Community Development Financial Institutions Fund, Department of the Treasury

Supporting Statement

Community Development Financial Institutions

Annual Certification and Data Collection Report Form

OMB Control Number 1559-0046

**A. Justification**

1. Circumstances necessitating collection of information

Pursuant to 12 U.S.C 4701 et seq., the Community Development Financial Institutions Fund (CDFI Fund) implements the Community Development Financial Institutions Program (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 Community Development Financial Institutions (CDFI). As an integral part of the CDFI certification procedure, the CDFI Fund 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 C.F.R. §1805.201.

The purpose of the CDFI Annual Certification and Data Collection Report Form (the “Form”) is to enable the CDFI Fund to recertify Community Development Financial Institutions (CDFIs) on an annual basis and reduce the burden of the re-certification process that currently occurs every three years.

In addition to recertifying CDFIs, this report also seeks to collect financial and impact data on an annual basis to provide the CDFI Fund and the industry with more insight into the state and accomplishments of CDFIs.

2. Method of collection and use of data

The data in this Form is collected by voluntary submission from organizations that seek to maintain their status as a certified CDFI eligible to apply for CDFI Program funds. The primary intent of the Form is to ensure that CDFIs continue to meet the requirements to be certified CDFIs. Emerging CDFIs are not required to complete the Form.

The Form is also a method to ensure that organizational information is updated annually. The financial and portfolio data is used by the CDFI Fund to gain insight into the CDFI industry and to pre-populate relevant data requested in future certifications and applications. Information provided in these sections will not impact a CDFI’s certification status.

Maintenance of certification is required when a CDFI has an active Assistance Agreement with the CDFI Fund. No organization is otherwise compelled to retain certification for the purposes of the CDFI Fund. Therefore, the data submission of this Form otherwise retains a voluntary character.

3. Use of Information Technology

The data in the Form is submitted to the CDFI Fund via web-based forms on the Award Management Information System (AMIS). AMIS is an enterprise business system that supports the full lifecycle of CDFI Fund “programs” including: (1) certification, award, allocation; (2) pre-award, award, post-award; (3) business intelligence and reporting.

4. Efforts to identify duplication

The information in this Form (other than certain financial data) is not collected via other forms internal or external to the CDFI Fund. This Form replaced the labor intensive re-certification process that previously occurred every three years using the CDFI Program Certification Application (OMB Control Number 1559-0028). The certification information in the Form is not duplicated from initial certification. It is the intention of the CDFI Fund to use the Form, and the data collected in the Form, as a basis for streamlining other ICRs. The CDFI Fund also believes that it is important for CDFIs to enter their financial information as a way to validate their data.

5. Impact on small entities

This Form is intended to be completed by organizations that are currently certified CDFIs. The CDFI Fund expects that entities that are certified CDFIs employ staff that possess the knowledge to complete this Form in an expedient manner.

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

The CDFI Fund is statutorily required to have an application process to re-certify CDFIs. It is essential that CDFIs maintain their certification status as it is a prerequisite for receiving funding from the CDFI Fund. The shift to annual certification reduced the risk associated with the CDFI Fund having inaccurate organizational and financial data from CDFIs. Additionally, the shift reduced the risks of fraud, waste, and abuse. In an effort to reduce burden, the CDFI Fund identifies the documents that CDFIs need in order to complete the Form and has developed robust instructions.

7. Circumstances requiring special information collection

Not applicable.

8. Consultation with Persons Outside the Agency

Pursuant to the notice and request for comments published in the Federal Register on

March 23, 2017, at 82 FR 14941, the CDFI Fund received comments to the Form. These comments are summarized and addressed in Appendix I. Comment and Response Summary.

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 the confidentiality of information provided in the Annual Certification and Data Collection Report Form. All information collected via this information collection is submitted in the CDFI Fund’s Award Management Information System. Access to information in AMIS is restricted to the organization, their designated representatives, and CDFI Fund staff.

11. Justification of sensitive questions.

Information on organizations completing the Annual Certification and Data Collection Report Form is limited to the Organization Name, IRS Tax ID Number, and the name of an Authorized Representative with authority to validate the accuracy of the information provided in the Form. This information is necessary to confirm an organization’s identity. Forms are signed/approved and consent provided by an Authorized Representative.

