August 5, 2020

Supporting Statement for

Paperwork Reduction Act Submissions

**OMB Control Number: 1660 - 0083**

**Title: Community Disaster Loan (CDL) Program**

**Form Number(s): FEMA Form 090-0-4**, (Letter of Application**)**

**FEMA Form 090-0-1**, (Certification of Eligibility for Community Disaster Loans)

**FEMA Form 116–0-1,** (Promissory Note)

**FEMA Form 112-0-3C,** (Certifications Regarding Lobbying; Debarment, Suspension and Other Responsibility Matters; And Drug-Free Workplace Requirements)

**FEMA Form 085-0-1,** (Local Government Resolution - Collateral Security)

**FEMA Form 009-0-15,** (Application for Loan Cancellation)

**Standard Form 1199A,** (Direct Deposit Sign Up Form)

# 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, Pub. L. 93-288, as amended, 42 U.S.C. §§ 5121-5207 (the “Stafford Act”). The Stafford Act provides policies and procedures for local governments and State and Federal officials concerning the CDL program. Federal Emergency Management Agency (FEMA) regulation at 44 CFR, Part 206, Subpart K, implements the statute. The Assistant Administrator may approve a CDL to any local government which has suffered a substantial loss of tax or other revenues as a result of a major disaster or emergency and which demonstrates a need for Federal financial assistance in order to perform its 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 application and cancellation procedures as outlined in 44 CFR §206.360 through §206.367.

**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.**

The Assistant Administrator of the Recovery Directorate may approve a Community Disaster Loan (CDL)to any local government which has suffered a substantial loss of tax and other revenues as a result of a major disaster or emergency and has shown a demonstrated need for financial assistance in order to perform its governmental function. Local governments may indicate interest in acquiring a CDL by contacting their Governor’s Authorized Representative (GAR). The GAR submits a letter to FEMA requesting the CDL Program for their State and specific disaster declaration(s).

FEMA works directly with each applicant during the evaluation process to ensure the regulatory compliance requirements are met and assists them in completing a loan package. Along with the completed forms, the applicant submits a Letter of Application developed by FEMA during the evaluation process indicating their request for assistance in the amount determined by the FEMA evaluator.

 **FEMA Form 090-0-4**, (Letter of Application**)** – FEMA develops and submits a local government letter through the GAR if it determines that the local government has a need for financial assistance in order to perform its governmental functions. The letter is prepared by the FEMA analyst upon completion of the evaluation and provided to the applicant to print on their letterhead. This letter accompanies the loan application packet submitted to the State, then FEMA Region and ultimately FEMA Headquarters. We estimate gathering of information by the analyst plus applicant printing of letter on their letterhead should take no more than 1 hour.

The CDL Application Package for the Program includes the following forms completed by the applicant:

**FEMA Form 090-0-1**, (Certification of Eligibility for Community Disaster Loans) - This form is used to certify the eligibility of a governmental organization to receive funds from a CDL. We estimate this form should take no longer than 2.5 hours.

**FEMA Form 116–0-1,** (Promissory Note) - This form is used to document the terms, conditions, amount and interest associated with a CDL. We estimate this form should take no longer than 4 hours.

**FEMA Form 112-0-3C,** (Certifications Regarding Lobbying; Debarment, Suspension and Other Responsibility Matters; And Drug-Free Workplace Requirements) – This form is used to certify compliance with important Federal requirements and lists applicant’s places of performance. We estimate this form should take no longer than 26 minutes, (.4333 hours).

**FEMA Form 085-0-1,** (Local Government Resolution - Collateral Security) - This form is used to pledge collateral security to FEMA on the Promissory Note for a CDL. Collateral security is required if the State is prohibited from co-signing the promissory note. We estimate this form should take no longer than 10 hours.

