

Supporting Statement
National Credit Union Administration

Community Development Revolving Loan Fund – Loan and Grant Programs
12 CFR Part 705
OMB No. 3133-0138

A. JUSTIFICATION

1. Circumstances that make the collection of information necessary

NCUA's Community Development Revolving Loan Fund (CDRLF or Fund) was established by Congress (Pub. L. 96-123, November 20, 1979) to stimulate economic development in low-income communities. Part 705 was adopted by the Board under section 130 of the Federal Credit Union Act (12 U.S.C. 1772c-1), which implements the Community Development Credit Union Revolving Loan Fund Transfer Act (Pub. L. 99-609, 100 Stat.3475 (Nov. 6. 1986)).

The Fund is used to support credit unions that serve low-income communities by providing loans and technical assistance grants to qualifying institutions. The programs are designed to increase income, ownership, and employment opportunities for low-income residents, and to stimulate economic growth. In addition, the programs provide assistance to improve the quality of services to the community and formulate more effective and efficient operations of credit unions.

2. Purpose and use of the information collection

CDRLF loan and technical assistance grant opportunities are available to eligible designated low-income credit unions. A Notice of Funding Opportunity is published in the *Federal Register* identifying the period in which funds are available. It also announces special initiatives, the amount of funds available, funding priorities, permissible uses of funds, funding limits, deadlines, and other pertinent details. The Notice of Funding Opportunity advises potential applicants on how to obtain an application and related materials. Through a competitive application process, NCUA's Office of Credit Union Resources and Expansion will determine credit unions' eligibility and administer the funds.

Additional reporting requirements are required of awardees, such as a promissory note and a loan agreement (loans) and extension document and additional documents based on grant initiative (grants).

The documents are used to evaluate and administer applications for financial assistance from the CDRLF and to monitor the use of funds and monitor the effectiveness of funds utilized by participating credit unions

The Fund supports the efforts of participating credit unions by providing basic financial and related services to members and the communities that they serve; stimulating economic activities in the communities they serve which will result in increased income, ownership and employment opportunities for low-income residents, and other community growth efforts.

3. Use of information technology

NCUA administers both the loan and technical assistance program with a fully-automated online system (from CyberGrants) to increase internal and external efficiencies. Applicants will be required to submit the information using the online system and NCUA uses the same system to evaluate and manage applications.

4. Efforts to identify duplication

The information collection consists of legal documents necessary to support NCUA's administration of the CDRLF and the information the rule calls for is unique to each credit union loan transaction and grant application. There is no duplication with any other required submission or recordkeeping. The information requested in the application is not available from other sources.

5. Minimizing the burden on small entities

The use of CyberGrants online portal for the application process was deployed in 2012 and provided burden relief to low-income designated credit unions by streamlining all forms, processes, and guidelines.

6. Consequence of not conducting collection

Loans – The information collected is necessary to support the legal requirements and obligations associated with administering a loan program in which funds are lent with an expectation of repayment. In accordance with its statutory mandate, the CDRLF is a revolving fund; money lent to one credit union is returned and re-lent to others. Failure to require these collections could result in funds being distributed to applicants that are financially unable to repay the loan or used for purposes inconsistent with the purpose and objectives of the statute and its regulation.

Technical Assistance – The information collected is used to assess financial viability and suitability to receive funding under the program guidelines. Without the information, there would be no basis upon which to award grant funding. The information is requested only once and could not be collected less frequently.

7. Inconsistencies with Guidelines in 5 CFR 1320.5(d)(2)

No special circumstances exist that would cause this collection to be conducted in a manner inconsistent with OMB guidelines.

8. Consultations with persons outside the Agency

The Technical Assistance Application process is discussed at regional conferences, credit union meetings, league conferences, and other federal agency conferences on an ongoing basis. The credit union community provides feedback on the application process at these forums. In addition, a 60-day notice was published in the *Federal Register* on December 7, 2017, at 82 FR 57786 soliciting comments from the public on the renewal of this information collection. No comments were received in response to this notice.

9. Payments or gifts to respondents

NCUA will not make any payment, gift or remuneration to anyone in connection with this collection of information.

10. Assurance of confidentiality

There is no assurance of confidentiality other than those provided by law.

