



"COMMUNITY SUPPORT REQUIREMENTS"

OMB NUMBER 2590-0005

SUPPORTING STATEMENT

A. JUSTIFICATION

1. Circumstances Necessitating the Collection of Information

Section 10(g)(1) of the Federal Home Loan Bank Act (Bank Act) requires the Director of the Federal Housing Finance Agency (FHFA) to promulgate regulations establishing standards of community investment or service that Federal Home Loan Bank (Bank) member institutions must meet in order to maintain access to long-term Bank advances.¹ Section 10(g)(2) of the Bank Act requires that, in establishing these community support requirements for Bank members, FHFA take into account factors such as the member's performance under the Community Reinvestment Act of 1977 (CRA)² and record of lending to first-time homebuyers.³ FHFA's community support regulation, which establishes standards and review criteria for determining compliance with section 10(g) of the Bank Act, is set forth at 12 CFR part 1290.

Under part 1290, each Bank member is required to submit to FHFA biennially a completed Community Support Statement (Form 60), which contains several short questions the answers to which are used by FHFA to assess the responding member's compliance with the community support standards. In section I of the form, a member that is subject to the CRA must record its current CRA rating and the date of its most recent CRA evaluation. Section II of the form addresses a member's efforts to assist first time homebuyers. A member may either record the amount of loans made to first time homebuyers (in dollars and as a percentage of total mortgage loans) in the previous year, indicate the types of programs it has undertaken to assist first time home buyers (by checking selections from a list) or do both. If a member has received a CRA rating of "outstanding," it need not complete section II of the form. Part 1290 also permits Bank members whose access to long-term advances has been restricted for failure to meet the community support standards to apply directly to FHFA to remove the restriction under certain circumstances.

2. Use of Data

FHFA uses the information collection contained in FHFA Form 60 and part 1290 to determine whether Bank members satisfy the statutory and regulatory community support requirements. Only Bank members that meet these requirements may maintain continued access to long-term Bank advances.

¹ See 12 U.S.C. 1430(g)(1). For purposes of the community support requirements, long-term advances are secured loans made by a Bank to a member with an original term to maturity greater than one year. See 12 CFR 1290.1.

² 12 U.S.C. 2901 *et seq.*

³ See 12 U.S.C. 1430(g)(2).



COMMUNITY SUPPORT REQUIREMENTS: OMB NUMBER 2590-0005
SUPPORTING STATEMENT

3. Use of Information Technology

Bank members have the option of submitting Form 60 electronically by e-mail, although there currently is no mechanism for providing an electronic signature or for electronic submission of the Form. Forms can also be mailed, faxed, or scanned copies sent via e-mail.

4. Efforts to Identify Duplication

The information collection avoids duplication by utilizing CRA ratings as a method of determining fulfillment of the community support requirements by those members that are subject to the CRA.

5. Impact on Small Entities

The information collection does not have a significant economic impact on a substantial number of small entities. The regulation implements statutory requirements and is applicable to all Bank members regardless of their size.

6. Consequences of Less Frequent Collection and Obstacles to Burden Reduction

If FHFA did not collect the information at least biennially, it would be unable to determine effectively whether Bank members satisfy the community support standards they are required by statute to meet in order to maintain access to long-term Bank advances.

7. Circumstances Requiring Special Information Collection

No special circumstances require FHFA to conduct the information collection in a manner inconsistent with the guidelines provided in Item 7.

8. Solicitation of Comments on Information Collection

In accordance with the requirements of 5 CFR 1320.8(d), FHFA published a request for public comments regarding this information collection in the *Federal Register* on August 3, 2012. *See* 77 FR 46436 (August 3, 2012). The 60-day comment period closed on October 2, 2012. The FHFA received no comments.

9. Provision of Payments to Respondents

FHFA has not made any decision to provide any payment or gift to respondents, or for remuneration of contractors or grantees.



COMMUNITY SUPPORT REQUIREMENTS: OMB NUMBER 2590-0005
SUPPORTING STATEMENT

10. Assurance of Confidentiality

FHFA has not provided, and is not required to provide, any assurance of confidentiality with respect to the information to be collected.

11. Questions of Sensitive Nature

There are no questions of a sensitive nature in the information collection.

12. Estimated Burden of Information Collection on Respondents

FHFA based the calculations for Community Support Statement review and processing on an annual average of 3,900 respondents—*i.e.*, half of approximately 7,800 total Bank members reporting annually. FHFA based the calculations for imposing restrictions on access to long-term advances upon an annual average of 95 respondents and the calculations for removing restrictions on access to long-term advances upon an annual average of 14 respondents, which is in line with historical experience.

The estimated annualized hour burden imposed upon respondents by the information collection is 3,914 hours. The estimated annualized cost associated with this burden is \$199,614. This amount includes salaries, benefits, and overhead costs associated with preparation, review, and production of Community Support Statements and requests to remove restrictions on access to long-term advances. These estimates are based on the following calculations:

Analyst prepares and processes a Community Support Statement.