**Standard Form 1199A,** (Direct Deposit Sign Up Form) –provided by Health and Human Services on their website: [1199A Direct Deposit Form](http://www.dpm.psc.gov/grant_recipient/grantee_forms.aspx?explorer.event=true) (<https://www.gsa.gov/forms-library/direct-deposit-sign-form>) – is used to establish the account at a financial institution to which CDL funds will be transferred. The CDL program office collects this form which FEMA Finance uses to create direct deposit accounts for eligible applicants to receive loan funds. The burden for this form is not calculated in this collection activity, however is captured by the U.S. Department of Treasury under OMB Control# 1510-0007.

**Payment Management System (PMS) Access Request** – provided by Health and Human Services on their website: [PMS](http://www.dpm.psc.gov/grant_recipient/grantee_forms.aspx?explorer.event=true) System Access Form (<https://pms.psc.gov/>). This form is filled out by the applicant to establish User Access to a Payment Management System Account through which applicants will be able to draw loan funds as necessary. We estimate that gathering information and filling this form should not take more than one half hour.

**FEMA Form 009-0-15, (Application for Loan Cancelation)** - FEMA will utilize information from FEMA Form 009-0-15 to determine if the financial conditions meet cancellation criteria requirements.

FEMA works directly with each applicant during an evaluation process to ensure the regulatory compliance requirements are met. Then FEMA assists the applicant in completing the entire application.

**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 electronic versions of the forms are available to fill out, a hard copy must be printed, signed and submitted. There are several reasons for this, including the requirement to be able to see applicant seal on certification portions of two forms in the collection. Many times these seals are engraved and thus not visible on a scan. Another reason is some applicants lack the proper software to electronically sign. It is common for us to have to provide the applicant with the forms through third parties because they cannot open Adobe files. Digitally signing for them adds another level they would not be able to meet. Office of Chief Counsel has instructed Program to continue with hard copies and only allow PIV-card signatures from FEMA Regional Office and FEMA Headquarters during COVID-19 response. Once FEMA receives the information, the information is scanned and stored electronically on a FEMA server. FEMA stores 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. However, this information is never made available over the World Wide Web. Original hard copies are then placed in shredding bins to be discarded.

In order to provide faster service to applicants in terms of filling out the collection instrument, electronic versions of the forms are provided to each applicant by FEMA representatives. These electronic versions are stored internally for DHS at <http://on.fema.net/employee_tools/forms/Pages/fema_forms.aspx> and may not be downloaded by the applicants.

**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 and FEMA regulations at 44 CFR, Part 206, Subpart K. Furthermore, collecting this information is vital for affected communities with open presidential disaster declarations, to establish their eligibility for CDL loans and keep essential government services open and available to these communities.

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

1. **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.**

1. **Requiring respondents to submit more than an original and two**

**copies of any document.**

1. **Requiring respondents to retain records, other than health,**

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

1. **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 April 24, 2019, 84 FR 17183]. **One (1) comment related to (state topic of comments) was received].**

The comment was posted on June 25, 2019 on the following FEMA docket id,FEMA-2019-0010. The comment stated the following:

Loans following disasters are an important part of recovery. The Community Disaster Loan program CDL is part of the available loan programs. Congress and FEMA should ensure that adequate loan programs are available, at reasonable costs, for municipal, county and states which have needs for loans after disasters. This should include availability of large loan amounts for states such as Washington, Oregon or California, or any of their local governments following a major earthquake, such as the Haywired Scenario earthquake, an earthquake on the Hayward Fault. This could require loans of $50-100 billion for recovery following a major earthquake, for cities including Oakland, San Francisco, Portland, Seattle or their respective states.

The program responded to the comment with the following:

Under section 417 of the Stafford Act, Congress authorized FEMA to provide a local government with a Community Disaster Loan up to $5 million.  The CDL Program provides operational funding to help local governments that have incurred a significant loss in revenue, due to a major disaster, that has or will adversely affect their ability to provide essential municipal services. Congress has the authority to stand the Special CDL Program for special circumstances when $5 million loans are not enough to keep local governments operational during the three years after a major disaster.