12. Estimate of the hour burden of information collection.

The burden for this information collection is broken-down into categories of affected public with a total estimated burden of 8,663 hours, up from 6,800 hours. Both categories use the same information collection instrument. The increase in burden hours is explained in greater detail in response to question 15.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Affected Pubic | # Respondents | # Responses Per Respondent | Total Annual Responses | Hours Per Response | Total Hours | Time Value (per hour) | Monetized Burden Hours |
| Private Sector | 1,050 | 1 | 1,050 | 8.25 | 8,662.5 | $58.54[[1]](#footnote-1) | $507,102.75 |
| Totals | 1,050 | 1 | 1,050 |  | 8,663 |  | 507,108 |

13. Estimate of total annual cost burden to respondents

Per the table in Question 12, the average annual cost burden to respondents is $507,108. 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. It is not possible to accurately track expenses for the review process associate with this application. Staff as varying grades, both internal and external to the CDFI Fund, support application review a different levels throughout the application review period which often transcends fiscal years.

15. Any program changes or adjustments

The number of respondents has increased by a net of 200 to a total of 1,050 due to the on-going program activity of certifying new entities as CDFIs, thus increasing the overall pool of certified CDFIs required to submit the Form. The estimated average hours for CDFIs to complete the Form increased by .25 hours to a total of 8.25 hours due to the addition of nine “yes or no” questions, and one simple calculation question.

16. Plans for information tabulation and publication

At this time there are no plans for tabulation and publication. Following the deployment of the Form and receipt of data the CDFI Fund will determine whether or not to publish data and, if so, what to publish. Respondents acknowledge that aggregate information may be published when they complete Form.

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.

