



**DEPARTMENT OF THE TREASURY**  
WASHINGTON, D.C. 20220

**Supporting Statement**  
**BEA Program Application**  
**1559-0005**

A. Justification

1. Circumstances necessitating collection of information

The Community Development Financial Institutions Fund (CDFI Fund) administers the Bank Enterprise Award Program (BEA Program). The BEA Program provides an incentive to Federal Deposit Insurance Corporation-insured (FDIC-insured) depository institutions that demonstrate increased investments in CDFIs, or in their own lending, investing, or service-related activities in the most economically distressed communities.

The CDFI Fund collects data from prospective BEA Program applicants one time per funding round by means of an online BEA Program Application. As required by the Paperwork Reduction Act (PRA), the CDFI Fund invited the general public and other federal agencies to comment on the proposed and/or continuing information collection for the fiscal year (FY) 2020 – 2022 funding rounds. In response to the request for comment, the CDFI Fund received comments from two organizations. The BEA Program Application was updated 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 BEA Program Interim Rule (12 CFR Part 1806) and respective Notice of Funds Availabilities.

2. Method of collection and use of data

The CDFI Fund will collect data once per funding round by means of the voluntary submission of an online application. Applicants must complete and upload all application materials, except the Standard Form 424 Mandatory (SF-424 Mandatory), through a CDFI Fund-managed web-based application portal. The SF-424 Mandatory will be submitted through Grants.gov. The CDFI Fund uses the data collected to determine Award Recipients and applicable award amounts. The award selection process and award amount criteria are described in 12 CFR Part 1806 §1806.404 Selection process; actual award amounts.

3. Use of Information Technology

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

4. Efforts to identify duplication

The BEA Program application does not request information that is publicly available from other Federal agencies other than the total asset size of the insured depository institution applicant.

5. Impact on small entities

This collection of information is not expected to have a significant impact on small entities.

6. 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. The BEA Program Statute (USC Title 12, Chapter 16, Sections 1834a) and Interim Rule requirements (12 CFR Part 1806) limit the extent to which the burden can be reduced.

7. Circumstances requiring special information collection

There are not special circumstances.

8. Solicitation of comments on information collection

Comments on the BEA Program application were solicited in the *Federal Register* on October 15, 2019 (84 FR 55223). The CDFI Fund received two public comments in response to this request. Comments fell into two categories: (a) specific input on the BEA Program application; and (2) general input on other BEA Program-related topics and considerations. The specific input on the BEA Program application requested input on: (a) the need for the CDFI Fund to collect the information; (b) the burden estimate; (c) ways to enhance the quality, utility and clarity of the information; (d) ways to minimize the burden; and (e) the cost of providing the information.

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 applicable Federal laws and regulations with respect to confidentiality of information supplied in the BEA Program application process. 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 estimated total number of burden hours for the fiscal year (FY) 2020 Application is 7,200. This estimate is based on 120 applicants which is the average number of BEA Program applications received over the past three years and an estimated hour burden per application of 60 hours per applicant. The estimated hour burden is based on an analysis of application data collected in the most recent, FY 2019 BEA Program application.

This is slightly higher than the previous total application burden hour estimate of 4,500. Reasons for the increase are: (1) an increase in the number of applicants - the previous

estimate was based on 100 applicants and the new estimate is based on 120 applicants which is the average number of applicants over the past three years; (2) the addition of the PPC data fields - these are described below in Section 15; and (3) updated supporting documentation requirements – the CDFI Fund has made a few minor updates to the supporting documentation requirements. The CDFI Fund notes that most of the increases noted above have been offset by application enhancements, clarifications to instructions, process improvements and technological changes implemented in the years following the 2016 Paperwork Reduction Act (PRA) review of the application.

The frequency of response is one time per calendar year per applicant. The CDFI Fund notes that hour burden per application can vary widely since it is driven primarily by the number of transactions an applicant chooses to submit. An applicant must submit at least one transaction and the CDFI Fund does not limit the number of transaction an applicant can submit.

13. 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. The CDFI Fund estimates the total cost burden for all applicants to be \$493,517.00. This is based on an estimated hour burden of 7,200 and a fully-loaded wage rate for the financial sector from the Bureau of Labor Statistics of \$68.54 an hour<sup>1</sup>. The CDFI Fund notes that no purchases of equipment or services is required in order to complete the application.

