

Community Development Financial Institutions Fund, Department of the Treasury

Supporting Statement

Community Development Financial Institutions Bond Guarantee Program

OMB Control Number 1559-0044

**A. Justification**

1. Circumstances necessitating collection of information

The purpose of the Community Development Financial Institutions (CDFI) Bond Guarantee Program (BG Program) is to support CDFI lending by providing Guarantees for Bonds issued by Qualified Issuers as part of a Bond Issue for Eligible Community or Economic Development Purposes. The BG Program provides CDFIs with a new source of long-term capital and furthers the mission of the CDFI Fund to increase economic opportunity and promote community development investments for underserved populations and distressed communities in the United States. The CDFI Fund achieves its mission by promoting access to capital and local economic growth by investing in, supporting, and training CDFIs.

Through the BG Program, applicants apply to be approved as a Qualified Issuer (QI), using the Qualified Issuer Application (QI Application). Qualified Issuers may submit Guarantee Applications to be approved for a Guarantee under the BG Program. Applicants are required to provide financial and program related information and, subject to approval, will enter into agreements that require the collection of reports that will be used for credit underwriting, compliance monitoring and program evaluation purposes. The application information is required in order for program management to evaluate an applicant's capacity to effectively execute its obligations under the Bond Documents.

In compliance with the Office of Management and Budget's (OMB) *Circular No. A-129: Policies for Federal Credit Programs and Non-Tax Receivables* (OMB Circular A-129), the BG Program will collect all necessary information to manage the portfolio effectively and to track progress toward policy goals. The Department of the Treasury's authority to collect the requested information, as well as the specified data collection areas and parameters, are consistent with the annual and periodic financial reporting requirements for the BG Program as defined in 12 CFR 1808.619 of the Interim Rule. The information outlined in the reporting requirements is crucial for adequately managing and monitoring the BG Program's total portfolio of outstanding Bond Loans. In order to do so, the CDFI Fund proposes the use of two reports: the Financial Condition Monitoring (FCM) Report and the Pledged Loan Monitoring (PLM) Report.

The Financial Condition Monitoring (FCM) Report will add significantly to the Department of the Treasury's review of Borrower's (known as Eligible CDFIs (ECDFIs) within the Program) financial health, and will support the CDFI Fund in proactively managing portfolio risks and performance surrounding Bond Loan repayment. The FCM Report is proposed as a quarterly report submission, allowing for the BG Program to monitor and compare ECDFIs' balance sheets, income statements and cash flows, and portfolio quality in a standard format. The FCM Report supports risk detection and mitigation, which are crucial activities for the long-term operation and viability of the BG Program.

The Pledged Loan Monitoring (PLM) Report will add significantly to the Department of the Treasury's review of the use of Bond Loan Proceeds in underserved communities and support the CDFI Fund in proactively managing portfolio risks and performance surrounding Bond Loan collateral. The PLM

Report is proposed as a monthly report submission, allowing the BG Program to monitor the terms, payment performance and value of the underlying collateral (i.e., pledged loan receivables) for the Bond Loans on essentially a real-time basis. The PLM Report supports risk detection and mitigation, which are crucial activities for the long-term operation and viability of the BG Program.

## 2. Method of collection and use of data

### **Qualified Issuer (QI) Application and Guarantee Application**

The QI Application and Guarantee Application are to be submitted via the myCDFIFund platform at [www.cdfifund.gov](http://www.cdfifund.gov). All application materials will be used by the BG Program staff to review applicants for their organizational expertise, experience and capacity to adhere to the requirements of the BG Program.

### **Financial Condition Monitoring (FCM) Report**

ECDFIs will submit the FCM Report electronically to the BG Program's Master Servicer. The BG Program's Portfolio Management and Loan Monitoring (PMLM) staff will electronically import the data from each report into its portfolio management database. Within its database, PMLM staff will analyze the FCM Report data for each ECDFI individually, within ECDFI asset size categories, and across the entire BG Program portfolio. Specifically, PMLM will assess financial and portfolio quality trends, to ensure that ECDFIs remain capable of repaying the outstanding Bond Loan principal.

### **Pledged Loan Monitoring (PLM) Report**

Eligible CDFIs (ECDFIs) will submit the PLM Report electronically to the BG Program's Master Servicer. The Master Servicer will host all PLM Reports for each ECDFI on its site for the duration of the Bond Loan. The BG Program's Portfolio Management and Loan Monitoring (PMLM) staff will electronically import the data from each report into its portfolio management database. Within its database, PMLM staff will analyze the PLM Report data for each ECDFI individually, across fiscal year cohorts, and across the entire BG Program portfolio. Specifically, PMLM will assess delinquency trends, ensure that loan-to-value ratios remain adequate for the underlying assets of the collateral, review loan receivable balances, and analyze lending patterns geographically and across asset classes.

