Department of the Treasury, Departmental Offices
Emergency Justification
Troubled Asset Relief Program – Hardest Hit Fund

The Department of the Treasury (Treasury) established the Housing Finance Agency Innovation Fund for Hardest Hit Housing Markets (Hardest Hit Fund or HHF) in 2010, pursuant to the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5201, et seq.). The objective of HHF is to provide funding to the states that were most severely impacted by the foreclosure crisis. Funds are provided through Treasury's Troubled Asset Relief Program (TARP), and are used by state housing finance agencies and their designated partners (collectively, HFAs) to help prevent foreclosure and stabilize state housing markets through programs tailored to local conditions. Some HFAs have or will soon have exhausted all HHF funding, at which point they must close their respective programs.

Recognizing the current and persistent need among states participating in HHF, Congress enacted legislation in December 2015, authorizing Treasury to commit up to $2 billion in additional TARP funds to that program. Treasury plans to allocate these funds among participating HFAs based on each area's current needs and ability to effectively utilize the additional funds. In order to ensure uninterrupted assistance to homeowners and neighborhoods in HHF states and promptly restore assistance for homeowners where HFAs have closed programs, and to enable the HFAs to deploy the additional funds as expeditiously as possible, it is critical that Treasury collect all information necessary to complete the allocation process as soon as possible.

Department of the Treasury, Departmental Offices
Supporting Statement and Request for Clearance
Troubled Asset Relief Program – Hardest Hit Fund

1. Circumstances necessitating the collection of information

The Department of the Treasury (Treasury) established the Housing Finance Agency Innovation Fund for Hardest Hit Housing Markets (Hardest Hit Fund or HHF) in 2010, pursuant to the Emergency Economic Stabilization At of 2008 (12 U.S.C. 5201, et seq.). The objective of HHF is to provide funding to the states that were most severely impacted by the foreclosure crisis. Funds are provided through Treasury's Troubled Asset Relief Program (TARP), and are used by state housing finance agencies and their designated partners (collectively, HFAs) to help prevent foreclosure and stabilize state housing markets through programs tailored to local conditions. Some HFAs have or will soon have exhausted all HHF funding, at which points they must close their respective programs.

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2. Use of the data

The information will be used to inform Treasury's decisions as to the allocation of $2 billion of additional TARP funds among the states participating in HHF (*i.e.*, 18 states and the District of Columbia).

3. Use of information technology

HFAs requesting additional funds will be required to provide the requested information to Treasury in a written application submitted via electronic mail. We believe this will reduce the administrative burden on the HFAs and generally expedite the allocation process.

4. Efforts to identify duplication

HHF is an unprecedented program, developed in the aftermath of the nation's worst housing crisis since the Great Depression. The information requested by Treasury includes the views of each HFA as to the state's need for additional funding for its respective programs funded through HHF, and the HFA's plan to effectively utilize such funds to prevent foreclosure and stabilize state housing markets. Accordingly, we do not believe the information will overlap with information previously collected by Treasury or elsewhere in the Federal government.

5. Impact on small entities

The allocation is voluntary on the part of each HFA. Accordingly, those HFAs who choose to request additional funds must establish a process for the preparation and transmission of the requested information, and must take into account the burden to do so. We believe the information collection will not place a significant burden on small HFAs.

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

The information will not be collected on a recurring basis.

7. Circumstances requiring special information collection

HFAs that choose to request additional funds will be required to provide the requested information within approximately two weeks from receipt of the information collection notice. For the reasons described above, it is critical that Treasury collect the information and complete the allocation process as soon as possible.

8. Solicitation of comments on information collection

Treasury has consulted with an interagency group with respect to the type of information to be collected. A *Federal Register* notice inviting public comment will be published.

9. Provision of payments to recordkeepers

As described above, HFAs receive funding through TARP for use in preventing foreclosure and stabilizing state housing markets. The requested information will be considered by Treasury when deciding how to allocate the additional TARP funds among states participating in HHF.

10. Assurance of confidentiality

There will not be any assurance of confidentiality.

11. Justification of sensitive questions

The information collected will not contain information..

12. Estimated burden of information collection

# Respondents	# Responses Per Respondent	Annual Responses	Hours Per Response	Total Annual Burden
19	1	19	40	760

13. Estimated total annual cost burden to respondents

The estimated annual cost burden will vary and consist primarily of the cost of labor associated with preparing the written application. Requesting additional HHF funds is voluntary on the part of HFAs. Those who choose to do so may be reimbursed for the cost of the information collection from HHF funds, in accordance with the existing contract between each HFA and Treasury.

14. Estimated cost to the federal government.

There is no estimated cost to the federal government to receive this information.

15. Reasons for change in burden

This is a new information collection.

16. Plans for tabulation, statistical analysis and publication

Treasury will provide HFAs with application instructions and related materials on February 19, 2016. HFAs must submit written applications no later than March 11th. Treasury will review all written applications received by such date and score them based on the extent to which they address all required elements. Treasury may publish the written applications at www.financialstability.gov. Treasury will publish the total amount of additional funds allocated to each HFA by the end of April 2016.

17. Reasons why displaying the OMB expiration date is inappropriate

Display of the OMB expiration date will create confusion because this information collection will not occur on a recurring basis.

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.