# A. Justification

1. Circumstances necessitating collection of information

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

2. Method of collection and use of data

The data collected via this form will be collected by voluntary submission by organizations seeking initial certification as a CDFI. Subsequent to initial certification, CDFIs will be evaluated annually, through the Annual Certification and Data Collection Report (ACR). Maintenance of certification may be required, and the use of the form may be required, where the CDFI has an active Assistance Agreement with the CDFI Fund, in which continuous certification is a requirement attached to the financial assistance program.

3. Use of Information Technology

Applications are available on the CDFI Fund’s website. The CDFI Fund will require that applicants submit certification applications electronically.

4. Efforts to identify duplication

The certification application does not duplicate any other CDFI Fund or Federal program information-gathering tool.

5. Impact on small entities

This collection of information does not have a significant impact on small entities.

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

The CDFI Fund is statutorily required to have an application process for certification of CDFIs.

Since CDFI certification is a prerequisite for receiving funding from the CDFI Fund, the certification application is a critical part of the CDFI Fund’s operations. Moreover, once certified, an entity’s certification remains intact, provided the entity continues to meet the certification requirements.

7. Circumstances requiring special information collection

Not applicable.

8. Solicitation of comments on information collection

Comments on the certification application were solicited via notice in the *Federal Register* on September 5, 2018 (83 FR 45186). The CDFI Fund received one comment letter. The majority of comments align with the current application collection. The CDFI Fund determined not to make any changes to this information collection at this time. At this time, policy matters or proposed changes to the application have been taken under advisement. A detailed break-down of the comments and CDFI Fund responses to all of the comment letters can be found in Appendix I, Responses to Public Comments.

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 confidentiality of information provided by CDFI Certification applicants. No other assurances of confidentiality have been provided.

11. Justification of sensitive questions.

No personally identifiable information (PII) is collected.

12. Estimate of the hour burden of information collection.

The burden for this information collection is broken-down into categories of affected public with the total estimated burden of 11,250 hours. The same application (collection instrument) is used by both categories. There is a substantial increase in the number of respondents in this request from the previous request due to the implementation of the electronic based application. The CDFI Fund expects that this will cause an increase in the number of applicants.

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| --- | --- | --- | --- | --- | --- |
| Affected Pubic | # Respondents | # Responses Per Respondent | Annual Responses | Hours Per Response | Total Hours |
| Private Sector | 290 | 1 | 290 | 37.5 | 10,875 |
| State, Local, & Tribal | 10 | 1 | 10 | 37.5 | 375 |
| Totals | 300 | 1 | 300 | 37.5 | 11,250 |

13. Estimate of total annual cost burden to respondents

There are no cost burdens to respondents to this collection of data. 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.

15. Any program changes or adjustments

The CDFI Fund has not made any changes to the certification application. The adjustment in agency estimate is due to a substantial increase in the aggregate number of respondents from 175 to 300. This is based on the implementation of the electronic application. The CDFI Fund expects to receive more submissions. Total burden hours requested is 11,250.

16. Plans for information tabulation and publication

Confidential or proprietary information collected through the CDFI Certification Application will not be published.

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.