| **Comment Date** | **Author Name** | **Author Affiliation** | **Sponsoring Org** | **Comment** | **Category** | **Response** |
| --- | --- | --- | --- | --- | --- | --- |
| 5/18/17 | Sheri Rabago | AVP, Compliance Officer | Craft3 | The data collected is reasonable in the analysis and determination of an entity’s CDFI eligibility. Craft3 has found that the time it takes to respond to the majority of the annual report is insignificant because the CDFI Fund has designed the report so that only changes to the organization are required to be reported. That feature allows for minimal time spent when an organization has few changes to report, and is greatly appreciated by Craft3. | Burden | No response necessary. Commenter indicated burden was insignificant. |
| 5/18/17 | Sheri Rabago | AVP, Compliance Officer | Craft3 | The part of the recertification process that is unclear is the CDFI Fund’s follow up processes with the information that is submitted. In particular, how requests for Target Market changes are handled after report submission. Craft3 requested a change in its assessment area in the 2016 report, submitted July, 2016, and to date has not received a response from the Fund. Understanding the next steps in the process would be beneficial and save the organization time | Content | The CDFI Fund will update the Annual Certification Report documentation with information regarding next steps for Target Market change requests. |
| 5/18/17 | Sheri Rabago | AVP, Compliance Officer | Craft3 | The CDFI Fund’s mapping system is the primary source of burden when it comes to the collection of information. Craft3’s systems are robust and the metrics collected from borrowers allow Craft3 to collect loan and other information easily. But when the CDFI’s systems are relied upon for information, the collection of data can be quite burdensome, as described below. Bulk address management outputs from the mapping site no longer provides CDFI and NMTC eligibility information in a tabular form. This makes it extremely difficult to load an organization’s loans to see which loans qualified as eligible for criteria such as poverty level and income. Not having this functionality is a handicap to not only being able to sort CDFI eligible data for current loans, but it also impairs the ability to build CDFI eligible areas from adjacent tracts when the user cannot see all current geographic tracts that are eligible. | Burden | No response necessary. It appears that the Commenter may not be using the CIMS program correctly. Census tract eligibility data, such as poverty level and income, are provided on-screen in a tabular form and such data can be outputted to an external file in a tabular format. The CDFI Fund may be able to consider enhancements to the bulk geocoding functionality in future upgrades to the CIMS program. |
| 5/22/17 | Manjima Bose | Partner | Fund Consulting LLC | Many of the new questions correspond with questions included in the FY2017 FA application, resulting in redundancies the CDFI Fund may be able to streamline. | Burden | The CDFI Fund intends to investigate duplicative information across certification and programs, to remove redundancy. |
| 5/22/17 | Manjima Bose | Partner | Fund Consulting LLC | It would be helpful to provide guidance on how disadvantageous responses to these new questions affects the organization’s CDFI status, as it is unclear how the new questions align with the seven CDFI Certification criteria that require responses in Part II of the report. | Content | The newly added questions in general will not impact the assessment of the certification. They have been included for other purposes. |
| 5/22/17 | Manjima Bose | Partner | Fund Consulting LLC | The 8 hours that represent the Estimated Annual Time per Respondent to complete the Annual Certification Report greatly underestimates the number of hours it takes CDFIs to complete the Report. The estimate does not factor in the amount of time necessary for most CDFIs to conduct an analysis of their annual lending activities to ensure that activities fall within their currently certified Target Market and if a Target Market change is necessary. Additionally, it does not take into account the similar analysis required on the entire portfolio, which is necessary to conduct in order to respond to Part IV question 3 on the Loan Portfolio Breakdown. Eight hours may be an accurate representation of the amount of time it takes a CDFI with a low annual volume of loans and/or no changes to Target Market or Board Accountability. However, CDFIs with a high volume of lending and/or changes to their Target Market or Board Accountability may take upwards of 20 hours to: 1) conduct a lending analysis utilizing the CIMS system, 2) provide updated information in the Target Market and Accountability sections of the CDFI Certification Application, and 3) complete Attachment A. | Burden | The Estimated Annual Time per Respondent represents an average across all types of CDFIs, thus for some CDFIs it may, as identified by the commenter, take longer to complete the Annual Certification Report than some other CDFIs. |
| 5/22/17 | Manjima Bose | Partner | Fund Consulting LLC | Consider requesting information on the rate and fees of a CDFI’s product and services to ensure non-predatory lending and products that align with the Primary Mission and Target Market. | Content | The CDFI Fund is engaged in a review of CDFI certification policy in the current fiscal year, and may consider such recommendation. |
