

June 20, 2016

Supporting Statement for Paperwork Reduction Act Submissions

OMB Control Number: 1660 - 0082

Title: Application for Community Disaster Loan Cancellation

Form Number(s): FEMA Form 009-0-15

General Instructions

A Supporting Statement, including the text of the notice to the public required by 5 CFR 1320.5(a)(i)(iv) and its actual or estimated date of publication in the Federal Register, must accompany each request for approval of a collection of information. The Supporting Statement must be prepared in the format described below, and must contain the information specified in Section A below. If an item is not applicable, provide a brief explanation. When Item 17 or the OMB Form 83-I is checked “Yes”, Section B of the Supporting Statement must be completed. OMB reserves the right to require the submission of additional information with respect to any request for approval.

Specific Instructions

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information. Provide a detailed description of the nature and source of the information to be collected.

The Community Disaster Loan (CDL) program is authorized by Section 417 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974, Pub. L. 93-288, as amended, 42 U.S.C. §§ 5121-5207 (“the Stafford Act”). The Stafford Act provides policies and procedures for local government and State and Federal officials concerning the CDL program. FEMA regulations at 44 CFR, Part 206, Subpart K, (§§206.360-206.367) implements the statutes.

The Assistant Administrator may make a CDL to any local governments that have suffered a substantial loss of tax or other revenues as a result of a major disaster or emergency and demonstrates a need for Federal financial assistance in order to perform their governmental functions. The loan must be justified on the basis of need and be based on the actual and projected expenses, as a result of the disaster, for the fiscal year in which the disaster occurred and the three succeeding fiscal years. FEMA has the authority to cancel repayment of all or part of these loans to the extent that a determination is made that revenues of the local government during the three fiscal years following the disaster are insufficient to meet the operating budget of that local government because of disaster related revenue losses and additional unreimbursed disaster-related municipal operating expenses.

FEMA shall apply the cancellation procedures as outlined in 44 CFR §206.360 through §206.367. It is intended that applicants seeking cancellation of all CDL will use the Application for Loan Cancellation FEMA Form 009-0-15.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection. Provide a detailed description of: how the information will be shared, if applicable, and for what programmatic purpose.

FEMA will utilize this information from FEMA Form 009-0-15 to determine if the CDL qualifies for cancellation.

FEMA works directly with each applicant during the evaluation process to ensure the regulatory compliance requirements are met and assists them in completing the form.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

This information collection does not include electronic or web-based capabilities for submission. While an electronic version of the form is available to fill out, a hard copy must be printed, signed and submitted with original signature. Once FEMA receives the application for loan cancellation, the information is scanned and stored electronically on a FEMA server. However, this information is never made available over the World Wide Web. FEMA store the applicant file in the FEMA server by State/Disaster Number/Entity Name (school name, city/borough name, fire district, etc) and not by POC information as

this varies frequently. It is stored in PDF format. Therefore, we do not use PII to pull up the applicant file, but rather the local government's name.

In order to provide faster service to applicants in terms of filling out the collection, an electronic version of the form is provided to each applicant by FEMA representatives. The CDL Program staff provides the valid version of FEMA Form 009-0-15 to the applicant. A signed hard copy of the form in the collection is required to verify the financial condition of the local government, 0% of the collection is submitted electronically.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

This information is not collected in any form, and therefore is not duplicated elsewhere.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize.

This information collection does not have an impact on small businesses or other small entities.

6. Describe the consequence to Federal/FEMA program or policy activities if the collection of information is not conducted, or is conducted less frequently as well as any technical or legal obstacles to reducing burden.

Failure to conduct this information collection will result in FEMA's inability to implement the mandates of the Stafford Act, concerning the CDL program; or FEMA regulations 44 CFR, Part 206, Subpart K. Furthermore, the scope and magnitude of the 2008 disasters makes collecting this information vital for affected communities.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- (a) Requiring respondents to report information to the agency more often than quarterly.**
- (b) Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it.**
- (c) Requiring respondents to submit more than an original and two copies of any document.**
- (d) Requiring respondents to retain records, other than health,**

medical, government contract, grant-in-aid, or tax records for more than three years.

(e) In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study.

(f) Requiring the use of a statistical data classification that has not been reviewed and approved by OMB.

(g) That includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use.

(h) Requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

This information collection is conducted in a manner consistent with the guidelines in 5 CFR 1320.5(d) (2).

8. Federal Register Notice:

a. Provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

A 60-day Federal Register Notice inviting public comments was published on February 19, 2016, 81 FR 8521. No comments were received. See attached copy of the published notice included in this package.

