# A. Justification

1. Circumstances necessitating collection of information

Pursuant to 12 U.S.C 4701 et seq. the Community Development Financial Institutions Fund (the CDFI Fund) implements the Community Development Financial Institutions (CDFI) Program. In order to qualify for a financial or technical assistance award from the CDFI Fund, an applicant must be certified by the CDFI Fund as a CDFI. As an integral part of the CDFI certification procedure, the CDFI Fund has developed a certification application, which is used to determine whether an entity seeking CDFI certification meets the CDFI Fund’s requirements for such certification. These requirements are specified in the CDFI Fund’s regulations at 12 CFR 1805.201.

2. Method of collection and use of data

The data collected via this form will be collected by voluntary submission by organizations seeking initial certification as a CDFI. Subsequent to initial certification, this form will be used to reevaluate certification of CDFIs within three years of initial certification. Maintenance of certification may be required, and the use of the form may be required, where the CDFI has an active Assistance Agreement with the CDFI Fund, in which continuous certification is a requirement attached to the financial assistance program.

3. Use of Information Technology

Applications are available on the CDFI Fund’s website. The CDFI Fund will require that applicants submit certification applications electronically.

4. Efforts to identify duplication

The certification application does not duplicate any other CDFI Fund or Federal program information-gathering tool.

5. Impact on small entities

This collection of information does not have a significant impact on small entities.

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

The CDFI Fund is statutorily required to have an application process for certification of CDFIs.

Since CDFI certification is a prerequisite for receiving funding from the CDFI Fund, the certification application is a critical part of the CDFI Program. Moreover, once certified, an entity’s certification lasts for three years provided the entity continues to meet the certification requirements.

7. Circumstances requiring special information collection

Not applicable.

8. Solicitation of comments on information collection

Comments on the certification application were solicited via notice in the *Federal Register* on October 9, 2014 (79 FR 61131). The CDFI Fund received six comment letters. Most of the comments propose changes to policy or requested changes to agency guidance in connection with the certification application form. The CDFI Fund determined not to make any changes to this information collection at this time. The agency is currently considering an extensive number of comments under a proposed new data collection for all certified CDFIs (79 FR 39064 July 9, 2014) and anticipates that in the future this information collection will be changed substantively to align the CDFI information collections. Additionally, the CDFI Fund anticipates that the implementation of a new Awards Management Information System (AMIS) in FY 2015 to facilitate more efficient data collection may also require additional changes to this information collection. At this time, policy matters or proposed changes to the application are being taken under advisement. A detailed break-down of the comments and CDFI Fund responses to all of the comment letters can be found in Appendix I, Responses to Public Comments.

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 provided by CDFI Certification applicants. No other assurances of confidentiality have been provided.

11. Justification of sensitive questions.

No personally identifiable information (PII) is collected.

12. Estimate of the hour burden of information collection.

The burden for this information collection is broken-down into categories of affected public with the total estimated burden of 6,562.5 hours. The same application (collection instrument) is used by both categories. There is a substantial decrease in the number of respondents in this request from the previous request due to more accurate information based on the number of certification applications received over the course of the last three years.

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| --- | --- | --- | --- | --- | --- |
| Affected Pubic | # Respondents | # Responses Per Respondent | Annual Responses | Hours Per Response | Total Hours |
| Private Sector | 170 | 1 | 170 | 37.5 | 6,375 |
| State, Local, & Tribal  | 5 | 1 | 5 | 37.5 | 187.5 |
| Totals | 175 | 1 | 175 | 37.5 | 6,562.5 |

13. Estimate of total annual cost burden to respondents

There are no cost burdens to respondents to this collection of data. No purchase of equipment or services will need to be made by respondents for this information collection other than as required as a part of customary and usual business practices.

14. Estimate of annualized cost to the Government

The cost to the Government is the CDFI Fund staff and contractor time required to review the submitted applications, maintain the electronic application system, and collect follow-up information from applicants.

15. Any program changes or adjustments

The CDFI Fund has not made any changes to the certification application. The adjustment in agency estimate is due to a substantial decrease in the aggregate number of respondents from 300 to 175. This is due to more accurate information based on the number of certification applications received over the course of the last three years. Total burden hours requested is 6,563.

16. Plans for information tabulation and publication

Confidential or proprietary information collected through the CDFI Certification Application will not be published.

17. Reasons for not displaying expiration date of OMB approval

Not applicable.

18. Explanation of exceptions to certification statement

Not applicable.

# B. Collections of Information Employing Statistical Methods

This section is not applicable.