| 5/22/17 | Manjima Bose | Partner | Fund Consulting LLC | Reconsider requiring CDFIs to provide data on the portion of its portfolio outstanding that represents the Target Market, as it adds significantly to applicant burden, especially for high volume lenders. Additionally, portfolio data based on the organization’s current Target Market would not account for shifts in Target Markets over the years and may misrepresent a CDFI’s activities. | Burden | The CDFI Fund requires the submission of the analysis of the entire portfolio outstanding for research and risk management purposes. The CDFI Fund declines to accept this recommendation. |
| 5/22/17 | Manjima Bose | Partner | Fund Consulting LLC | Consider streamlining reports for banks and their holding companies. Currently CDFIs are required to enter data on the bank’s financing and development service activities, Target Market, financials, and portfolio once for the bank and then again for the holding company, creating redundancies and increasing applicant burden. | Burden | The CDFI Fund is engaged in a review of CDFI certification policy in the current fiscal year, and may consider such recommendation. |
| 5/22/17 | Manjima Bose | Partner | Fund Consulting LLC | For CDFIs with a Target Market change, provide guidance on the information that is required to be addressed in the AMIS narrative explanation for a Target Market change. This will help ensure that CDFIs are providing the appropriate response. | Content | The CDFI Fund will consider updates to the Annual Certification Report instructions. |
| 5/22/17 | Manjima Bose | Partner | Fund Consulting LLC | For those submitting Board information due to changes in accountability, request information on the tenure of each Board member to ensure the minimum accountability requirements were met for the reporting period. | Content | The CDFI Fund is engaged in a review of CDFI certification policy in the current fiscal year, and may consider such recommendation. |
| 5/22/17 | Manjima Bose | Partner | Fund Consulting LLC | Consider streamlining the submission process so that everything is submitted within one system. Currently, CDFIs may have to complete portions of the report in up to three systems depending on their changes: AMIS, CIMS3, and myCDFI. This can lead to confusion and increased applicant burden. | Burden | The CDFI Fund is already engaged in a long term process to implement the AMIS system and integrate application and reporting functions within the AMIS. |
| 5/22/17 | Manjima Bose | Partner | Fund Consulting LLC | Align definitions across all program applications and compliance reporting to ensure consistency in data collected and to reduce applicant confusion. | Content | The CDFI Fund is already engaged in a process to align definitions across programs and applications. |
| 5/22/17 | Ben Sones; Holly Logue | Members | Financial Institutions Strategies | Part I. Organization and Management Change Information  Eliminate Question 5d. Total FTE Turnover - The precise definition of the phrase "Total FTE Turnover" is not clear; regardless, it is not clear how staff turnover relates to CDFI certification. What matters is whether the seven CDFI eligibility criteria are met; staff turnover is not pertinent. Moreover, this data point does not appear to provide any substantive insight into CDFIs' organizational structure. As discussed elsewhere, CDFIs commit substantial resources of staff time to completing the Annual Certification and Data Collection Reporting, and requiring additional data points to be collected and reported increases this burden. Thus, the utility of including this data point does not justify the burden it imposes on CDFIs. | Burden; Content | The inclusion of this question was meant to be a measure of organizational stability and capacity. The CDFI Fund is not making substantial changes to the collection at this time.  The CDFI Fund is engaged in a review of CDFI certification policy in the current fiscal year, and is currently considering developing an alternative measure in our forthcoming revised ACR. |
| 5/22/17 | Ben Sones; Holly Logue | Members | Financial Institutions Strategies | Part I. Organization and Management Change Information  Eliminate or change Question 5e. Senior Leadership Changes - This data point does not appear to have any bearing on any of the certification criteria, and it is doubtful whether this data point is useful in providing the Fund with insight into CDFIs' organizational structures. However, if this data point is included, the instructions need to clarify that this only applies to the most senior executive officers. For example, most banks have many "rank and file" VPs and SVPs, none of whom could, by leaving, effect a material change in the overall management or strategic direction of the organization; to report all departures, replacements, or changes of such officers would be burdensome and has no practical utility on the performance of the organization as a CDFI. It may be helpful to use language similar to the FDIC's definition of the term "senior executive officer" as including anyone "with significant influence over, or who participates in, major policymaking decisions" of the organization. 12 CFR § 303.101. | Burden; Content | The inclusion of this question was meant to be a measure of organizational stability and capacity. The CDFI Fund is not making substantial changes to the collection at this time.  The CDFI Fund is engaged in a review of CDFI certification policy in the current fiscal year, and is currently considering developing an alternative measure in our forthcoming revised ACR.  Also, please note that the ACR is a broader data collection tool serving multiple purposes in addition to initial certification, including application for financial assistance, periodic recertification, and etc. |