A 30-day Federal Register Notice inviting public comments was published on May 6, 2016, 81 FR 27460. No comments were received. See attached copy of the published notice included in this package.

b. Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

The Program Office consults with State and Local Governmental Officials on the process, collection and recording of this data during meetings and consultations on loan

maintenance and cancellation. When the loan disbursements are approved and the loans are reviewed for cancellation, FEMA holds discussions/conversations with the GAR and other State Representatives. Additionally, this information was previously provided to the Program Office during the CDL application process and is covered in another collection. None of the stakeholders consulted with have registered a complaint with the process nor the forms required to implement it. Each was satisfied with the process and results.

c. Describe consultations with representatives of those from whom information is to be obtained or those who must compile records. Consultation should occur at least once every three years, even if the collection of information activities is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

Respondents can provide feedback regarding the form or process during the maintenance reviews conducted annually and during the cancellation meetings held at the end of the 3rd year of the loan. Comments may also be provided in writing via postal mail or email and the Program Office will consider all information received. FEMA holds discussions/conversations with the GAR and other State Representatives, none registered a complaint with the process nor the forms required to implement it. Each was satisfied with the process and results.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

FEMA does not provide payments or gifts to respondents in exchange for a benefit sought.

10. Describe any assurance of confidentiality provided to respondents. Present the basis for the assurance in statute, regulation, or agency policy.

A Privacy Threshold Analysis (PTA) was completed by FEMA and adjudicated by the DHS Privacy Office on February 1, 2016.

This collection is covered by an existing Privacy Impact Assessment (PIA), DHS/FEMA 013 – Grant Management Programs, approved by DHS on July 14, 2009. The existing System of Record Notice (SORN) is DHS/FEMA-009 - Hazard Mitigation Disaster Public Assistance and Disaster Loan Programs published in the Federal Register on March 24, 2014 at 79 FR 16015.

There are no assurances of confidentiality provided to the respondents for this information collection.

11. Provide additional justification for any question of a sensitive nature (such as sexual behavior and attitudes, religious beliefs and other matters that are commonly considered private). This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

There are no questions of a sensitive nature.

12. Provide estimates of the hour burden of the collection of information. The statement should:

a. Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated for each collection instrument (separately list each instrument and describe information as requested). Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desired. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.

The number of potential respondents is 81 based upon the current number of loans eligible for cancellation between now and 2020. Burden hours were estimated based upon historical experience dating back a decade or more, recent experience implementing the program and current number of loans becoming eligible for cancellation review.

It is anticipated that 81 respondents will complete **FEMA Form 090-0-15**, Application for Loan Cancellation. Each respondent will only complete the form once and each response will require 1 hour (60 minutes) of burden time to complete the form and acquire the appropriate signatures. The total annual hour burden is $81 \times 1 \text{ hour} = 81$ annual hours.

b. If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.

c. Provide an estimate of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. NOTE: The wage-rate category for each respondent must be multiplied by 1.4 and this total should be entered in the cell for “Avg. Hourly Wage Rate”. The cost to the respondents of contracting out or paying outside parties for

information collection activities should not be included here. Instead this cost should be included in Item 13.

Estimated Annualized Burden Hours and Costs								
Type of Respondent	Form Name / Form Number	No. of Respondents	No. of Responses per Respondent	Total No. of Responses	Avg. Burden per Response (in hours)	Total Annual Burden (in hours)	Avg. Hourly Wage Rate	Total Annual Respondent Cost
State, Local or Tribal Government	Application for Loan Cancellation / FEMA Form 009-0-15	81	1	81	1 hour	81	\$48.73	\$3,947.13
Total		81		81		81		\$3,947.13

- Note: The "Avg. Hourly Wage Rate" for each respondent includes a 1.4 multiplier to reflect a fully-loaded wage rate.

According to the U.S. Department of Labor, Bureau of Labor Statistics website (http://www.bls.gov/oes/current/oes_nat.htm#13-0000) the wage rate category for **Emergency Management Business and Financial Operations (Local Government)** is estimated to be \$48.73 per hour including the wage rate multiplier (1.4), therefore, the estimated burden hour cost to respondents **Emergency Management Specialist in Business and Financial Operations (State Government)** is estimated to be \$3,947.13 annually.

Note: At the time of calculation, BLS website had 2014 data.

Selected: 13-0000 Business and Financial Operations Occupations Median Hourly Wage of 34.81

Multiplied by 1.4 = \$48.73

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. (Do not include the cost of any hour burden shown in Items 12 and 14.)

There is no start-up, operational, or maintenance cost to respondents in this collection.

The cost estimates should be split into two components:

- a. Operation and Maintenance and purchase of services component. These estimates should take into account cost associated with generating,**

maintaining, and disclosing or providing information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred.

b. Capital and Start-up-Cost should include, among other items, preparations for collecting information such as purchasing computers and software, monitoring sampling, drilling and testing equipment, and record storage facilities.