## 3. Use of Information Technology

### **Qualified Issuer (QI) Application and Guarantee Application**

The QI Application and Guarantee Application are to be submitted via the myCDFIFund platform at [www.cdfifund.gov](http://www.cdfifund.gov).

### **Financial Condition Monitoring (FCM) Report**

ECDFIs will submit the FCM Report electronically to the BG Program's Master Servicer. PMLM staff will electronically import the data from each report into its portfolio management database. The CDFI Fund has evaluated the burden on utilizing this information technology and has found it to be the most efficient means available. For BG Program staff, the information technology support from the portfolio database promotes efficiency primarily due to its ability to support electronically imported FCM Report data. Electronic import eliminates data errors due to staff transcription – which is of particular note given that many of the data points concern numerical values – and therefore reduces staff time needed to both transcribe data and reconcile data.

### **Pledged Loan Monitoring (PLM) Report**

ECDFIs will submit the PLM Report electronically to the BG Program's Master Servicer's SharePoint site. The Master Servicer will host all PLM Reports for each ECDFI on its site for the duration of the Bond Loan. The BG Program's PMLM staff will electronically import the data from each report into its portfolio management database. The CDFI Fund has evaluated the burden on utilizing this information technology and has found it to be the most efficient means available, for both ECDFIs and BG Program

staff. Collecting the PLM Report electronically permits ECDFIs to minimize reporting burden by retaining previously populated information for static data points from previous reports, and only updating those data fields that change on a monthly basis. For BG Program staff, the information technology support from the portfolio database promotes efficiency primarily due to its ability to support electronically imported PLM Report data. Electronic import eliminates data errors due to staff transcription – which is of particular note given that many of the data points concern numerical values – and therefore reduces staff time needed to both transcribe data and reconcile data.

#### 4. Efforts to identify duplication

##### **Qualified Issuer (QI) Application and Guarantee Application**

Information provided during the application process is required in order to evaluate an applicant's capacity to carry out the financial and administrative responsibilities of a QI. It is anticipated that most applicants will also be awardees or participants in other CDFI Fund programs. As a result there will be some overlap in the submitted information between both programs, but the separate nature of the reporting systems does not allow for a single point of data entry at this time.

##### **Financial Condition Monitoring (FCM) Report**

The BG Program staff conducted a review of reporting forms for other programs administered by the CDFI Fund to identify and eliminate duplication where possible. Similar to the FCM Report's focus, the CDFI Fund's Institution Level Report (ILR) requests information regarding a CDFI award recipient's financial performance; however, the ILR is collected annually within nine months of the awardee's fiscal year end, whereas the FCM Report is collected quarterly within 45 days of each quarter end. Additionally, the ILR is based upon audited financial statement information whereas the FCM Report is based on unaudited financial statement information. The submission timelines for each report are indicative of the differing level of finality for the information included in each report. While these reports do request similar data points, they request information that covers significantly different time periods and at varying levels of finality. It is therefore not anticipated that data duplication will occur.

### **Pledged Loan Monitoring (PLM) Report**

The BG Program staff conducted a review of reporting forms for other programs administered by the CDFI Fund to identify and eliminate duplication where possible. In certain instances, the BG Program seeks specific data points which are similar, and in very select cases identical, to data reported for other programs. In all instances, the PLM Report information is critical to the proper evaluation of the BG Program. One of the CDFI Fund's reporting forms, the Transaction Level Report (TLR), requests loan- and investment-level information about the status of a CDFI award recipient's entire lending portfolio. While this report's level of information collection matches the PLM Report's, the overwhelming majority of the data points and calculations differ. Additionally, the PLM Report only requests individual loan-level information for loans that are pledged as collateral under the Program whereas the TLR concerns activity for a CDFI's entire portfolio. The report content is further distinguished by the collection frequency, as the TLR is submitted annually, 180 days after an award recipient's fiscal year end, and provides a snapshot of the portfolio at such time. In contrast, the PLM must be submitted monthly, and within five days of a mid-month cutoff period. The PLM Report thus essentially provides real-time information about the pledged loan portfolio performance. For the minimal data point overlap that does exist between the TLR and PLM Report, content overlap would only potentially occur for one month out of the year (i.e., for the month following an ECDFI's fiscal year end). Thus, although minimal data point duplication exists between the TLR and the PLM Report, the small number of data points that are concerned, and the varying frequency and submission deadlines of each report distinguish the two report uses, and support the need for the PLM Report.

#### 5. Impact on small entities

This collection of information is not expected to have a significant impact on small entities. The BG Program application process includes an extensive review of an organization's capacity to manage a number of requirements and responsibilities, including sufficient organizational capacity and experience to manage the reporting requirements outlined in the Bond Loan Agreement. Due to the fact that the BG Program application process includes an extensive review of each organization's capacity to comply with post-award requirements up-front, BG Program staff expects that all Program participants possess the staff and knowledge capacity to complete the FCM and PLM Reports.