| 5/22/17 | Ben Sones; Holly Logue | Members | Financial Institutions Strategies | Part I. Organization and Management Change Information  Eliminate Question 6a. Adoption of a New Strategic Plan - Most regulated CDFIs adopt a new strategic plan at least every three years as a standard industry practice. Many aspects of these strategic plans are confidential and proprietary, and the CDFI Fund rightly does not require a certification applicant to provide a copy of its strategic plan in order be certified. However, if the Fund does not have a copy of the CDFl's previous strategic plan, of what possible use is the information as to whether the CDFI has adopted a new strategic plan? We submit that this information is not useful and therefore represents an unwarranted annual data collection burden. | Burden; Content | While we appreciate the nuance of the public comment, the CDFI Fund does have explicit statutory authority to collect organizational strategic plans, see section 105 (b) 2). In addition, for operational purposes information on the adoption of a plan by both certification applicants and certified CDFIs serves multiple purposes within the CDFI Fund across programs including analysis of applicants for CDFI Program financial assistance, the Bond Guarantee Program and for recertification. The question will require a response. |
| 5/22/17 | Ben Sones; Holly Logue | Members | Financial Institutions Strategies | Part I. Organization and Management Change Information  Eliminate Question 8a. Implementation of New Management Information Systems - Regulated institutions employ a variety of MIS, including core software systems, loan platforms, deposit platforms, financial/ accounting systems, mobile and online banking platforms, specific MIS related to certain compliance issues or types of transactions, and many more. Whether a regulated CDFI has implemented any new management information systems in the last year is not pertinent to its CDFI certification, nor does this information provide any insight into the management structure of the CDFI. | Burden; Content | This question is really only intended for unregulated CDFIs and the data collection instructions and system interface is being revised to disable this question for regulated institutions. The question will require a response. |
| 5/22/17 | Ben Sones; Holly Logue | Members | Financial Institutions Strategies | Part II. Verification of CDFI Re-Certification Eligibility  Eliminate Question 1b. Amendments to Articles of Incorporation, Charter, or By-Laws - All regulated CDFIs satisfy the "Legal Entity" certification criteria, regardless of any amendments which may have been made to the CDFI's organizational documents. It is not possible to exist as an Insured Depository Institution, Depository Institution Holding Company, or Credit Union without being a legal entity. Requiring that a Certification Amendment form be filed anytime the organizational documents are amended in any way will create an unnecessary burden on both the regulated CDFIs required to prepare these forms and the CDFI Fund staff required to review and process these forms. | Burden; Content | The CDFI Fund is engaged in a review of CDFI certification policy in the current fiscal year, and may consider such recommendation. |
| 5/22/17 | Ben Sones; Holly Logue | Members | Financial Institutions Strategies | Part II. Verification of CDFI Re-Certification Eligibility  Eliminate Question 3. Financing Entity for regulated institutions - Regulated institutions automatically satisfy the Financing Entity criteria, so regulated CDFIs should not be required to complete this section. The proposed form should be modified to indicate that it applies only to nonregulated CDFIs. | Burden; Content | This question is only intended for unregulated CDFIs and the data collection instructions and system interface is being revised to disable this question for regulated institutions. Clear instructions will also be provided for the Applicants. |
| 5/22/17 | Ben Sones; Holly Logue | Members | Financial Institutions Strategies | Part I. Organization and Management Change Information  Revise Question 3. Line of Business requires the CDFI to indicate its "Primary Line of Business" and "Secondary Line of Business." Further guidance and greater flexibility are needed regarding how each CDFI may determine these two items. In connection with the FY2016 Annual Certification and Data Collection Reporting, we received guidance to the effect that these items must correspond with the two loan types having the highest total dollar balance in the Financial Products Portfolio Breakdown, but we do not agree that this method always yields an accurate determination of the primary and secondary lines of business, particularly since different loan types have vastly different average loan amounts.  For example, a particular CDFI's Financial Products Portfolio Breakdown may show 2,500 consumer loans totaling $15.5 million, 400 residential real estate loans totaling $22 million, and 175 CRE loans totaling $22 million. Using only total dollar balance, this CDFI would be required to list CRE and residential as the primary and secondary lines of business, respectively; however, this CDFI may view consumer and residential as its primary and secondary lines of business, respectively, as reflected in the number of accounts on its books and the staff time committed to these two loan categories.  CDFIs need guidance which explains that each CDFI may use its own internal factors to determine its primary and secondary lines of business. | Content | The CDFI Fund is not making substantial changes to the collection at this time.  The CDFI Fund is engaged in a review of CDFI certification policy in the current fiscal year and is considering a data driven approach that will eliminate the need for this question. Therefore, this comment will be taken into consideration in developing the revised collection. |