**Appendix I – Responses to Public Comments**

| **Commenter Name** | **Date Received** | **Comment Topic** | **Application Question** | **Comment Summary** | **Response** | **Additional Justification** |
| --- | --- | --- | --- | --- | --- | --- |
| Chicago Community Loan Fund | 12/3/2014 | Policy | N/A | Allow affiliates of CDFIs to apply for certification so that the affiliates can meet requirements for participation in the CDFI Bond Guarantee Program | No action at this time - This is a policy issue that will be taken under advisement. | Authority for the CDFI Bond Guarantee program has expired. Should Congress reauthorize the program, the CDFI Fund will consider this suggestion further.  |
| Community Reinvestment Fund | 12/8/2014 | Policy | N/A | Allow affiliates of CDFIs to apply for certification so that the affiliates can meet requirements for participation in the CDFI Bond Guarantee Program | No action at this time - This is a policy issue that will be taken under advisement. | Authority for the CDFI Bond Guarantee program has expired. Should Congress reauthorize the program, the CDFI Fund will consider this suggestion further.  |
| CU Strategic Planning | 12/8/2014 | Administrative Practices | N/A | Provide additional time to respond to follow-up questions. | No action – This comment is not germane to the burden associated with completion of the application. |   |
| CU Strategic Planning | 12/8/2014 | Guidance | N/A | Provide additional training and guidance for use of the CDFI Fund’s mapping tool. | No action at this time – The CDFI Fund will consider production of additional guidance materials and training if resources become available for this purpose. |   |
| National Federation of Community Development Credit Unions | 12/8/2014 | Administrative Practices | Legal Entity Test Questions | For credit unions, do not require credit unions to submit charter documentation in favor of having the CDFI Fund validate the credit unions with the National Credit Union Administration. | No action at this time – Current information technology limitations provide limited opportunities for disparate treatment of applicant types. | The CDFI Fund is implementing an enterprise-wide information technology system that may permit adoption of the suggestion at a later time. |
| National Federation of Community Development Credit Unions | 12/8/2014 | Administrative Practices/Burden | PM04 | Require NCUA “Low-income Designated” credit unions to indicate NCUA status and determination letter and do not require additional narrative. Do require other credit unions to provide a narrative explaining how the credit union meets the Primary Mission test. | No action at this time – This suggestion will be taken under advisement for administrative feasibility and whether this change would be result in consistent data collection for all applicants. |   |
| National Federation of Community Development Credit Unions | 12/8/2014 | Administrative Practices | Primary Mission Test questions | Replace the “Products Table” with a “Basic Information” form and allow the form to match the NCUA Credit Union Profile form. Require credit unions to attach NCUA profile and explain any difference between the NCUA form and the proposed Basic information table. | No action at this time – This suggestion will be taken under advisement for administrative feasibility and whether this change would be result in consistent data collection for all applicants. |   |
| National Federation of Community Development Credit Unions | 12/8/2014 | Administrative Practices | N/A | Make profile information available to the public | No action at this time – This suggestion doesn’t have to do with the form or burden of information collection but how the CDFI Fund makes information available to the public by the CDFI Fund. |   |
| National Federation of Community Development Credit Unions | 12/8/2014 | Administrative Practices | N/A | Make product and service data available from the CDFI Fund mapping system or other platforms. | No action at this time – This suggestion doesn’t have to do with the form or burden of information collection but how the CDFI Fund makes information available to the public by the CDFI Fund. |   |
| National Federation of Community Development Credit Unions | 12/8/2014 | Policy | Target Market questions | Allow credit unions to provide data on outstanding loan portfolio for Target Market analysis purposes. | No action at this time – This suggestion involves policy matters that will addressed at a later time.  |   |
| National Federation of Community Development Credit Unions | 12/8/2014 | Policy | TM01 and PM04 | Eliminate question PM04 and allow credit unions to use the TM01 to describe current membership. | No action at this time – This suggestion will be taken under advisement for administrative feasibility and whether this change would be result in consistent data collection for all applicants. |   |
| National Federation of Community Development Credit Unions | 12/8/2014 | Policy | TM05 | Eliminate the need to provide a narrative description of the target market in question TM05 if for CDFI-designated Investment Areas. | No action at this time – This suggestion will be taken under advisement for administrative feasibility and whether this change would be result in consistent data collection for all applicants. |   |
| National Federation of Community Development Credit Unions | 12/8/2014 | Administrative Practice | TM06 | Retain question TM06 | No action required. |   |
| National Federation of Community Development Credit Unions | 12/8/2014 | Policy | Accountability Test questions | Automatically accept credit union board accountability in cases in which a majority of credit union members belong to one or more target markets. | No action at this time - This is a policy issue that will be taken under advisement. | This suggestion has been considered previously by the CDFI Fund. |
| National Federation of Community Development Credit Unions | 12/8/2014 | Guidance | Accountability Test questions | Clarify “Date of Board Composition” definition for purposes of credit unions. | No change to form required – The CDFI Fund will provide clarification through guidance documents and instructions. |   |
| National Federation of Community Development Credit Unions | 12/8/2014 | Policy | Development Services Test | Expand the definition of development services to include development services related to use of financial services. | No action at this time - This is a policy issue that will be taken under advisement. |   |
| National Federation of Community Development Credit Unions | 12/8/2014 | Burden | N/A | Time to complete the information collection exceeds 75 hours for most credit unions.  | No action at this time – The CDFI Fund will consider adding a question to the form on hours to complete the form to refine the burden estimate as part of the agency enterprise-wide information system upgrade.  |   |
| New Jersey Community Capital | 12/8/2014 | Policy | N/A | Allow affiliates of CDFIs to apply for certification so that the affiliates can meet requirements for participation in the CDFI Bond Guarantee Program and other CDFI Fund programs | No action at this time - This is a policy issue that will be taken under advisement. | Authority for the CDFI Bond Guarantee program has expired. Should Congress reauthorize the program, the CDFI Fund will consider this suggestion further.  |
| Opportunity Finance Network | 12/8/2014 | Policy | N/A | Allow affiliates of CDFIs to apply for certification so that the affiliates can meet requirements for participation in the CDFI Bond Guarantee Program and other CDFI Fund programs | No action at this time - This is a policy issue that will be taken under advisement. | Authority for the CDFI Bond Guarantee program has expired. Should Congress reauthorize the program, the CDFI Fund will consider this suggestion further.  |
| Opportunity Finance Network | 12/8/2014 | Guidance | N/A | Improve the transparency of thresholds and standards for certification.  | No action – The CDFI Fund will consider production of additional guidance materials in FY 2016 and sooner should resources become available become available for this purpose. |   |
| Opportunity Finance Network | 12/8/2014 | Policy | N/A | Require that all affiliates of an organization applying for CDFI Certification have community development as a mission. | No action at this time - This is a policy issue that will be taken under advisement. |   |