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

The CDFI Fund will not be able to properly evaluate an applicant's ability to execute the BG Program's requirements without this collection of data. The borrower's monitoring reports comply with the requirements of OMB Circular A-129, inform the CDFI Fund of changes in ECDFIs' financial conditions, and effectively manage portfolio risk and credit.

#### 7. Circumstances requiring special information collection

The Pledged Loan Monitoring (PLM) Report's collection frequency is correlated with the pledged loan's payment frequency, thus providing for real-time collateral monitoring. OMB Circular A-129 supports monthly information collection in order to monitor credit portfolio health.<sup>1</sup> It indicates that, for Federal receivables specifically, "agencies should collect data on the status of their portfolios on a monthly basis."<sup>2</sup> This frequency supports the requirements outlined in OMB Circular A-129 for "proactive" portfolio management of both risk and credit, which is considered to encompass appropriate credit management – including collateral management – and data-driven decision-making around risk management.<sup>3</sup>

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<sup>1</sup> Office of Management and Budget, *Circular No. A-129: Policies for Federal Credit Programs and Non-Tax Receivables*, IV, page 14.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

**8. Consultation with Persons Outside the Agency**

Pursuant to the notice and request for comments published in the Federal Register on October 28, 2013, at 78 FR 64292, the CDFI Fund received comments on the QI Application and Guarantee Application. These comments were summarized and addressed in the previous request for OMB approval.

Additionally, pursuant to the notice and request for comments published in the Federal Register on February 11, 2014, at 79 FR 8242, the CDFI Fund received detailed comments on the Financial Condition Monitoring (FCM) Report and Pledged Loan Monitoring (PLM) Report. Tables 1 and 2 identify the commenters and comment summaries for the Financial Condition Monitoring (FCM) Report. Tables 3 and 4 identify the commenters and comment summary for the Pledged Loan Monitoring (PLM) Report.

**Table 1: Financial Condition Monitoring (FCM) Report Commenters**

<b>No.</b>	<b>Organization Name</b>	<b>Organization Representative</b>	<b>Date Submitted</b>
1	The Community Development Trust	Christopher C. Blair, Vice President of Finance Merilyn Rovira, Senior Vice President for Capital Initiatives	February 12, 2014
2	Collective submission from the following organizations: Clearinghouse CDFI; Enterprise Community Loan Fund, Inc.; Local Initiatives Support Corporation; Opportunity Finance Network; The Community Development Trust, LP; The Community Reinvestment Fund; and Bank of America CDFI Funding Corporation.	Michelle Levy-Benitez, Public Policy Consultant	April 14, 2014
3	Community Reinvestment Fund, USA	Frank Altman, President and CEO Scott Young, Senior Vice President and CFO	April 14, 2014

**Table 2: Financial Condition Monitoring (FCM) Report Comment Summary**

<b>Organization</b>	<b>Comment</b>	<b>BG Program Response</b>
<p>The Community Development Trust; Collective Submission from Multiple Organizations; Community Reinvestment Fund, USA</p>	<p>The authors request an alteration to the current signature requirement on all reports, which requires both the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) to sign all reports submitted to the Program. Their alternate structure would permit senior officers to sign the reports. The authors noted that many of the ECDFIs' CEOs and CFOs travel extensively, and therefore may not be readily available to sign all reports (particularly the monthly Secondary Loan Monitoring Report).</p> <p>The collective submission authors and Community Reinvestment Fund, USA suggested that the CDFI Fund provide the ability for participants to designate a broader list of authorized signatories or officers to sign the reports on the executives' behalf.</p> <p>The Community Development Trust's authors noted that other senior officers within the company could provide a "thorough and meaningful review based upon their senior positions in the Company." Particularly with regards to the Secondary Loan Monitoring Report, the authors felt that it would be unnecessary for the CEO or CFO to sign this report on a monthly basis. They mentioned being comfortable having the CEO or CFO sign the report once per year. The Community Development Trust's authors did feel that it would be appropriate for the CEO or CFO to sign the other two BG Program reports, the Financial Condition Monitoring Report and the Program Impact Monitoring Report, but within an alternate form structure that would allow another designated officer within the company to fulfill the second signatory requirement.</p>	<p>The BG Program has revised the signature requirements for the reports as follows: ECDFIs will be required to provide the Qualified Issuer (QI) (who is expected to then notify the Master Servicer/Trustee and the CDFI Fund) with a list of Designated Officers within the company (including names and titles) who are approved to sign the forms on behalf of the organization. The ECDFI is expected to notify the QI of any updates to this list. The QI is expected to review and authorize the initial list, and any subsequent updates. Updates can be made as frequently as is necessary. The QI is expected to notify the Master Servicer/Trustee and the CDFI Fund of its approval regarding any changes to the list.</p> <p>For the FCM Report specifically, either the Chief Executive Officer or Chief Financial Officer, and one representative from the list of approved, Designated Officers are required to sign the form.</p>

