

Department of the Treasury, Departmental Offices
Supporting Statement and Request for Clearance
Troubled Asset Relief Program – CDCI Application

1. Circumstances necessitating the collection of information

The Department of the Treasury (Treasury) established the Community Development Capital Initiative (CDCI) in 2010, pursuant to the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5201, et seq.). The objective of CDCI was to provide emergency capital to Community Development Financial Institutions (CDFIs) that provide services to underserved communities at a time when they were finding it harder to obtain credit as the economy was in a downturn. Funds were provided by the sale of securities to the Treasury through its Troubled Asset Relief Program (TARP) to provide needed capital to the CDCI institutions, which permitted the institutions to improve their capital structure and extend credit to underserved communities. Funding to successful CDCI applicants was completed in September 2010. The securities sold to Treasury have a two percent per annum dividend for preferred stock or 3.1 percent interest on subordinated debentures until 2018, when they step up to a 9 and 13.1 percent rate respectively.

Treasury has been winding down the TARP investment programs in a manner which balances the speed of exit, maximizes the return to taxpayers and the need to preserve financial stability. Treasury has decided to offer an early redemption option at fair value to CDCI institutions to further the strategic goal of winding down crisis era TARP programs and because capital market conditions are currently favorable for CDCI institutions to source replacement capital.. Treasury plans to accept applications for the repurchase of such securities by November 18, 2016 and to anticipate that it will close all such transactions by December 30, 2016. In order to preserve financial stability and avoid market disruption for the CDCI institutions, it is critical that Treasury collect all information necessary to carefully consider early repurchase option proposals so that the CDCI institutions may source replacement capital during the current capital market environment.

2. Use of the data

The application information will contain an early repurchase form that will include a proposal from CDCI institutions of the dollar amount and the price at which the entity would like to repurchase its CDCI securities. In addition, the CDCI institutions will provide supporting financial information such as the latest audited annual financial statements, quarterly financial statements and a report on the capital structure of the institution. The form and supporting information will be used by Treasury to determine whether to accept a proposal from CDCI institutions to repurchase their CDCI securities.

3. Use of information technology

Applications may be submitted through e-mail.

4. Efforts to identify duplication

The information that will be collected in the CDCI early repurchase form is a one-time request during a limited time period (all forms must be submitted by no later than November 18, 2016). CDCI institutions whose initial proposal is not accepted by Treasury will have the option of resubmitting the form by the earlier of (1) 60 days after its first submission or (2) November 18, 2016. CDCI institutions do not need to resubmit supporting documents with resubmissions unless they wish to bring new information to the attention of Treasury.

5. Impact on small entities

The information collection is voluntary. The participating CDCI institutions are all Community Development Financial Institutions (CDFIs) and some will meet the definition of small entities. However, the information collection imposes only minimal burdens because the information is readily available to the financial institutions.

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

If the information is not collected, Treasury will not be able to determine whether to accept a CDCI institutions' proposal to participate in this early repurchase option of its CDCI securities and exit the CDCI program at fair value. In addition, the information will not be collected on a recurring basis.

7. Circumstances requiring special information collection

There are no special circumstances that would cause this information collection to be conducted in a manner inconsistent with 5 CFR 1320.5.

8. Solicitation of comments on information collection

A notice soliciting public comments will be published in the *Federal Register* on Thursday, August 4, 2016. Treasury will address any comments received.

9. Provision of payments to recordkeepers

No payment or gifts have been provided to respondents.

10. Assurance of confidentiality

Treasury's contracts with CDCI institutions provide that Treasury will treat as confidential financial information provided by the CDCI institution. Any confidential information provided

voluntarily by financial institutions will be maintained as confidential consistent with applicable provisions of the Trade Secrets Act and Freedom of Information Act.

11. Justification of sensitive questions

Personally identifiable information is not collected.

12. Estimated burden of information collection

Treasury estimates that the form will take approximately 24 hours to complete, and that roughly 55 companies will submit early repurchase forms. The total estimated one-time burden for the initial collection is 1,320 hours (55 x 24 hrs). Any resubmission is estimated to take an average of 10 hours. Treasury estimates that 25 companies will seek to resubmit for an additional time burden of 250 hours (25 x 10 hrs) for a total of 1,570 hours.

13. Estimated total annual cost burden to respondents

Treasury estimates that there will be no annualized capital/start-up costs for the respondents to collect and submit this information.

14. Estimated cost to the federal government

There will be no annualized capital/start-up costs for the government to receive this information.

15. Reasons for change in burden

The early repurchase option is a new option for exiting the CDCI program which necessitates the use of the form document and the collection of supporting documentation. Additionally, the collection no longer includes the application to participate in CDCI since initial applications are no longer being accepted.

16. Plans for tabulation, statistical analysis and publication

There are no plans for publication of the results of the information collection.

17. Reasons why displaying the OMB expiration date is inappropriate

Display of the OMB expiration date will create confusion because, under EESA, this program has a limited duration.

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.