| 5/22/17 | Ben Sones; Holly Logue | Members | Financial Institutions Strategies | Part I. Organization and Management Change Information  Revise Question 9a Adverse Legal Actions- This question of the Current Organization Information questionnaire asks whether the organization has been party to any adverse legal actions during the last fiscal year. In the case of regulated institutions, and banks in particular, legal actions may be filed against an organization which bear no material relation to organizational health or risk. Banks are often fodder for lender liability litigation in the form of counterclaims to collection suits instituted by the bank itself, routine premises liability suits due to "slip and falls" in bank lobbies or fender benders in bank parking lots, and other such day-to-day litigation matters. Disclosure of all such actions would appear to be required in response to question (9) as it is currently written. We would suggest that question (9) be re-phrased as follows:  Has a material, adverse legal judgment been rendered against the organization during the last fiscal year?  This would limit actions to those in which an actual judgment has been rendered against an organization, which judgment could materially affect the CDFI's organizational health. | Content | The ACR serves multiple needs across programs including the CDFI Financial Assistance, the Bond Guarantee Program. Thus the collection of annual data on such pending legal matters is meant to act as an indicator of potential risk. The question will require a response. |
| 5/22/17 | Ben Sones; Holly Logue | Members | Financial Institutions Strategies | Part I. Organization and Management Change Information  Revise Question 10a Audit Findings – this question asks if the organization had any audit findings in the audit for its last complete fiscal year. The term "audit findings" is vague enough to include industry-wide findings not related to the particular CDFI as well as nonmaterial findings. It is not uncommon for nonmaterial findings such as technical exceptions or documentation exceptions to be reported in an audit of a regulated institution. We would submit that industry-wide findings and nonmaterial findings are not relevant to the organizational health and risk of the CDFI. In order to avoid over-disclosure of nonmaterial information, this question should be revised to refer to "material audit findings." | Content | The collection of annual data on identified audit findings is meant to act as an indicator of potential risk. The CDFI Fund will clarify the guidance on this question, which is meant to gather such information on material audit findings. |
| 5/22/17 | Ben Sones; Holly Logue | Members | Financial Institutions Strategies | Part II. Verification of CDFI Re-Certification Eligibility  Question 5a. Target Market 60% Requirement – this question asks whether at least 60% of the organization's "Transactions" are directed towards serving its approved Target Market. Further clarification is needed here with respect to how this determination is made. Specifically, we would submit that this 60% determination should be made in the same way as the Financial Products Portfolio Breakdown, i.e., by looking at all loan balances on the CDFI's balance sheet as of the fiscal year end.  The alternative would be to require CDFIs to make a separate determination that 60% of loans originated or funded during the fiscal year were directed towards serving the Target Market; this would require CDFIs to geocode and analyze two different sets of loan reports: (1) a loan report showing year-end balances of all loans for purposes of the Financial Products Portfolio Breakdown and (2) a report of all loans originated during the fiscal year, showing original note amounts rather than year-end balances, for purposes of Question 5a. This latter approach is unnecessarily burdensome. | Burden; Content | The CDFI Fund is engaged in a review of CDFI certification policy in the current fiscal year, and may consider such recommendation. |
| 5/22/17 | Ben Sones; Holly Logue | Members | Financial Institutions Strategies | Part III. Selected Financial Information  We would request a Financial Crosswalk for regulated institutions to report financial information, in order to minimize the burden of the collection of information on respondents. Regulated institutions go to great lengths and expense to report quarterly to their primary federal regulators on the overall financial health of their organizations, and many financial line items requested in the Annual Certification and Data Collection Reporting do not align with the financial reporting items required by banking regulations. | Burden; Content | The CDFI Fund already provides a glossary for all data points in the Selected Financial Information section that was developed in consultation with regulator definitions. |
| 5/22/17 | Ben Sones; Holly Logue | Members | Financial Institutions Strategies | Finally, in your Request for Public Comment, you state that the Annual Certification and Data Collection Reporting involves an "Estimated Annual Time per Respondent" of "8 hours," and you request comment regarding the accuracy of this estimate. We would respectfully submit that this estimate greatly undervalues the time required for each respondent to complete this reporting. Both on the part of the CDFI's staff and any outside consultant the CDFI may retain, a significant amount of time is spent collecting the information, analyzing the loan portfolio, seeking clarification from CDFI Fund staff regarding specific questions contained in the reporting, and finally inputting the information into AMIS. | Burden | The Estimated Annual Time per Respondent represents an average across all types of CDFIs, thus for some CDFIs it may, as identified by the commenter, take longer to complete the Annual Certification Report than some other CDFIs. |