<b>Organization</b>	<b>Comment</b>	<b>BG Program Response</b>
The Community Development Trust; Collective Submission from Multiple Organizations	The authors request an alteration to the FCM Report due date such that the report would be due 30 days after an ECDFI's financials are due to the CDFI Fund, rather than 30 days after the quarter end. Modifying the due date as such would help to avoid "undue staffing pressures" on the ECDFIs participating in the Program.	As a result of internal policies and procedures surrounding Bond Loan payment timing, BG Program staff decided to move the Report deadline from 30 to 45 calendar days after the quarter end. As stated in the Bond Loan Agreement, ECDFIs financials are due to the CDFI Fund 45 days after the quarter end; therefore, ECDFIs' submission of the FCM and financials are now aligned.
The Community Development Trust	The authors request an alteration to the format to include lines for notes or comments so that the ECDFIs could provide explanatory information on performance and circumstances as needed within the Report.	The CDFI Fund accepts this suggestion.
Collective Submission from Multiple Organizations	The authors suggest adding lines for "non-current assets" and "non-current liabilities."	The CDFI Fund rejects this suggestion, and has included a clarifying notation at the top of the form, stating that "the form listed below includes selected data points; therefore 'total' lines will not necessarily foot."
Collective Submission from Multiple Organizations	11g, Non-Operating Revenue: The authors request clarity regarding those items that should be included in this calculation.	The CDFI Fund accepts this suggestion and has modified the definition to provide clarity.
Community Reinvestment Fund, USA	The authors request that the CDFI Fund clarify its instructions regarding entries for "as of" dates on all reports.	The CDFI Fund accepts this suggestion and has updated the instructions accordingly.
Community Reinvestment Fund, USA	The authors request more explicit language in the instructions regarding the ability to use Bond Loan proceeds to finance loan acquisition from other community development lenders.	The CDFI Fund rejects this suggestion. The FCM Report will continue to refer to the governing regulations (12 CFR 1808) for the definition of Secondary Loan.
The Community Development Trust; Community Reinvestment Fund, USA	The authors submitted comments on other items pertaining to the BG Program that were concurrently receiving public comments.	These comments are not applicable to the FCM Report.

**Table 3: Pledged Loan Monitoring (PLM) Report Commenters**

<b>No</b>	<b>Organization Name</b>	<b>Organization Representative</b>	<b>Date Submitted</b>
1	The Community Development Trust	Christopher C. Blair, Vice President of Finance Merylyn Rovira, Senior Vice President for Capital Initiatives	February 12, 2014
2	Collective submission from the following organizations: Clearinghouse CDFI; Enterprise Community Loan Fund, Inc.; Local Initiatives Support Corporation; Opportunity Finance Network; The Community Development Trust, LP; The Community Reinvestment Fund; and Bank of America CDFI Funding Corporation.	Michelle Levy-Benitez, Public Policy Consultant	April 14, 2014
3	Community Reinvestment Fund, USA	Frank Altman, President and CEO Scott Young, Senior Vice President and CFO	April 14, 2014



**Table 4: Pledged Loan Monitoring (PLM) Report Comment Summary<sup>4</sup>**

Organization	Comment	BG Program Response
<p>The Community Development Trust; Collective Submission from Multiple Organizations; Community Reinvestment Fund, USA</p>	<p>The authors request an alteration to the current signature requirement on all reports, which requires both the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) to sign all reports submitted to the Program. Their alternate structure would permit senior officers to sign the reports. The authors noted that many of the ECDFIs' CEOs and CFOs travel extensively, and therefore may not be readily available to sign all reports (particularly the monthly Secondary Loan Monitoring Report).</p> <p>The collective submission authors and Community Reinvestment Fund, USA suggested that the CDFI Fund provide the ability for participants to designate a broader list of authorized signatories or officers to sign the reports on the executives' behalf.</p> <p>The Community Development Trust's authors noted that other senior officers within the company could provide a "thorough and meaningful review based upon their senior positions in the Company." Particularly with regards to the Secondary Loan Monitoring Report, the authors felt that it would be unnecessary for the CEO or CFO to sign this report on a monthly basis. They mentioned being comfortable having the CEO or CFO sign the report once per year. The Community Development Trust's authors did feel that it would be appropriate for the CEO or CFO to sign the other two BG Program reports, the Financial Condition Monitoring Report and the Program Impact Monitoring Report, but within an alternate form structure</p>	<p>The BG Program revised the signature requirements for the reports as follows: ECDFIs will be required to provide the Qualified Issuer (QI) (who is expected to then notify the Master Servicer/Trustee and the CDFI Fund) with a list of Designated Officers within the company (including names and titles) who are approved to sign the forms on behalf of the organization. The ECDFI is expected to notify the QI of any updates to this list. The QI is expected to review and authorize the initial list, and any subsequent updates. Updates can be made as frequently as is necessary. The QI is expected to notify the Master Servicer/Trustee and the CDFI Fund of its approval regarding any changes to the list. For the PLM Report specifically, any two representatives from the list of approved, Designated Officers are approved to sign the form.</p>

<sup>4</sup> Note that BG Program staff changed the Report name from "Secondary Loan Monitoring Report" to "Pledged Loan Monitoring Report" to more accurately reflect the content being reported on the form.