There are no record keeping, capital, start-up or maintenance costs associated with this information collection.

14. Provide estimates of annualized cost to the federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing and support staff), and any other expense that would have been incurred without this collection of information. You may also aggregate cost estimates for Items 12, 13, and 14 in a single table.

Annual Cost to the Federal Government	
Item	Cost (\$)
Contract Costs Contractor reviewing all forms received, providing analysis of information for determinations.	\$ 6,750.00
Staff Salaries* [1# of GS 12, step 2 employees spending approximately 7% of time annually reviewing the data collection][$\$80,073 \times 7\% =$]	\$ 5,605.11
Facilities [cost for renting, overhead, etc. for data collection activity]	
Computer Hardware and Software [cost of equipment annual lifecycle]	
Equipment Maintenance [cost of annual maintenance/service agreements for equipment]	
Travel	
Total	\$ 12,355.11

* Note: The "Salary Rate" includes a 1.4 multiplier to reflect a fully-loaded wage rate.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I in a narrative form. Present the itemized changes in hour burden and cost burden according to program changes or adjustments in Table 5. Denote a program increase as a positive number, and a program decrease as a negative number.

A "Program increase" is an additional burden resulting from a federal government regulatory action or directive. (e.g., an increase in sample size or coverage, amount of information, reporting frequency, or expanded use of an existing form). This also includes previously in-use and unapproved information collections discovered during the ICB process, or during the fiscal year, which will be in use during the next fiscal year.

A "Program decrease", is a reduction in burden because of: (1) the discontinuation of an information collection; or (2) a change in an existing information collection by a Federal agency (e.g., the use of

sampling (or smaller samples), a decrease in the amount of information requested (fewer questions), or a decrease in reporting frequency).

"Adjustment" denotes a change in burden hours due to factors over which the government has no control, such as population growth, or in factors which do not affect what information the government collects or changes in the methods used to estimate burden or correction of errors in burden estimates.

Itemized Changes in Annual Burden Hours						
Data collection Activity/Instrument	Program Change (hours currently on OMB Inventory)	Program Change (New)	Difference	Adjustment (hours currently on OMB Inventory)	Adjustment (New)	Difference
Application for Loan Cancellation / FEMA Form 009-0-15				27	81	+54
Total(s)				27	81	+54

Explain:

This collection is used in the cancellation process for CDLs. The increase change in burden hours is due to new loans issued since the last collection update. The number of open CDLs eligible for cancellation during the next three years is 81. This denotes an adjustment to the Annual Burden Hours of 54 hours.

FEMA Form 009-0-15, used for cancellation of Community Disaster Loans (CDLs), has been revised for clarity and correction of technical accounting terminology. The analysis to determine qualification for loan cancellation utilizes standard accounting rules, definitions, and terminology set by the Governmental Accounting Standards Board (GASB) and other nationally accredited accounting organizations. Incorrect terminology used on the previous form led to general confusion amongst applicants and reviewing officials, and required loan cancellation analysts to create a 7-page instruction manual attempting to explain how to complete the form. The proposed changes correct the technical accounting terminology. In addition, points of clarification were added by including the total approved loan amount, the promissory note execution date, and fiscal year end dates, which often differ from calendar years. Overall, the proposed changes make the form easier to understand, more informative, and technically correct.

Itemized Changes in Annual Cost Burden						
Data collection Activity/Instrument	Program Change (cost currently on OMB Inventory)	Program Change (New)	Difference	Adjustment (cost currently on OMB Inventory)	Adjustment (New)	Difference
Application for Loan Cancellation / FEMA Form 009-0-15				\$1,026.27	\$3,947.13	\$2,920.86
Total(s)				\$1,026.27	\$3,947.13	\$2,920.86

Explain:

This collection is used in the cancellation process for CDLs. The change in cost burden is due to new loans issued since last collection update. The number of open CDLs eligible for cancellation during the next three years is 81. This denotes an adjustment to the Annual Cost Burden of \$2,920.86.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

FEMA does not intend to employ the use of statistics or the publication thereof for this information collection.

17. If seeking approval not to display the expiration date for OMB approval of the information collection, explain reasons that display would be inappropriate.

FEMA will display the expiration date for OMB approval of this information collection.

18. Explain each exception to the certification statement identified in Item 19 “Certification for Paperwork Reduction Act Submissions,” of OMB Form 83-I.

FEMA does not request an exception to the certification of this information collection.

B. Collections of Information Employing Statistical Methods.

There is no statistical methodology involved in this collection.