

**DEPARTMENT OF THE TREASURY**

**WASHINGTON, D.C. 20220**

**Supporting Statement**

**CDFI Program and NACA Program Application**

**OMB Control Number 1559-0021**

A. Justification

1. Circumstances necessitating collection of information

Pursuant to the Riegle Community Development Banking and Financial Institutions Act of 1994, as amended (the Act, 12 USC 4701 et seq.), the Community Development Financial Institutions (CDFI) Program provides financial and technical assistance to selected applicants and Community Development Financial Institutions (CDFIs) in order to enhance their ability to make loans and investments and provide services for the benefit of designated Investment Areas and Targeted Populations.

The application questions for the CDFI Fund’s Financial Assistance (FA) and Technical Assistance (TA) programs have been modified to reflect public comments received through the request for public comment as required the Paperwork Reduction Act (PRA). The revised FA application includes the Base-FA application as well as the following applications for awards that are provided as supplemental to the Base-FA award: Persistent Poverty County Financial Assistance (PPC-FA), Healthy Food Financing Initiative-Financial Assistance (HFFI-FA), and Disability Funds-Financial Assistance (DF-FA). The supplemental applications are only completed if the applicant is requesting those specific funds.

In response to the request for public comment, the CDFI Fund received a total of 100 comments from 13 organizations during the 60-day comment period. Modifications reflect appropriate changes to the application based upon the CDFI Fund’s review and adjudication of the public comments. Most changes were made to provide more clarity to intended users. The information collected will be used to select awardees, based on a merit-based selection process. The requested information is required by the CDFI Program regulations (12 CFR Part 1805) and respective Notice of Funds Availabilities.

1. Method of collection and use of data

The CDFI Fund will collect data once per funding round by means of an online application. Applicants must complete and upload all application materials, except the Standard Form 424 (SF-424), through a CDFI Fund-managed web-based application portal. The SF-424 will be submitted through Grants.gov. The CDFI Fund uses the data collected to select eligible applicants that are the most highly qualified and to determine the applicable award amounts.

1. Use of Information Technology

Only electronic applications are accepted unless the applicant receives advance written permission from the CDFI Fund to submit in other formats. All application materials must be submitted in the CDFI Fund-managed web-based portal except for the SF-424 which will be submitted in Grants.gov.

1. Efforts to identify duplication

The CDFI Program application does not request information that is publically available from other Federal agencies other than financial information from insured depository institutions and insured credit unions for their historic and projected financials for evaluation of their applications that is not otherwise available.

1. Impact on small entities

This collection of information is not expected to have significant impact on small entities. Small not-for-profit enterpises may be involved in these efforts; however, the CDFI Fund will minimize the burden on them of information collections approved under this clearance by asking for readily available information, and using short, easy-to-complete information collection instruments.

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

The CDFI Fund cannot meet its statutory requirement to make funding decisions based on data received from applicants without the application form. Elements specified in the Act and the CDFI Program regulations limit the extent to which the burden can be reduced.

1. Circumstances requiring special information collection

The CDFI Fund requires Certified CDFI applicants to submit information on their respective Eligible Market and/or Target Market as part of the CDFI Certification process. This data, along with American Community Survey (ACS) census data, is leveraged and used as part of the CDFI & NACA program application evaluation processes

1. Solicitation of comments on information collection

Comments on the CDFI and NACA Program application were solicited in the Federal Register on March 12, 2019 (84 FR 48). The CDFI Fund received 100 public comments in response to this request. Comments generally fell into three classifications: (a) general clarifications, questions, and concerns (b) concerns related to the burden on applicants to provide data requested related to Title VI requirements, and (c) recommendations for improving the data entry process into the CDFI Fund managed web-based application system, Awards Management Information System (AMIS).

Of the 100 comments, 39 were related specifically to the CDFI and NACA Program application and 61 were primarily related to four categories outside of the scope of the PRA: policy decisions (23), reporting (12), post award guidance (10), and customer service (9). All comments outside of the scope of the PRA approval will be considered by the CDFI Fund, but are not relevant to this information collection.

Of the 39 comments that were directly related to the CDFI and NACA Program application, 23 comments were related to Title VI questions and 6 comments were related to character count. All Title VI questions were removed from the application/information collection, as a result of the public comments received. After reviewing the comments on the charter count, the CDFI Fund decided not to make any changes in order to avoid furthering increasing burden. Please see Appendix A for all of the specific comments and CDFI and NACA Program team responses.

1. Provision of payment to respondents

No payments or gifts will be made to respondents.

1. Assurance of confidentiality

The CDFI Fund is subject to all applicable Federal laws and regulations with respect to confidentiality of information supplied in the CDFI and NACA Program application process. No other assurances of confidentiality have been provided.

1. Justification of sensitive questions.

No personally identifiable information (PII) is collected.