11. Information of a sensitive nature

No questions of a sensitive nature are asked. The information collection does not collect any Personally Identifiable Information (PII).

12. Estimate of annual burden

Grants: Of the 450 grant applications, NCUA estimates 300 reimbursement requests, and 30 irregular extension and/or re-allocation requests annually. Additionally, a justification from those applicants requesting emergency consideration is required. Burden associated with the disclosure of a credit unions progress of grant initiative and services provided to members from loan funds under the CDRLF are provided to members (§705.9(b)(2)(ii)) at their annual meeting as prescribed by Article IV, Section 4(c) of Appendix A to part 701.

Loans: NCUA estimates four loan applications per year. The approved applications requires additional documentation such as the loan agreement, promissory note etc. It also calls for a report describing the use of loan proceeds, the impact of any new programs supported or funded by loan proceeds, and any obstacles encountered affecting the credit union's ability to accomplish the objectives identified in its loan application. This reporting must be provided to NCUA once a year. Additional justification is also needed from those applicants requesting emergency consideration.

Based on the previous application cycle, adjustments have been made to NCUA estimates to reflect current information collection activity as follows:

	CFR Citation	Collection Activity	# Respondents	# Responses per Respondent	Total Annual Responses	Hours per Response	Total Annual Burden
GRANTS	705.7(b)	Grant Application Requirements	450	1	450	0.5	225
	705.7(g)(2)	Reimbursement Requests	300	1	300	2	600
	705.8	Urgency - Additional reporting if deemed an emergency.	5	1	5	0.25	1.25
	705.9(a)	Irregular extensions and/or re-allocation requests	30	1	30	1	30
	Totals GRANTS		450	1.74	785	1.09	856.25
LOANS	705.7(b)(2)	Loan Application Requirements	4	1	4	1	4
	705.7(b)(3)	Additional documentation for Non-federally insured state-chartered CU	1	1	1	0.5	0.5
	705.7(g)(1)	Loan agreement, promissory note, and any other loan related documents.	4	1	4	2	8
	705.8	Urgency - Additional reporting if deemed an emergency.	1	1	1	1	1
	705.9(b)(1)	Reporting of Use of Loan – [New money]	4	1	4	0.5	2
	Totals LOANS		4	3.5	14	1.11	15.5
TOTAL			454		799		871.75

The hourly wage rate is estimated to be \$35 per respondent; total cost \$30,511.25.

13. Capital start-up or operations and maintenance costs

There are no capital start-up or maintenance costs.

14. Estimated annualized cost to the Federal Government

NCUA currently staffs and administers the CDRLF programs through the Office of Credit Union Resources and Expansion (CURE).

Review, Analysis, Reporting	Professional Staff hours	\$75 per hr	Support Staff	\$45 per hr	Total
Cyber Grants – Grants	100	\$7,500	400	\$18,000	\$25,500
Reimbursement Requests	432	\$32,400	864	\$38,880	\$71,280
Extensions/Reallocation	22	\$1,650	75	\$3,375	\$5,025
Cyber Grants – Loans	200	\$15,000	300	\$13,500	\$28,500
Loans Documents	45	\$3,375	75	\$3,375	\$6,750
Use of Loan Report	56	\$4,200	100	\$4,500	\$8,700
Federal Labor Cost					\$145,755
Annual maintenance and licensing of Cyber Grant system					\$35,912
Total Cost to the Federal Government					\$181,667

15. Reason for change in burden

This is a revision of currently approved collection. A reduction of 1 hour is attributed to a program change due to the recent consolidation of NCUA informal appeals process under 12 CFR Part 746, subpart B. Additionally, adjustments are being made to reflect current application activity under the Fund programs and to include information collection activities that had not been accounted for in the past. Total burden hours requested is 872.

16. Plans for publication

This information is not used for statistical purposes. NCUA only publishes summary information about its CDRLF loan and grant program on its website, including the identity and initial loan and grant amounts approved for various credit union borrowers.

17. Non-display of the expiration date of the OMB control number

The display of the expiration date on the electronic version of the form would cause design and IT project scheduling concerns. Non-display is requested.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

This collection complies with the requirements in 5 CFR 1320.9.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection does not involve statistical methods.