<b>Organization</b>	<b>Comment</b>	<b>BG Program Response</b>
	that would allow another designated officer within the company to fulfill the second signatory requirement.	
The Community Development Trust	The authors support the Secondary Loan Monitoring Report due date as it is currently specified, due to the fact that it closely resembles a remittance report.	As a result of internal policies and procedures surrounding Bond Loan payment timing, BG Program staff decided to move the Report deadline from five calendar days after each month end to five calendar days after the Loan Deposit Dates. <sup>5</sup>
The Community Development Trust; Community Reinvestment Fund, USA	12a, Loan Risk Rating: The authors request that the ECDFIs be permitted to report a loan's risk rating in accordance with each ECDFI's own risk rating scale, as stated in their internal policies and procedures.  The authors noted that for The Community Development Trust in particular, their risk ratings are updated quarterly rather than monthly.	It is the CDFI BG Program's intention for the risk rating profile to reflect each ECDFI's internal risk rating scale, and for the report to reflect the most up-to-date risk rating information, per each ECDFI's internal policies and procedures. The instructions have been modified to add clarity.
The Community Development Trust	13c, Appraisal or Valuation Method: The authors requested clarification as to whether a periodic internal valuation should occur, that would override the original appraisal.	The instructions have been modified to clarify that any interim valuations should be reflected on the form in place of the original appraisal.
Collective Submission from Multiple Organizations	The authors request altering the timing of each report, in order to better align with other Program-related information collection efforts (the timing recommendations are indicated under each respective report).	As a result of internal policies and procedures surrounding Bond Loan payment timing, BG Program staff decided to move the Report deadline from five calendar days after each month end to five calendar days after the Loan Deposit Dates. <sup>6</sup>
Collective Submission from Multiple Organizations	The authors request the ability to submit updates to primarily static information (such as the Secondary Borrower profile, and much of the Loan profile information) on an annual basis.	As the pledged loan receivables constitute the underlying collateral for each Bond Loan, the BG Program is actively interested in ensuring the continued performance of these receivables. The

<sup>5</sup> As defined in the Bond Loan Agreement.

<sup>6</sup> As defined in the Bond Loan Agreement.

Organization	Comment	BG Program Response
		<p>data points contained in the PLM Report specifically concern each pledged loan receivable's credit performance. OMB Circular A-129 supports the frequency of the PLM Report, specifically due to the nature of the report content, and the report's purpose of supporting risk mitigation efforts, as outlined in part 6 of this document.<sup>7</sup> The monthly PLM reporting frequency facilitates the BG Program's ability to remain in compliance with OMB Circular A-129's outlined requirements.</p>
<p>Collective Submission from Multiple Organizations</p>	<p>The authors request 10 days to complete the report.</p>	<p>The CDFI Fund rejects this suggestion. The electronic nature of the report completion, and the static nature of a number of data points within the PLM Report promotes reduced burden. The CDFI Fund maintains that five days is an adequate report completion timeframe.</p>
<p>Collective Submission from Multiple Organizations</p>	<p>The authors request shifting the report to a mid-month cutoff date.</p>	<p>The CDFI Fund accepts this revision, as the proposed timeline aligns more closely with the Bond Loan payment schedule. The instructions have been revised accordingly.</p>
<p>Collective Submission from Multiple Organizations</p>	<p>The authors recommend redesigning the monthly report such that the requested data is limited to that which is relevant for the monthly overcollateralization test (i.e., unpaid principal balance of the bond, unpaid principal balance of the secondary loans in total, additional pledged collateral, overcollateralization ratio). This report would rely on Bond Loan and Secondary Loan payment information from the accrual period in order to allow for real-time calculations. The ECDFIs would perform the overcollateralization test and provide their</p>	<p>The PLM Report's purpose exists outside of the overcollateralization test; it is intended to facilitate monitoring of pledged loan receivables' performance and value. Additionally, as participants are not required to use overcollateralization, the overcollateralization test may not be relevant to all participants. The data points contained in the PLM Report specifically concern each pledged loan receivable's credit performance. OMB Circular A-129 supports the</p>

<sup>7</sup> Office of Management and Budget, *Circular No. A-129: Policies for Federal Credit Programs and Non-Tax Receivables*, C(IV), page 14.