A 30-day Federal Register Notice inviting public comments was published on August 28, 2019, 84 FR 45162. **No comments were received.**

 **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.**

FEMA confers with the GAR and other State Representatives. There have been no complaints with the process or the forms required to implement it. Each GAR and State Representative was satisfied with the process and results. During the provision of loans after Hurricane Katrina and subsequent disasters, FEMA has worked with thirteen (13) GARs to utilize these forms in order to administer over 270 loans providing over $1.5 billion in loans.

 **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 each of the three loan phases: loan application, maintenance (where we conduct annual reviews), and the cancellation meetings (which are 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 CDL 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 approved on October 10, 2017. A Privacy Impact Assessment (PIA), for this collection was determined to be needed.

This collection is covered by an existing PIA, DHS/FEMA 013 – Grant Management Programs, approved by DHS on July 14, 2009. SORN coverage is not required as the records are not retrieved by a personal identifier.

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 sensitive nature related to this Program or collection.

 **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 50 based upon a likely average loan amount below $2 million and a ceiling authority of $5 million. Applicants must only respond one time. Burden hours were estimated based upon historical experience dating back a decade or more as well as recent experience implementing the program.

It is anticipated that 50 respondents will submit a Local government letter (**Letter of Application**) through the GAR. Each respondent will only complete the request once and each response will require 1.0 hour of burden time to complete the letter and acquire the appropriate signatures. The total annual hour burden is 50 x 1.0 hours = 50.0 annual hours.

It is anticipated that 50 respondents will complete **FEMA Form 090-0-1**, Certification of Eligibility for Community Disaster Loans. Each respondent will only complete the form once and each response will require 2.5 hours (150 minutes) of burden time to complete the form and acquire the appropriate signatures. The total annual hour burden is 50 x 2.5 hours = 125 annual hours.

It is anticipated that 50 respondents will complete **FEMA Form 116–0-1**, Promissory Note. Each respondent will only complete the form once and each response will require 4.0 hours (240 minutes) of burden time to complete the form and acquire the appropriate signatures. The total annual hour burden is 50 x 4.0 hours = 200 annual hours.

It is anticipated that 50 respondents will complete **FEMA Form 085-0-1,** Local Government Resolution - Collateral Security. Each respondent will only complete the form once and each response will require 10.0 hours (600 minutes) of burden time to complete the form and acquire the appropriate signatures. The total annual hour burden is 50 x 10.0 hours = 500 annual hours.

It is anticipated that 50 respondents will complete **FEMA Form 112-0-3C,** Certifications Regarding Lobbying; Debarment, Suspension and Other Responsibility Matters; And Drug-Free Workplace Requirements. Each respondent will only complete the form once and each response will require 0.4333 hours (26 minutes) of burden time to complete the form and acquire the appropriate signatures. The total annual hour burden is 50 x 0.4333 hours = 21.665 annual hours.