| 5/9/17 | Douglas J Bystry | President/CEO | Clearinghouse CDFI | Several data points in the Annual Certification Report are duplicative to the Annual CIIS Report. Clearinghouse CDFI recommends that the CDFI Fund consolidate data requests or refer to other compliance reporting for same data point. | Burden | The CDFI Fund is engaged in a review of CDFI certification policy in the current fiscal year and will investigate duplicative information across certification and programs, and look for ways for compliance reporting to utilize Annual Certification Report data. |
| 5/9/17 | Douglas J Bystry | President/CEO | Clearinghouse CDFI | Clearinghouse CDFI recommends that CDFI Fund provide an approval notice of recertification after the Annual Certification Report has been reviewed by the CDFI Fund. The intent of the Annual Certification Report is to replace the previously implemented three year term for certification. It continues to be important for CDFIs to receive notification of maintained certification. | Content | The CDFI Fund is engaged in a review of CDFI certification policy in the current fiscal year, and may consider such recommendation. |
| 5/18/17 | Heather Johnson Schmitz | Grant Specialist | Royal Credit Union | Provide an updated AMIS Crosswalk for Credit Union Applicants that includes equivalent  NCUA 5300 information to assist in accurately completing Part III: Selected Financial  Information. | Burden; Content | The CDFI Fund already provides a glossary for all data points in the Selected Financial Information section that was developed in consultation with regulator definitions. |
| 5/18/17 | Heather Johnson Schmitz | Grant Specialist | Royal Credit Union | Provide a link to the Certification Amendment Form and instructions to complete this form.  While a list of triggers that would require an amendment is provided, each of these items will have varying degrees of significance. For example, when a CDFI credit union with an approved LITP Target Market expands its field of membership, it should be a simple matter to notify the CDFI Fund and update its approved LITP target market to include the new counties, which will expand the overall reach and impact of the CDFI. For LITP, the specific geographic unit corresponds to the field of membership counties and individuals whose family income (adjusted for family size) is not more than 80% of the area [county] median family income. This is in contrast to an Investment Area Target Market, where the physical location must meet specific criteria. | Content | The CDFI Fund has already implemented the Annual Certification Report in AMIS in such a way that eliminated the separate Amendment Form, creating a more efficient process. Changes to a CDFI’s approved Target Market must be evaluated against a number of factors, thus a simple notification of geographic expansion is inadequate. |
| 5/22 | Terry Ratigan | Senior CDFI Specialist | National Federation of Community Development Credit Unions | With one exception, the Federation believes the information collected in the Annual Report is necessary for the CDFI Fund to perform its functions and has practical utility. The single exception is the proposed question 5d., “Total Full Time Equivalent (FTE) Turnover,” which would be burdensome for CDFIs to track and calculate, has no bearing on certification eligibility, and has no practical utility for the CDFI Fund, the CDFI industry or the public at large. | Burden | The inclusion of this question was meant to be a measure of organizational stability and capacity. The CDFI Fund is not making substantial changes to the collection at this time.  The CDFI Fund is engaged in a review of CDFI certification policy in the current fiscal year, and is currently considering developing an alternative measure in our forthcoming revised ACR.  This comment will be taken into consideration in developing the revised collection. |
| 5/22 | Terry Ratigan | Senior CDFI Specialist | National Federation of Community Development Credit Unions | The Federation recommends that the CDFI Fund make a modest investment to develop a classification tool, freely available to all CDFIs, based on the statistical model already approved and in use by the National Credit Union Administration (NCUA) for analysis of Low Income eligibility for all federally-chartered credit unions and also for streamlined CDFI certification applications. | Burden | The CDFI Fund is engaged in a review of CDFI certification policy in the current fiscal year, and may consider such recommendation. |
| 5/22 | Terry Ratigan | Senior CDFI Specialist | National Federation of Community Development Credit Unions | Financial data collected from regulated CDFIs should adhere to the structure and definitions used by federal regulators. | Burden | The CDFI Fund already provides a glossary for all data points in the Selected Financial Information section that was developed in consultation with regulator definitions. |
| 5/22 | Terry Ratigan | Senior CDFI Specialist | National Federation of Community Development Credit Unions | Annual reports should pre-populate financial data for all regulated CDFIs by linking directly to the call report data that is publicly available in batch files for all banks and credit unions on regulatory agency websites. | Burden | The CDFI Fund is engaged in a review of CDFI certification policy in the current fiscal year, and may consider such recommendation. |

1. The hourly rate is based on the national estimate for the median hourly wage for Financial Managers according the Bureau of Labor Statistics (*https://www.bls.gov/oes/current/oes113031.htm*) [↑](#footnote-ref-1)