to be provided by relatively sophisticated mortgage servicers (either internal or external) to the HFA who upon initial development of any necessary reporting structure should experience minimal marginal burden stemming from the reporting frequency requested.

8. Solicitation of comments on information collection

A 60-day notice was published in the *Federal Register* on January 19, 2011, soliciting comments from the public with the comment period ending March 21, 2011. No comments were received as a result of this notice.

9. Provision of payments to recordkeepers

Not applicable.

10. Assurance of confidentiality

Any confidential information provided as part of this collection will be maintained as confidential consistent with applicable provisions of the Trade Secrets Act and Freedom of Information Act.

11. Justification of sensitive questions

Not applicable.

12. Estimated burden of information collection

The burden associated with this information collection will vary widely based on the size of the HFA, its level of sophistication, and the level of its participation in the Initiative. The table below provides a means for estimating the total annual burden of the collection.

For each request that is part of the collection, an estimated burden per submission is provided. Because the operations of state and local HFAs may differ, a “factor” is provided for each reporting type for state and local HFAs. This factor represents an estimate of the fraction of the aforementioned number of hours which the HFA already commits to that type of reporting in its normal course of business. Thus, a factor of 0% would indicate that the marginal burden of the reporting request will be the full stated number of hours. A factor of 100% would indicate that the reporting request implies no marginal burden on the HFA.

Next, for state and local agencies, the number of submissions for each reporting type per year is provided. For each reporting type, an estimated marginal annual burden is calculated by multiplying the estimated number of hours by the number of submissions per year and multiplying that by (1-f) where f is the previously described factor for state or local HFAs. There is a separate estimate for state and local HFAs. For either state or local HFAs, the estimates for each reporting type can be added to provide a total estimated burden for each state or local HFA.

These numbers can be multiplied by the 49 state HFA participants and 43 local HFA participants to find the total burden of the information collection.

Hours	State	Local	St	Lc l	E(hrs/st)	E(hrs/lc)	E(total)
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	Factor	Factor	sub/ yr	sub/ yr				
Issuer Financial Statements	250	95%	90%	4	1	50	25	3525
Indenture Financial Statements	150	95%	90%	4	1	30	15	2115
Secondary Market Disclosures (higher factor for lcls due to simpler task)	75	85%	90%	4	1	45	7.5	2527.5
Material events filings	5	80%	50%	6	2	6	5	509
Current counterparties	1	50%	25%	4	1	2	0.75	130.25
Copies of Official Statements or any other disclosure documents	0.5	0%	0%	4	2	2	1	141
Most recent ratings letters and any rating report	0.5	0%	0%	2	2	1	1	92
Copies of presentations to rating agencies	0.5	0%	0%	2	1	1	0.5	70.5
Copies of Indenture Cash flow certificates	0.5	0%	0%	4	2	2	1	141
Trustee trial balance, or trial balance certified by the Issuer	3	50%	50%	4	4	6	6	552
Loan portfolio performance data (and policy metrics)	20	50%	30%	12	12	120	168	13104
Any information for housing goals upon GSE request	3	0%	0%	3	2	9	6	699
Other data, as requested by GSEs	3	0%	0%	3	2	9	6	699
Notices and Certifications	4	0%	0%	4	2	16	8	1128
Compliance Certification	2	0%	0%	4	4	8	8	736
Total						307	258.75	26169.25

13. Estimated total annual cost burden to respondents

The Department estimates that there will be no significant annualized capital/start-up costs for the respondents to collect and submit this information aside from the costs associated with the time burden estimated above.

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

This is an extension, without change, of a previously approved collection.

16. Plans for tabulation, statistical analysis and publication

Not applicable.

17. Reasons why displaying the OMB expiration date is inappropriate

Treasury believes displaying an OMB expiration date on this collection will create the incorrect perception that this information request is to run for a shorter term than the programs of the HFA Initiative. Treasury intends to renew this ICR as long as the information remains necessary to protect the taxpayer, and accordingly and believes it would create confusion to imply otherwise.

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.