<b>Organization</b>	<b>Comment</b>	<b>BG Program Response</b>
	self-certified test, along with relevant documentation, to their QI, who would then review and submit the information to the Master Servicer/Trustee and the CDFI Fund.	frequency of the PLM Report, specifically due to the nature of the report content, and the report’s purpose of supporting risk mitigation efforts, as outlined in part 6 of this document. <sup>8</sup> The monthly PLM reporting frequency facilitates the BG Program’s ability to remain in compliance with OMB Circular A-129’s outlined requirements.  The revised reporting timeline, which now operates on a mid-month cutoff date, essentially permits real-time calculations.
Collective Submission from Multiple Organizations	The authors recommend deleting the profile section regarding "Financed Entity," noting that this should be the same as the "Secondary Borrower," for who address information is already being collected.	The CDFI Fund accepts this suggestion.
Collective Submission from Multiple Organizations	The authors recommend adding a definition for "Targeted Population" to the “Definitions” tab. Other CDFI Fund programs, in addition to the BG Program, gauge lending activity, in part, by reviewing lending activity to "Targeted Populations" in addition to other, qualifying geographic boundaries.	The CDFI Fund accepts this suggestion, with modifications, and has included a definition for “Target Market,” which references “Targeted Populations.”
Collective Submission from Multiple Organizations	10aa, Revenue: The authors note that CDFIs typically receive financial information from their Borrowers on a quarterly, rather than a monthly, basis. The authors recommend altering this data point to request a Borrower's total revenue, per his/hers most recent 12-month reporting basis.	This data point has been removed from the PLM Report.
Collective Submission from Multiple Organizations	11f, Origination Date: The authors recommend deleting this data point, due to the fact that it is not related to a Secondary Loan's risk profile or eligibility of inclusion.	The CDFI Fund considers this data point to be relevant to its loan monitoring criteria. The CDFI Fund rejects this suggestion.
Collective Submission	11e, Original Loan or Advance Amount: The authors	The CDFI Fund accepts this suggestion, with

<sup>8</sup> Office of Management and Budget, *Circular No. A-129: Policies for Federal Credit Programs and Non-Tax Receivables*, C(IV), page 14.

<b>Organization</b>	<b>Comment</b>	<b>BG Program Response</b>
from Multiple Organizations	note confusion as to the distinction between these two terms, and requested that the CDFI Fund select one label for the data field. The authors request utilizing "Advance Amount" as the label.	modifications, and has revised this data point title to, "Original Loan Principal Balance" for clarity.
Collective Submission from Multiple Organizations	11g, Loan Type (Asset Class): The authors express confusion as to the inclusion of both terms to identify this data point. The authors request utilizing "Asset Class."	The CDFI Fund accepts this suggestion and has revised this data point title to, "Asset Class."
Collective Submission from Multiple Organizations	11k, Term to Maturity: The authors request that this data point reflect a loan's actual term to maturity, rather than its original term to maturity (should they differ). The authors request an accompanying update to the instructions if this change is accepted.	This data point has been removed from the PLM Report.
Collective Submission from Multiple Organizations	11m, Loan Receivable Frequency: The authors recommend re-titling this data point to "Loan Debt Service (or payment) Frequency," in order to align with standard industry terminology.	The CDFI Fund accepts this suggestion, with modifications, and has revised this data point title to, "Loan Debt Service Frequency" in order to align with standard industry terminology.
Collective Submission from Multiple Organizations	12b, Payment Status: The authors request that the CDFI Fund clarify the instructions for this data point to identify the appropriate treatment of loans that receive a payment during a grace period.	The CDFI Fund accepts this suggestion and has updated the instructions accordingly.
Collective Submission from Multiple Organizations	12d, Number of Times Loans 30 Days or More Past Due: The authors recommend changing this title to "Number of Times Loans are 30-59 Days Past Due," in order to align with standard industry terminology. If the change is accepted, definitions should be updated accordingly.	The CDFI Fund accepts this suggestion, with modifications, and has revised this data point title to, "Number of Times 30-59 Days Past Due" in order to align with standard industry terminology. The CDFI Fund has updated the instructions accordingly.
Collective Submission from Multiple Organizations	12e, Number of Times Loans 60 Days or More Past Due: The authors recommend changing this title to "Number of Times Loans are 60-89 Days Past Due," in order to align with standard industry terminology. If the change is accepted, definitions should be updated accordingly.	The CDFI Fund accepts this suggestion, with modifications, and has revised this data point title to, "Number of Times 60-89 Days Past Due" in order to align with standard industry terminology. The CDFI Fund has updated the instructions