14. 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 estimate of annualized cost to the Federal government is \$855,143.00. This estimate is based on projected Federal employee labor costs of \$306,564.00 and Federal contractor services of \$548,579.00. The Federal employee labor costs reflect loaded rates by GS level and based on an estimated 3,182 labor hours. Federal contractor services consist of an Information Technology contract expected to be approximately \$450,000.00 and an Application Reviewer Services contract of \$98,579.00. Federal contractor services estimates reflect most recent (Fiscal Year 2019) amounts and are not expected to change.

15. Any program changes or adjustments

There is an increase of 2,700 hours of burden due to an adjustment of agency estimates. The CDFI Fund has adjusted its burden estimates based on an analysis of application data, which show an average of 120 applicants, an increase of 20 from previous estimates. The estimated time required to complete the BEA application has also been adjusted in response to public comments, increasing to 60 hours per application.

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<sup>1</sup> Wage rate from Bureau of Labor Statistics wage data for financial activities is \$47.60 for June 2019. The fully-loaded wage rate of \$68.54 includes the benefit factor of 1.44 for Private Industry. Link to Bureau of Labor Statistics wage data report: <https://www.bls.gov/news.release/eccec.t04.htm>

The BEA Program has not materially changed, and the proposed FY 2020 – 2022 BEA Program application is substantially similar to what was approved in 2016, for FY 2017-2019 application rounds. One minor change to the FY 2020-2022 BEA Program application is new data fields for applicants to report the percentage of the prospective award that will be invested in Persistent Poverty Counties<sup>2</sup> (PPCs). In FY 2012, 2013, 2017, 2018, and 2019 Congress required that at least 10 percent of the funds awarded by the CDFI Fund to BEA Program award recipients be used for activities that serve populations living in PPCs. The CDFI Fund made the decision to wait until the next PRA Renewal of the BEA Program application to add these data fields. The addition of these data fields will formally update the BEA Program application to reflect the Congressional PPC mandate and allow the CDFI Fund to continue to collect the data needed to ensure that future Congressional PPC mandates are met. This change is not expected to increase or decrease the total burden hours per application.

16. Plans for information tabulation and publication

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

17. 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.

18. Explanation of exceptions to certification statement

There are no exceptions to the certification statement.

19. Collections of Information Employing Statistical Methods

Not applicable

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<sup>2</sup> Persistent Poverty Counties are defined as counties where 20 percent or more of the population has lived in poverty over the past 30 years, as measured by the U.S. Census Bureau.

**Appendix A. FY 2020-22 BEA Program Application PRA - Summary of Public Comments and CDFI Fund Responses**

#	Date of Comment	Organization	Author Name	Author Position	Section	Category	Topic	Comment	BEA Response
1	12/11/2019	FUND Consulting, LLC	The FUND Consulting Team	Various	A(a)	Concern	Whether the collection of information is necessary	The function and utility of several of the proposed pieces of information to be added to the application are unclear, such as business description, impacts, details on interest rates, and details on closing terms. Additionally, each item added to the application will increase the burden of compiling an application, in terms of staff time and related costs.	This comment is not related to the PRA Renewal of the BEA Program Application. The items listed are not part of the BEA Program Application. This comment is in response to the broader request for input on proposed future program updates and the CDFI Fund will take this comment into consideration at the appropriate time.
2	12/11/2019	FUND Consulting, LLC	The FUND Consulting Team	Various	A(b)	Concern	Accuracy of agency's estimate of the burden	We found that on average, an application takes 60 hours to determine which loans are eligible based on geography and loan type, review documentation and loan characteristics against program guidelines to ensure eligibility, organize and redact documentation.	The CDFI Fund has adjusted its burden estimates based on an analysis of application data.
3	12/11/2019	FUND Consulting, LLC	The FUND Consulting Team	Various	A(b)	Concern	Accuracy of agency's estimate of the burden	Guidelines for what documentation will be deemed acceptable for Affordable Housing Loans (AHL), Affordable Housing Development Loans and Project Investments (AHD), and Commercial Real Estate Loans and Project Investments (CRE) has increased time requirements of submitting an application.	The CDFI Fund has not proposed any changes to the supporting documentation requirements in the PRA renewal of the BEA Program Application. The CDFI Fund will take this comment into consideration for future updates.
4	12/11/2019	FUND Consulting, LLC	The FUND Consulting Team	Various	A(b)	Concern	Accuracy of agency's estimate of the burden	For Commercial Real Estate Loans - requiring documentation of the financed properties has increased the time needed and overall burden to	The CDFI Fund has not proposed any changes to the supporting documentation requirements in the PRA

