

Supporting Statement for the Capital Magnet Fund,  
Community Development Financial Institutions Fund  
Capital Magnet Fund Application  
OMB No. 1559-0036

A. Justification

1. Circumstances necessitating collection of information

In FY 2016, the Community Development Financial Institutions (CDFI) Fund will implement the Capital Magnet Fund (CMF) to competitively award grants to CDFIs and qualified nonprofit housing organizations to finance affordable housing and related economic development projects. The CMF was originally authorized in July of 2008 under Section 1339 of the Housing and Economic Recovery Act of 2008 (Pub. L. 110-289), and \$80 million was appropriated for this initiative under the Omnibus Appropriations Act of 2010. In 2009, the Director of the Federal Housing Finance Agency (FHFA) temporarily suspended the allocation of funds; however, on December 11, 2014, the suspension was lifted. As a result, applicants must submit an application form and will be evaluated in accordance with requirements stated in the Notice of Funding Availability (NOFA). This ICR was discontinued during the suspension and must now be reinstated in order for applicants to apply to the program in December 2015 and allocations to be awarded by April 2016.

2. Method of collection and use of data

Data will be collected by the CDFI Fund through a web-based application form submitted by organizations wishing to be considered for a CMF award. The CDFI Fund will use submitted information to select organizations to receive CMF awards. Some information provided in the application will be used as performance goals and measurements in the assistance agreements.

3. Use of Information Technology

The CDFI Fund will require applicants to submit electronically a web-based interactive application form, which will enable the CDFI Fund to collect and store data from the application and related eligibility forms.

4. Efforts to identify duplication

Because the CMF program is similar to, but in many critical respects unique from, other CDFI Fund programs, a new application form is required. The CDFI Fund made efforts to ensure that the questions asked in the application materials included best practices and consistency with other Federal programs – not just those at the CDFI Fund (e.g., the New Markets Tax Credit and CDFI Program), but also those administered by other Federal agencies specifically with the U.S. Department of Housing and Urban Development (HUD).

During the previous iteration of the CMF Program the CDFI Fund issued a Request for Public Comments in which it specifically asked for ideas or other programs that the CMF could be modeled. During the application drafting process, CDFI staff met with staff from both the Department of Agriculture's Rural Development office and the Department of Housing and Urban Development's Community Planning and Development office to identify areas of overlap and precedent. These were taken into consideration in developing the updated application.

5. Impact on small entities

This collection of information is not expected to have a significant impact on small entities. During the development of the application, the CDFI Fund consulted with other Federal agencies to determine what information small entities would be able to provide to the Fund. In doing this, the CDFI Fund was able to develop an application form with minimal potential burden on small entities. The CDFI Fund also anticipates that a large number of applicants will be certified CDFIs that have received funding under the CDFI Fund's programs or other similar Federal government programs. Thus, applicants will be familiar with the types of information requested in the application. Many, if not all, applicants will be providing information for which they report for other Federal or state programs. Thus, this collection of information will not impose a significant impact on small entities.

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

The CDFI Fund cannot meet its statutory requirement to make award decisions without using an application form; this is anticipated to be a one-time collection for the FY 2010 funding round. Elements specified in the program's authorizing statute limit the amount to which the application burden can be reduced below the current level.

7. Circumstances requiring special information collection

Not applicable.

8. Solicitation of comments on information collection

The CDFI Fund published a Request for Public Comments in the Federal Register, Vol. 75, page 37880 on June 30, 2010. One comment was received. There were no specific comments on the potential burden. Please see Appendix A for how the CDFI Fund addressed the comment.

9. Provision of payment to respondents

No payment or gift 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 application process.

11. Justification of sensitive questions.

No questions of a sensitive nature are asked in the application.

12. Estimate of the hour of burden of information collection

The total hour burden of this information collection is estimate at 12,500, with an estimated 50 hours for the application per respondent and an anticipated 250 respondents. These estimates are based upon historical participation rates in other CDFI Fund programs.