Organization	Comment	BG Program Response
Collective Submission from Multiple Organizations	12g-i, Loan Restructuring: The authors request clarification regarding the intended meaning of "value of" in the definitions for "Restructured," "Rescheduled," and "Modified."	accordingly. The CDFI Fund accepts this suggestion and has updated the instructions accordingly.
Community Reinvestment Fund, USA	The authors request that the CDFI Fund clarify its instructions regarding entries for "as of" dates on all reports.	The CDFI Fund accepts this suggestion and has updated the instructions accordingly.
Community Reinvestment Fund, USA	The authors request more explicit language in the instructions regarding the ability to use Bond Loan proceeds to finance loan acquisition from other community development lenders.	The CDFI Fund rejects this suggestion. The PLM Report will continue to refer to the governing regulations (12 CFR 1808) for the definition of Secondary Loan.
Community Reinvestment Fund, USA	The authors request that the SLM report be prepared at the fiscal quarter end, rather than on a monthly basis. The authors suggest providing various reports and process documentations on a monthly basis, in between SLM reporting dates. This would include a monthly remittance report, documentation associated with the Secondary Loan certification approval process, and documentation associated with the controlled cash and collateral process.	As the pledged loan receivables constitute the underlying collateral for each Bond Loan, the BG Program is actively interested in ensuring the continued performance of these receivables. The data points contained in the PLM Report specifically concern each pledged loan receivable's credit performance. OMB Circular A-129 supports the frequency of the PLM Report, specifically due to the nature of the report content, and the report's purpose of supporting risk mitigation efforts, as outlined in part 6 of this document. <sup>9</sup> The monthly PLM reporting frequency facilitates the BG Program's ability to remain in compliance with OMB Circular A-129's outlined requirements.  Regarding the commenter's suggestion to supplement a less frequent PLM Report with alternate documentation, the BG Program agrees

<sup>9</sup> Office of Management and Budget, *Circular No. A-129: Policies for Federal Credit Programs and Non-Tax Receivables*, C(IV), page 14.

Organization	Comment	BG Program Response
		that the suggested documentation would facilitate effective collateral management; however, as the ECDFI application does not currently include Information Technology Systems requirements around the ability to generate such documentation, it is not guaranteed that all current and future participants would have the capacity to comply with such a process if it were to be adopted at this time. BG Program staff may consider this recommendation when revisiting application materials in the future.
Community Reinvestment Fund, USA	10s, Does the Secondary Borrower or Co-Borrower Meet the Low-Income Limit?: The authors suggest altering the question to focus on whether or not a Secondary Borrower or Co-Borrower is located in an CDFI's Target Market (such as a Low-Income Targeted Population or Other Targeted Population).	The CDFI Fund accepts this suggestion, with modifications, and has revised this data point title to, "Is this Loan being made to one of your approved, eligible Target Markets?" in order to align with other CDFI Fund program reporting terminology. The CDFI Fund has updated the instructions accordingly.
Community Reinvestment Fund, USA	10aa, Revenue: The authors suggest altering the definition of 'Total Revenue' to refer to the "most recent 12-month (fiscal year-end) audited, compiled and/or reviewed financial statements," as this typically represents the basis against which an annual credit review is conducted.	This data point has been removed from the PLM Report.
Community Reinvestment Fund, USA	11a-d, Requisition Number, Date, Amount Requested, Advance Date: The authors identified that, as Secondary Loans are substituted out as a result of pay-off, performance, or relending, it is unlikely that the relationship of one advance funding one Secondary Loan, will be maintained.	The CDFI Fund acknowledges the possibility of such a circumstance. This data point has been removed from the PLM Report.
Community Reinvestment Fund, USA	11t, Was Secondary Borrower or Co-Borrower previously rejected by traditional financial institutions?:	The CDFI Fund accepts this suggestion, with modifications, and has revised this data point title

Organization	Comment	BG Program Response
	The authors suggest adjusting this question to the following: 'Was the Secondary Borrower or Co-Borrower or [sic], or lender in the case of acquisitions, been offered Flexible terms as it pertains to pricing or terms that offered that, at the time the Secondary Loan was funded or acquired with an Advance, as compared to marketplace practices?'	to, "Was the Secondary Borrower or Co-Borrower previously unable to access affordable, conventional sources of capital?" The CDFI Fund has updated the instructions accordingly.
Community Reinvestment Fund, USA	12b, Payment Status: The authors suggest expanding the list of options to include the following: Active (defined as active and in good standing); Closed (defined as paid off and in good standing); and Charged Off and/or Recoveries.	The CDFI Fund rejects this suggestion, as the suggestion does not account for loans that are active but not in good standing, and does not provide for the fact that pledged loans must be active loans that are less than 90 days past due (i.e., loans cannot be pledged if they are closed or if they have been charged off).
Community Reinvestment Fund, USA	13a-f, Collateral Profile: The authors request that this section of the Report reflect information on the respective Secondary Loan, in accordance with an Eligible CDFI's internal policies and procedures.	The CDFI Fund has updated the instructions to clarify this data point's original intention, which is to collect information on the underlying asset, as it may change according to an ECDFI's internal policies procedures.
The Community Development Trust; Community Reinvestment Fund, USA	The authors submitted comments on other items pertaining to the Bond Guarantee Program that were concurrently receiving public comments.	These comments are not applicable to the PLM Report.



9. Provision of payment to respondents

No payments or gifts 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 Qualified Issuer (QI) Application, Guarantee Application, FCM, and PLM Reports.