 It is anticipated that 110 respondents will complete **FEMA Form 090-0-15**, Application for Loan Cancellation, based upon the current number of loans eligible for cancellation between now and 2021. 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 110 x 1 hour = 110 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 Respon-dents** | **No. of Respon-ses per Respon-dent** | **Total No. of Responses** | **Avg. Burden per Response (in hours)** | **Total Annual Burden (in hours)** | **Median Hourly Wage Rate** | **Total Annual Respondent Cost** |
| State, Local or Tribal Government | FEMA Form 090-0-4Letter of Application | 50 | 1 | 50 | 1 hour | 50 | $53.58 | $2,679 |
| State, Local or Tribal Government | Certification Of Eligibility For Community Disaster Loans / FEMA Form 090-0-1 | 50 | 1 | 50 | 2.5 hours | 125 | $53.58 | $6,698  |
| (150 mins.) |
| State, Local or Tribal Government | Promissory Note / FEMA Form 116–0-1 | 50 | 1 | 50 | 4 hours | 200 |  $53.58 | $10,716  |
|  |
| State, Local or Tribal Government | Local Government Resolution - Collateral Security / FEMA Form 085-0-1 | 50 | 1 | 50 | 10 hours | 500 |  $53.58 | $26,790  |
| (600 mins.) |
| State, Local or Tribal Government | Certifications Regarding Lobbying; Debarment, Suspension and Other Responsibility Matters; And Drug-Free Workplace Requirements / FEMA Form 112-0-3C | 50 | 1 | 50 | 0.4333 hours | 21.665 | $53.58 | $1,160.81 |
| (26 minutes) |
| State, Local or Tribal Government | Application for Loan Cancellation / FEMA Form 009-0-15 | 110 | 1 | 110 | 1 hour | 110 | $53.58 | $5,893.8 |
| **Total** |   | **360** |   | **360** |   | **1,006.67** |   | **$53,937.11** |

Note: The “Avg. Hourly Wage Rate” for each respondent includes a 1.46 multiplier to reflect a fully-loaded wage rate.

“Type of Respondent” should be entered exactly as chosen in Question 3 of the OMB Form 83-I

**Instruction for Wage-rate category multiplier: Take each non-loaded “Avg. Hourly Wage Rate” from the BLS website table and multiply that number by 1.46. For example, a non-loaded BLS table wage rate of $42.51 would be multiplied by 1.4, and the entry for the “Avg. Hourly Wage Rate” would be $59.51.**

According to the U.S. Department of Labor, Bureau of Labor Statistics website ([www.bls.gov](http://www.bls.gov)) the wage rate category for local government management occupation is estimated to be $53.58 ($36.70[[1]](#footnote-1) x 1.46) per hour including the 1.46 wage rate multiplier, therefore, the estimated burden hour cost to respondents’ local government financial management occupation is estimated to be $53,937.11 annually.

Note: 1.46 percent was added to account for benefits paid by the employer; the total average burden hour cost to respondents is $53.58.

**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.)**

**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.**

****\* Note: The “Salary Rate” includes a 1.46 multiplier to reflect a fully-loaded wage rate.

Estimated annual cost to the Federal government totals $1,022,264.28 allocated between FEMA staff spending approximately 17% of their time involved in collection-related activities for ($89,703 x 17% x 1.46 = $22,264.28) and contractor expenses ($1,000,000 at $20,000 per week). Contract funding comes from a congressional appropriation which has averaged $1,000,000 to administer 50 loans. FEMA staff oversight of contractor activities is directly related to the collection and included in the estimated cost to the Federal Government. The assumption being 50 loans, 25 weeks’ worth of work, and one (1) loan completed by a single contractor per week and one (1) FEMA staff member overseeing operations per week. In total, it will take 25 weeks’ worth of contractors to complete with FEMA oversight lasting approximately 5 weeks.

 **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 an 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.*

*****Explain:***

Merging two collections resulting in increased burden of hours/cost by $5,893.80 (110 x 53.58) to include FF 009-0-15. By merging the two collections, OMB Control Number 1660-0082 will be discontinued.

Change in median hourly wage rate to reflect 2018.

Eliminating form FEMA Form 090-0-4, Application for Federal Assistance (Application for Community Disaster Loan)” Replaced with application letter.

Eliminating forms 116-0-1A, 116-0-1B, 116-0-1C as they’re no longer used.

Admin cost to government change new GS level.

Change of time spent reviewing and processing data to 17% for integration of cancellation form.

**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.

1. May 2017 National Occupational Employment and Wage Rates, National File (xls), local government management occupation, (OCC Code: 13-0000), Mean Hourly Wage of $36.70. Accessed and downloaded February 15, 2019. <https://www.bls.gov/oes/current/oes130000.htm> [↑](#footnote-ref-1)