1. Estimate of the hour burden of information collection.

The estimated total number of burden hours for the fiscal year (FY) 2020 TA, FA and supplemental applications is 48,450 hours and estimate of annualized cost to respondents is a total of $2.3 million. The hour burden estimate is based on the following: (i) the number of TA applications, Base-FA applications, and Base-FA supplemental applications (PPC-FA, HFFI-FA and DF-FA) received during the FY 2019 funding round; (ii) estimate of hours per annual application based on the CDFI Fund’s internal User Acceptance Testing process; and (iii) estimate of cost per hour to respondents based on Bureau of Labor Statistics data for financial activities at total compensation of $47.60 an hour for June 2019.:

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| --- | --- | --- | --- | --- | --- | --- |
| **Application/ Type of Collection** | **Number of Applicants (Rounded based on FY 2019 Demand)** | **[[1]](#footnote-1)Hours per Annual Application** | **Total Hours per Application** | **Cost per Hour (Time Value)** )[[2]](#footnote-2) | **Total Cost for all Applications** | **Cost per Application** |
| **Base-FA Applications** | 450 | 95 | 42,750 | $ 47.60 | $ 2,034,900 | $ 4,522 |
| **PPC-FA Supplemental Applications** | 200 | 0.5 | 100 | $ 47.60 | $ 4,760 | $ 24 |
| **HFFI-FA Supplemental Applications** | 35 | 10 | 350 | $ 47.60 | $16,660 | $ 476 |
| **DF-FA Supplemental Applications** | 25 | 10 | 250 | $ 47.60 | $ 11,900 | $ 476 |
| **Total all Base-FA + Supplemental Applications** | 710 | N/A | 43,450 |  | $ 2,068,220 | N/A |
| **Total all TA Applications** | 100 | 50 | 5,000 | $ 47.60 | $ 238,000 | $ 2,380 |
| **Total all TA, FA and Supplemental Applications** | **810** | **N/A** | 48,450 |  | $ 2,306,220 | N/A |

1. Estimate of total annual cost burden to respondents

It is not expected that this information collection will have a cost burden to respondents other than the hour burden described in item number 12. No purchases of equipment or services will need to be made by respondents for the sole purpose of completing the application.

1. Estimate of annualized cost to the Government

The cost to the Government is the CDFI Fund staff and contractor time required to develop the application, review submitted applications, collect follow-up information from applicants, and report the results (the entire lifecycle of the TA, FA, and supplemental applications). The estimates of annualized cost to the Fedearal government based on a methodology that estimated the time and loaded labor rate for the CDFI Fund staff by GS level and cost of contractor services for the lifecycle of the collection. The estimated total cost is $1,858,052.

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| --- | --- |
| **Expense Category** | **Cost** |
| IT Contract | $ 560,000 |
| External Review Contract | $ 352,147 |
| CDFI Fund Staff | $ 945,905 |
| Total | $ 1,858,052 |

Specifically, the CDFI Fund estimated the hours by grade level for each step of the application life cycle from pre-application preparation, application collection, application review, award anouncement, and post award processes. The staff wage rate was based on Step 5 of the respective GS level and then mulitipled by 1.63% to capture the value of non-wage compensation. The average fully loaded cost per hour was based on a standard 2,000 full time equvilant (FTE) hours per year.

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| **CDFI Fund Staff Cost Calculation** | | | | | |
| **Grade Level** | **GS-12** | **GS-13** | **GS-14** | **GS-15** | **Total** |
| Total Hours by Grade | 2,940 | 3,220 | 3,245 | 575 | 9,980 |
| Avg. FTE Fully Loaded Cost/Hour (See calculation below) | $ 77 | $ 92 | $ 108 | $127 |  |
| Total Cost by Grade  (Total Hours \* Fully Loaded Cost/Hour) | $226,479 | $294,953 | $351,260 | $73,212 | $945,905 |
| **Calculation of FTE Fully Loaded Cost/Hour** | | | | | |
| Avg. FTE Annual Salary Step 5 | $ 94,520 | $112,393 | $132,818 | $156,228 |  |
| Avg. FTE Fully Loaded Cost/Year using 1.63x multiplier | $154,068 | $183,201 | $216,493 | $254,652 |  |
| Standard FTE Hours per year | 2,000 | 2,000 | 2,000 | 2,000 |  |
| Avg. FTE Fully Loaded Cost/Hour | $ 77 | $ 92 | $ 108 | $127 |  |

1. Any program changes or adjustments

The CDFI TA Program has been refined to more closely align the TA Program with the CDFI Certification process. Narrative questions in the TA Application have been refined to reflect this desired alignment. The Base-FA Program has not materially changed, and the application itself is substantially similar to what was approved in 2016, for FY 2017-19.

The proposed FY 2020-22 CDFI and NACA Program applications have repurposed a select number of fields to better align data collected with specific policy objectives, including data fields relevant to new programs including Persistent Poverty Counties (PPC) and Opportunity Zones (O-Zones). The application itself is also more streamlined and easier to complete due to enhancements in the online application intake form within the CDFI Fund’s Awards Management Information System (AMIS).

It is anticipated that these changes will neither substantively increase nor decrease the total burden hours per application. Total burden hours requested for this submission is 48,450 (43,450 for FA, plus 5,000 hours for TA).

The estimate for FY 2020-22 is similar to the previous total application burden hours cleared in FY 2016 for the FY 2017-19 application (45,000 hours), and primarily reflects an additional 50 groups applying for FA funding, based on the actual number of applications received by the CDFI Fund in FY 2019.

1. Plans for information tabulation and publication

Confidential or proprietary information collected through the application will not be published.

1. Reasons for not displaying expiration date of OMB approval

The CDFI Fund will display the expiration date of the OMB approval on the application form.

1. Explanation of exceptions to certification statement

Not applicable.

1. Collections of Information Employing Statistical Methods  
   Not applicable

1. [↑](#footnote-ref-1)
2. https://www.bls.gov/news.release/ecec.t04.htm [↑](#footnote-ref-2)