13. Estimate total annual cost burden to respondents

There are no cost burdens associated with the collection of this data. No purchases of equipment or services are necessary to complete this application.

14. Estimate of annualized cost to the Government

The cost to the Government is the CDFI Fund staff time and IT systems required to develop the application, follow-up with respondents, review and score the applications, determine award amounts, and report the results.

15. Any program changes or adjustments

This is a reinstatement of an ICR that was discontinued during the suspension and must now be reinstated in order for applicants to apply to the program in December 2015 and allocations to be awarded by April 2016. There is no change to the burden previously approved under this OMB control number; but the collection instrument was streamlined, reduces redundancy, and incorporates updates based on recommendations from the public.

16. Plans for information tabulation and publication

The information collected through this application form will not be published.

17. Reasons for not displaying expiration date of OMB approval

We believe that displaying the expiration date would confuse respondents to believe the response window would be open through this date.

18. Explanation of exception to certification statement

Not applicable.

Appendix A. Comment and Response Summary  
 CMF Program Application  
 60-Day Federal Register Notice Comment Adjudication

Comment Date	Author Name	Author Position	Organization	Category	Comment	CMF Program Office Response
9/30/2010	Lori Chatman	President	Enterprise Community Loan Fund	Program Requirement	While we understand and appreciate the Fund's desire to help ensure extended affordability, the ten-year affordability requirement, as written, makes many important uses of funds virtually impossible...Attaching affordability restrictions to specific loans runs counter to both purposes of the CMF and awardees' efforts to foster affordable housing efforts.	N/A This is a regulatory issue.
9/30/2010	Lori Chatman	President	Enterprise Community Loan Fund	Program Requirement	...Additional burden for the organization to monitor and maintain even after the loan has been repaid.	N/A This is a regulatory issue.
9/30/2010	Lori Chatman	President	Enterprise Community Loan Fund	Program Requirement	Allow CMF grantees to redeploy funds to new borrowers that meet the same affordability requirements laid out in the grantees application.	N/A This is a regulatory issue.
9/30/2010	Lori Chatman	President	Enterprise Community Loan Fund	Program Requirement	CMF regulations require that funded projects be put into service within five years. While we generally agree that the CMF should be deployed quickly, there may be circumstances under which CMF money is used to seed an appropriate project with a longer timeframe.	N/A This is a regulatory issue.
9/30/2010	Lori Chatman	President	Enterprise Community Loan Fund	Program Requirement	In supporting OFN's suggestion that, as CMF projects must be in service within five years that the reporting period be no longer than five years.	N/A This is a regulatory issue.

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Comment Date	Author Name	Author Position	Organization	Category	Comment	CMF Program Office Response
9/30/2010	Lori Chatman	President	Enterprise Community Loan Fund	Program Requirement	The Fund should clarify the point at which an awardee may classify CMF awards as unrestricted funds.	N/A This is a regulatory issue.
9/30/2010	Lori Chatman	President	Enterprise Community Loan Fund	Definitions	Clarity on...ensuring definitions are consistent across application materials, regulations, and Notices of Funding Availability.	Updated, addressed in new application
9/30/2010	Lori Chatman	President	Enterprise Community Loan Fund	Definition	Clarity on...defining "pre-investment" leverage.	Updated, addressed in new application
9/30/2010	Lori Chatman	President	Enterprise Community Loan Fund	Definition	Clarity on...defining "credit enhancement"	Application no longer refers to term "credit enhancement"
9/30/2010	Lori Chatman	President	Enterprise Community Loan Fund	Definition	Clarity on...the financial data and ratios.	Updated, addressed in new application
9/30/2010	Lori Chatman	President	Enterprise Community Loan Fund	Definition	Clarity on...the process the Fund uses to determine that applicants will "score more favorably"	Updated, addressed in NOFA
9/30/2015	Lori Chatman	President	Enterprise Community Loan Fund	System Functionality	After the Capital Magnet Fund application documents have been uploaded to the MyCDFI website, the applicant will receive a confirmation and a list of the documents that have been successfully uploaded.	AMIS is new system and will have confirmations