- ◆ Review/processing time: .75 hours
- ◆ Total statements: 3,900
- ◆ Total hours: 2,925
- ◆ Hourly rate: \$42 (includes salary, benefits and overhead)
- ◆ Total cost: \$122,850

An appropriate senior officer reviews and signs the Community Support Statement.

- ◆ Review time: .25 hours
- ◆ Total statements: 3,900
- ◆ Total hours: 975
- ◆ Hourly rate: \$78 (includes salary, benefits, and overhead)
- ◆ Total cost: \$76,050

Analyst prepares and processes a request to remove a restriction on access to long-term advances.



COMMUNITY SUPPORT REQUIREMENTS: OMB NUMBER 2590-0005
SUPPORTING STATEMENT

- ◆ Review/processing time: .75 hours
- ◆ Total requests: 14
- ◆ Total hours: 10.5
- ◆ Hourly rate: \$42 (includes salary, benefits and overhead)
- ◆ Total cost: \$441

An appropriate senior officer reviews and signs the request to remove a restriction on access to long-term advances.

- ◆ Review time: .25 hours
- ◆ Total requests: 14
- ◆ Total hours: 3.5
- ◆ Hourly rate: \$78 (includes salary, benefits and overhead)
- ◆ Total cost: \$273

GRAND TOTALS: Hours: 3,914 Cost: \$199,614

13. Estimated Total Annualized Cost Burden to Respondents

FHFA has not identified any costs to respondents other than the costs discussed in detail under Item 12 above.

14. Estimated Cost to the Federal Government

The estimated annualized cost to the FHFA of the information collection is \$58,407. This amount includes salaries, benefits, and overhead associated with collection, production, review and analysis of community support submissions. The estimated annual hour burden is 1,491 hours. These estimates are based on the following calculations:

Senior program analyst selects Bank members for review each calendar quarter and prepares required notices.

- ◆ Selection time: 3 hours per quarter
- ◆ Total hours: 12
- ◆ Hourly rate: \$70 (includes salary, benefits and overhead)
- ◆ Total cost: \$840

Senior program analyst responds to questions from Bank staff and Bank members concerning community support requirements.

- ◆ Response time: .25 hours per question
- ◆ Total Responses: 240
- ◆ Total hours: 60
- ◆ Hourly rate: \$70 (includes salary, benefits and overhead)
- ◆ Total cost: \$4,200



COMMUNITY SUPPORT REQUIREMENTS: OMB NUMBER 2590-0005
SUPPORTING STATEMENT

Office assistant reviews and processes each Community Support Statement to ensure compliance with statutory and regulatory requirements.

- ◆ Review/processing time: .33 hours
- ◆ Total statements: 3,900
- ◆ Total hours: 1,300
- ◆ Hourly rate: \$36 (includes salary, benefits and overhead)
- ◆ Total cost: \$46,800

Office assistant notifies each member that meets the community support requirements.

- ◆ Processing time: .02 hours
- ◆ Total statements: 3,900
- ◆ Total hours: 78
- ◆ Hourly rate: \$36 (includes salary, benefits and overhead)
- ◆ Total cost: \$2,808

Management imposes a restriction on access to long-term advances on each member that did not meet the community support requirements.

- ◆ Review/processing time: .25 hours
- ◆ Total letters: 95
- ◆ Total hours: 23.75
- ◆ Hourly rate: \$102 (includes salary, benefits and overhead)
- ◆ Total cost: \$2,422.50

Senior program analyst reviews and processes each request to remove a restriction on access to long-term advances.

- ◆ Review/processing time: 1 hours
- ◆ Total requests: 14
- ◆ Total hours: 14
- ◆ Hourly rate: \$70 (includes salary, benefits and overhead)
- ◆ Total cost: \$980

Management removes the restriction on access to long-term advances for each member requesting removal that meets the community support requirements.

- ◆ Review time: .25 hours
- ◆ Total letters: 14
- ◆ Total hours: 3.5
- ◆ Hourly rate: \$102 (includes salary, benefits and overhead)



**COMMUNITY SUPPORT REQUIREMENTS: OMB NUMBER 2590-0005
SUPPORTING STATEMENT**

◆ Total cost: \$357

GRAND TOTALS: Hours: 1,491 Cost: \$58,407

15. Reasons for Change in Burden

The adjustments in Items 12 and 14 are a result of a reduction in the number of total Bank members from about 8,200 in 2009 to about 7,800 in 2012. Salaries and expenses were estimated to have remained at 2009 levels. There are no program changes to report.

16. Plans for Tabulation, Statistical Analysis and Publication

FHFA will not publish the results of this information collection.

17. If Seeking Approval to Not Display the Expiration Date for OMB Approval of the Information Collection, Explain the Reasons Why Display Would Be Inappropriate

FHFA plans to display the expiration date for OMB approval.

18. Explain Each Exception to the Topics of the Certification Statement Identified in "Certification for Paperwork Reduction Act Submission."

There are no exceptions to the certification statement identified in this Item.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

The information collection does not employ statistical methods.