11. Justification of sensitive questions.

No personally identifiable information (PII) is collected.

12. Estimate of the hour burden of information collection.

**Bond Guarantee Program Application Materials**

<b>Information Collection</b>	<b>No. Respondents</b>	<b>No. Responses Per Respondent</b>	<b>Annual Responses</b>	<b>Hours Per Response</b>	<b>Total Burden</b>
Qualified Issuer Application	20	1	20	240	4,800
Guarantee Application	50	1	50	50	2,500
Secondary Loan Requirement	20	1	20	50	1,000
TOTALS	90	1	90	92.222	8,300

**FCM Report - Estimated Reporting Burden**

<b>Responsible Party</b>	<b>Number of Respondents</b>	<b>No. of Responses Per Respondent</b>	<b>Number of Annual Responses</b>	<b>Hours Per Response</b>	<b>Total Burden</b>
ECDFI	20	4	80	2.0	160
QI	10	4	40	1.0	40
TOTALS	30	4	120	1.666	200

**PLM Report - Estimated Reporting Burden**

<b>Responsible Party</b>	<b>Number of Respondents</b>	<b>No. of Responses Per Respondent</b>	<b>Number of Annual Responses</b>	<b>Hours Per Response</b>	<b>Total Burden</b>
ECDFI	20	12	240	2.0	480
QI	10	12	120	1.0	120
TOTALS	30	12	360	1.666	600

Total burden for this information collection is 570 responses and 9,100 hours.

**FCM Report - Estimated Annualized Costs to Respondents**

<b>Responsible Party</b>	<b>Number of Respondents</b>	<b>Number of Annual Responses</b>	<b>Estimated Burden in hours</b>	<b>Labor Cost per hour</b>	<b>Total Annualized Cost</b>
ECDFI – Financial Manager <sup>10</sup>	20	4	0.5	\$60.00	\$2,400.00
ECDFI – Financial Analyst <sup>11</sup>	20	4	1.5	\$45.00	\$5,400.00
QI – Financial Manager	10	4	1.0	\$60.00	\$2,400.00
QI – Financial Analyst	10	4	0.0	\$0.00	\$0.00

\$10,200.00

**PLM Report - Estimated Annualized Costs to Respondents**

<b>Responsible Party</b>	<b>Number of Respondents</b>	<b>Number of Annual Responses</b>	<b>Estimated Burden in hours</b>	<b>Labor Cost per hour</b>	<b>Total Annualized Cost</b>
ECDFI – Financial Manager	20	12	0.5	\$60.00	\$7,200.00
ECDFI – Financial Analyst	20	12	1.5	\$45.00	\$16,200.00
QI – Financial Manager	10	12	1.0	\$60.00	\$7,200.00
QI – Financial Analyst	10	12	0.0	\$0.00	\$0.00

\$30,600.00

13. Estimate of total annual cost burden to respondents

There are no additional capital, start-up or ongoing operational, or maintenance costs associated with this information collection. No purchases of equipment or services are necessary to complete the QI Application or Guarantee Application.

<sup>10</sup> Bureau of Labor Statistics, Mean Hourly Wage, May 2013, <http://www.bls.gov/oes/current/oes113031.htm>. Mean Hourly Wage was reported as \$60.89. For purposes of this estimate, this figure has been rounded to \$60.00.

<sup>11</sup> Bureau of Labor Statistics, Mean Hourly Wage, May 2013, <http://www.bls.gov/oes/current/oes132051.htm>. Mean Hourly Wage was reported as \$44.05. For purposes of this estimate, this figure has been rounded to \$45.00.

14. Estimate of annualized cost to the Government

The costs to the Government are the program staff and consultant time required to develop the application documents. Follow on costs consist of following up with applicants, reviewing and qualifying the applicants for approval and reporting the results. Staff and consultant development costs are estimated at \$15,000. Follow on activities will be conducted by internal staff.

The costs to the Government for the monitoring reports include the Program staff time to review and analyze the submitted reports. BG Program participants are responsible for covering internal costs associated with completing the reports, and the costs associated with the Master Servicer's responsibilities. Associated report activities therefore do not represent a cost to the Government.

15. Any program changes or adjustments

The increase in burden associated with this revision to the Community Development Financial Institutions (CDFI) Bond Guarantee Program (BG Program) is to support the collection of financial and impact data through two additional information collections: Financial Condition Monitoring Report and Pledged Loan Monitoring Report. This program change will increase the burden by 800 hours; for a total requested of 9,100.

16. Plans for information tabulation and publication

No information will be published.

17. Reasons for not displaying expiration date of OMB approval

Display of the OMB expiration date may cause confusion in reporting by the applicants/borrower of the appropriate due date(s) for the various Information Collections. The non-display of the OMB expiration date is requested.

18. Explanation of exceptions to certification statement

Not applicable.

**B. Collections of Information Employing Statistical Methods**

This section is not applicable.