**Appendix 1: Adjudication Table**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Date Received** | **Author Name** | **Organization** | **Section/Question** | **Comment** | **Category** | **Recommendation** | **Response** |
| 11/5/2018 | Manjima Bose | Fund Consulting, LLC | (d) The accuracy of the CDFI Fund’s estimate of the burden of the collection of information  (Estimated Annual Time per Respondent: 37.5 hours) | "FUND Consulting’s estimate of the burden of the collection of information is slightly above the  CDFI Fund’s estimate of 37.5 hours. FUND Consulting estimates it takes an applicant  organization approximately 40-45 hours to complete and submit a certification application,  including gathering the information needed to respond to the Application questions, workbook, and attachments request. This time includes geocoding and otherwise analyzing an organization’s lending data and using the CIMS3 mapping system to identify qualified Target Markets and create associated maps—due to technical issues that often arise in the mapping system, the time needed to complete these steps can vary widely. This estimation also includes conducting research on the economic distress and the need for financing in the identified Target  Market(s) and gathering the appropriate attachments requested with the application. Finally, troubleshooting issues within MyCDFI and AMIS in order to submit a completed application can add to an applicants’ time burden." | Burden | No Action Required | The CDFI Fund intends to move forward with this enhancement aimed at reducing an Applicant's burden. |
| 11/5/2018 | Manjima Bose | Fund Consulting, LLC | (b) Ways to enhance the quality, utility, and clarity of the information to be collected | FUND Consulting welcomes the amendments to the Certification Application. The addition of the Financing Entity requirement. Similarly, the opportunity to justify the lack of Development Services offerings in the current year or during the reporting fiscal year end will allow organizations whose activities are irregularly timed to demonstrate their fulfillment of the Development Services  requirement. | Burden | No Action Required | The CDFI Fund intends to move forward with this enhancement aimed at reducing an Applicant's burden by adding clarity. |
| 11/5/2018 | Manjima Bose | Fund Consulting, LLC | (C ) Whether the collection of information is necessary for the proper evaluation of the  effectiveness and impact of the CDFI Fund’s programs, including whether the information | FUND Consulting sees the value in the CDFI Fund collecting the information requested in the  Certification Application to determine if an organization meets the CDFI Fund’s criteria for achieving certification, and corresponding eligibility to access capital through the CDFI Fund’s various programs. By collecting information on an organization’s legal status, primary mission, financials, historic and current lending/investment products and activities, Target Market served and accountability to the Target Market, development services offered, and status as a nongovernment entity, the CDFI Fund ensures its resources are directed to organizations in line with the CDFI Fund’s mission and vision. The amendments to the Certification application reflect an improvement on this front, in that the addition of FE05 and DS05 each improve the ability of the CDFI Fund to evaluate organizations’ fulfillment of the CDFI Certification criteria. Similarly, the elimination of AC03 and AC04, which did no longer hold practical utility in the CDFI Fund’s evaluation of applicants, represents an improvement. | Burden | No Action Required | The CDFI Fund intends to move forward with this enhancement aimed at reducing an Applicant's burden. |
| 11/5/2018 | Manjima Bose | Fund Consulting, LLC | (d) The accuracy of the CDFI Fund’s estimate of the burden of the collection of information  (Estimated Annual Time per Respondent: 37.5 hours) | FUND Consulting’s estimate of the burden of the collection of information is slightly above the CDFI Fund’s estimate of 37.5 hours. FUND Consulting estimates it takes an applicant organization approximately 40-45 hours to complete and submit a certification application, including gathering the information needed to respond to the Application questions, workbook, and attachments request. This time includes geocoding and otherwise analyzing an organization’s lending data and using the CIMS3 mapping system to identify qualified Target Markets and create associated maps—due to technical issues that often arise in the mapping system, the time needed to complete these steps can vary widely. This estimation also includes conducting research on the economic distress and the need for financing in the identified Target Market(s) and gathering the appropriate attachments requested with the application. Finally, troubleshooting issues within MyCDFI and AMIS in order to submit a completed application can add to an applicants’ time burden. | Burden | No Action Required | The CDFI Fund works with a variety of organizations where the time to complete the application will vary based on resources, staff capacity, technology, etc. The CDFI Fund has provided an estimate based on these factors. |
| 11/5/2018 | Manjima Bose | Fund Consulting, LLC | (e) Ways to minimize the burden of the collection of information including through the use  of technology | FUND Consulting appreciates that Certification applications will now be submitted through AMIS, rather than through the legacy MyCDFI Fund system. In addition to the increased ease of use AMIS offers applicants over MyCDFI Fund, FUND Consulting is hopeful that this change will result in a lower time burden for applicants, as establishing the necessary access within the legacy system, and troubleshooting technical issues that arose within it, sometimes introduced considerable delays to the submission process. Additionally, FUND Consulting is hopeful that the transition to AMIS submission will allow applicants continued access to the documents attached to the Certification application after their upload, and to monitor the status of their Certification applications once submitted. | Burden | No Action Required | The CDFI Fund has moved forward with this enhancement aimed at reducing an Applicant's burden. |