								gathering documentation.	renewal of the BEA Program Application. The CDFI Fund will take this comment into consideration for future updates.
5	12/11/2019	FUND Consulting, LLC	The FUND Consulting Team	Various	A(c)	Clarification	Ways to enhance the quality, utility, and clarity of information collected	Additional guidance on types of documentation for Affordable Housing Loans and Affordable Housing Development Loans and Project Investments would help to add clarity and allow Applicants to begin to build in systems to ensure information is captured during the loan underwriting states and is available for BEA application purposes.	The BEA Program Application provides detailed instructions on the supporting documentation requirements for every activity type. The CDFI Fund will consider providing additional examples of types of supporting documentation in other application materials.
6	12/11/2019	FUND Consulting, LLC	The FUND Consulting Team	Various	A(c)	Clarification	Ways to enhance the quality, utility, and clarity of information collected	For Commercial Real Estate Loans - banks do not always store all addresses financed in their standard reports, but rather store address data on properties that collateralize the loan. Therefore, documentation of all real estate addresses which are financed through a loan is not always found in closing documentation. It was not clear what format of documentation may be needed in such cases when addresses of transactions financed is not available.	For Commercial Real Estate Loans, it is important for the CDFI Fund to confirm that the Commercial Real Estate financed is located in a BEA qualified Distressed Community. The CDFI Fund will continue to require that supporting documentation for this activity type reflect the address of the Commercial Real Estate financed.
7	12/11/2019	FUND Consulting, LLC	The FUND Consulting Team	Various	A(c)	Clarification	Ways to enhance the quality, utility, and clarity of information collected	For loans with a loan status of "Refinance-Unaffiliated Institution" - it is not within typical operating procedures for banks to collect loan documentation from unaffiliated institutions as part of their underwriting process. It is also unfeasible for banks to request such information after the closing of the	The CDFI Fund has taken this comment into consideration and has clarified in the BEA Program Application that applicants will not be required to provide loan documentation from an unaffiliated institution in order to

								loan since a relationship with the unaffiliated institution does not typically exist.	demonstrate that a loan was refinanced from an unaffiliated institution. Applicants are required to demonstrate that proceeds were used to pay off a loan with an unaffiliated institution and are expected to use internal documentation to do so.
8	12/11/2019	FUND Consulting, LLC	The FUND Consulting Team	Various	A(c)	Recommendation	Ways to enhance the quality, utility, and clarity of information collected	Currently, the AMIS application does not have a comprehensive way of downloading all detail on each transaction submitted with the application in Table 6: Transactions to be Considered for an Award. Without such an export option, it can be challenging to conduct a review of uploaded data for quality control purposes.	This comment is not related to the PRA Renewal of the BEA Program Application. The CDFI Fund will take this comment into consideration for future BEA Program updates independent of PRA renewal.
9	12/11/2019	FUND Consulting, LLC	The FUND Consulting Team	Various	A(d)	Recommendation	Ways to minimize the burden of collection	Currently, the AMIS application requires a manual upload of all data points collected for the application in Table 6: Transactions to be Considered for an Award, requiring each data point to be entered one by one. A bulk upload option, rather than a field by field upload, would greatly reduce the data entry time required for the application and would allow for better quality control.	This comment is not related to the PRA Renewal of the BEA Program Application. The CDFI Fund will take this comment into consideration for future BEA Program updates independent of PRA renewal.
10	12/11/2019	FUND Consulting, LLC	The FUND Consulting Team	Various	A(d)	Clarification	Ways to minimize the burden of collection	For Commercial Real Estate Loans and Project Investments - multiple closing documents are required as documentation including the loan agreement, promissory note and security agreement. Given that these documents typically contain similar information, the utility of requesting all three is not clear.	The CDFI Fund has taken this comment into consideration and has clarified in the BEA Program Application that multiple closing documents will not be required for any activity including Commercial Real Estate Loans and Project

									Investments. Only one closing document per transaction will be required.
11	12/11/2019	FUND Consulting, LLC	The FUND Consulting Team	Various	A(e)	Concern	Estimates of capital, costs, and maintenance to provide information	On average, the amount of staff time that is allocated to preparing BEA applications is 60 hours resulting in the estimated cost of operations of \$4,500 for a bank to complete a BEA application	The CDFI Fund has adjusted its burden estimates based on an analysis of application data.
12	12/16/2019	Sones & White Consultants	Ben Sones; Everett White	Members	A(a)		Whether the collection of information is necessary	We think the information collected by the Fund for the BEA Program is, in general, appropriate for the proper performance of the functions of the agency.	The CDFI Fund has taken this comment into consideration as confirmation that generally, information collected in the BEA Program Application is appropriate.
13	12/16/2019	Sones & White Consultants	Ben Sones; Everett White	Members	A(b)	Concern	Accuracy of agency's estimate of the burden	The average BEA Application requires more than eighty (80) hours of personnel time.	The CDFI Fund has adjusted its burden estimates based on an analysis of application data.
14	12/16/2019	Sones & White Consultants	Ben Sones; Everett White	Members	A(c)	Recommendation	Ways to enhance the quality, utility, and clarity of information collected	We have no comment on ways to enhance the quality, utility, and clarity of the information collected. The BEA Application in its current form produces a robust collection of data	The CDFI Fund has taken this comment into consideration as confirmation that generally, information collected in the BEA Program Application is appropriate.
15	12/16/2019	Sones & White Consultants	Ben Sones; Everett White	Members	A(d)	Recommendation	Ways to minimize the burden of collection	Allowing Applicants to report all transactions by uploading a single .csv file, instead of requiring manual field-by-field data entry of each transaction in AMIS, would significantly reduce the personnel time associated with Application data entry.	This comment is not related to the PRA Renewal of the BEA Program Application. The CDFI Fund will take this comment into consideration for future BEA Program updates independent of PRA renewal.
16	12/16/2019	Sones & White Consultants	Ben Sones; Everett White	Members	A(d)	Recommendation	Ways to minimize the burden of collection	Requiring supporting documentation only for loans of \$500,000 and greater, rather than for loans of \$250,000 and greater, would substantially reduce the personnel	The CDFI Fund considers the current dollar amount requirements for supporting documentation to be appropriate and these



								hours associated with collection, processing, and review of supporting documentation.	requirements have not been updated in BEA Program Application.
17	12/16/2019	Sones & White Consultants	Ben Sones; Everett White	Members	A(e)	Concern	Estimates of capital, costs, and maintenance to provide information	An average applicant's staff and/or independent contractors spend 80 hours collecting and organizing this information.	The CDFI Fund has adjusted its burden estimates based on an analysis of application data.
18	12/16/2019	Sones & White Consultants	Ben Sones; Everett White	Members	A.1	Recommendation	Necessary and appropriate collection of data	Yes, the data and information proposed to be collected is necessary and appropriate.	The CDFI Fund take this comment into consideration as confirmation that generally, information collected in the BEA Program Application is appropriate.
19	12/16/2019	Sones & White Consultants	Ben Sones; Everett White	Members	A.2	Recommendation	Ability for data requested to demonstrate lending, investment and service activities in Distressed Communities or to CDFIs	Yes, the data and information requested in the BEA Program Application allows an applicant to demonstrate its lending, investment, and service activities in BEA Program Distressed Communities or to CDFIs.	The CDFI Fund has taken this comment into consideration as confirmation that generally, information collected in the BEA Program Application is appropriate.
20	12/16/2019	Sones & White Consultants	Ben Sones; Everett White	Members	A.3	Recommendation	Redundant or unnecessary data or questions	Field-by-field manual data entry of transactions is unnecessary and overly burdensome, and we would advocate the uploading of all transactions in a single .csv file.	This comment is not related to the PRA Renewal of the BEA Program Application. The CDFI Fund will take this comment into consideration for future BEA Program updates independent of PRA renewal.
21	12/16/2019	Sones & White Consultants	Ben Sones; Everett White	Members	A.3	Recommendation	Redundant or unnecessary data or questions	We believe submission of supporting documentation for loan transactions under \$500,000 is unnecessary and would advocate raising the dollar amount threshold for DCFA	The CDFI Fund considers the current dollar amount requirements for supporting documentation to be appropriate and these

								supporting documentation.	requirements have not been updated in BEA Program Application.
22	12/16/2019	Sones & White Consultants	Ben Sones; Everett White	Members	A.4	Recommendation	Adding new data, questions, or tables	No new data fields, questions, or tables are recommended.	The CDFI Fund has taken this comment into consideration as confirmation that generally, information collected in the BEA Program Application is appropriate.
23	12/16/2019	Sones & White Consultants	Ben Sones; Everett White	Members	A.5	Recommendation	Burdensome data, questions, or tables	Yes. Field-by-field manual data entry and supporting documentation for transactions less than \$500,000 is burdensome.	The CDFI Fund has taken this comment into consideration as confirmation that generally, information collected in the BEA Program Application is appropriate.