

Supporting Statement for Paperwork Reduction Act Submissions
Community Development Financial Institutions Fund (CDFI Fund)
Community Development Entity (CDE) Certification Application
OMB Control Number 1559-0014

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) administers the New Markets Tax Credit Program (NMTC Program). The CDFI Fund's mission is to increase economic opportunity and promote community development investments for underserved populations and in distressed communities in the United States. In order to qualify for a NMTC Program allocation award from the CDFI Fund, an applicant must be certified by the CDFI Fund as a Community Development Entity (CDE). The CDE Certification Application is used to determine whether an entity seeking CDE certification meets the CDFI Fund's requirements for such certification.

2. Method of collection and use of data

The CDE Certification Application is collected from entities seeking CDE certification. The data collected via the CDE Certification Application will be used by the CDFI Fund to evaluate whether an entity may be certified as a CDE.

3. Use of Information Technology

The CDFI Fund collects the CDE Certification Application electronically in the Awards Management Information System (AMIS), a business system that supports all CDFI Fund programs through each phase of the programs' life cycle. This includes requirements and processes related to: certification, program awards and allocations, compliance, data analysis and reporting.

4. Efforts to identify duplication

Similar information is not available from other sources. The CDE Certification Application does not duplicate any other CDFI Fund or Federal program information-gathering tool.

5. Impact on small entities

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

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

Since CDE certification is a prerequisite for receiving NMTC Program allocation awards from the CDFI Fund, the CDE Certification Application is a critical part of the NMTC Program. Moreover, once certified, an entity's certification lasts indefinitely or until it ceases to meet the requirements for CDE certification.

7. Circumstances requiring special information collection

Any confidential business information submitted by applicants is safeguarded through the CDFI Fund’s records management procedures and information technology security protocols.

8. Solicitation of comments on information collection

Comments on the CDE Certification Application were solicited via notice in the *Federal Register* on December 26, 2019 (84 FR 71077). The CDFI Fund received one letter in response to this request. The letter stated that the guidance documents and data requested for CDE Certification application are clearly stated, and that no clarifications or changes are necessary. Please see Appendix A for the specific comment, and the CCME Team response.

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 the information provided in this collection of information. The CDFI Fund has provided no other assurances of confidentiality to respondents.

11. Justification of sensitive questions.

No personally identifiable information (PII) is collected.

12. Estimate of the hour burden of information collection.

The total hour burden of this information collection is: 300 respondents x 1 response x 4 hours per respondent = 1,200 hours. Once certified as a CDE, an entity’s certification lasts indefinitely provided the entity continues to meet the certification requirements.

# Respondents	Annual Frequency per Response	Hours Per Response	Total Hours
300	1	4	1,200

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. No purchases of equipment or services are necessary for this information collection.

Affected Public	Number of Respondents	Number of Responses Per Respondent	Total Annual Responses	Hours Per Response	Total Hours	Time Value (per Hour) ¹	Monetized Burden Hours
Private Sector	290	1	290	4	1,160	\$47.97	\$55,645
State, Local and Tribal Governments	10	1	10	4	40	\$47.97	\$1,919
Total	300	2	300	8	1,200	\$95.94	\$57,564

¹ <https://www.bls.gov/news.release/ecec.t04.htm>

14. Estimate of annualized cost to the Government

The cost to the Federal government is the CDFI Fund staff time required to review certification applications that are submitted by CDEs. The estimates of annualized cost to the Federal government is based on a methodology that estimates the time and loaded labor rate for the CDFI Fund staff by GS level for the lifecycle of the collection.

Expense Category	Cost
CDFI Fund Staff	\$175,200
Total	\$175,200

Specifically, the CDFI Fund estimated the hours by grade level for each step of the application life cycle from pre-application preparation, application collection, and application review. The staff wage rate was based on Step 5 of the respective GS level and then multiplied 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 equivalent (FTE) hours per year.

CDFI Fund Staff Cost Calculation					
Grade Level	GS-12	GS-13	GS-14	GS-15	Total
Total Hours by Grade	0	1200	600	0	1,800
Avg. FTE Fully Loaded Cost/Hour (See calculation below)	0	\$ 92	\$ 108	0	200
Total Cost by Grade (Total Hours * Fully Loaded Cost/Hour)	0	\$110,400	\$64,800	0	\$175,200
Calculation of FTE Fully Loaded Cost/Hour					
Avg. FTE Annual Salary Step 5	0	\$112,393	\$132,818	0	
Avg. FTE Fully Loaded Cost/Year using 1.63x multiplier	0	\$123,200	\$216,493	0	
Standard FTE Hours per year	0	2000	2000	0	
Avg. FTE Fully Loaded Cost/Hour	0	\$ 92	\$ 108	0	

15. Any program changes or adjustments

The CDFI Fund has removed unused data points from this collection; however, the overall burden per response is being increased by 15 minutes due to an adjustment in agency estimates. The Fund believes that 4 hours is a more accurate estimate of the time required per response.

16. Plans for information tabulation and publication

Confidential or proprietary information collected through this information collection will not be published.

17. Reasons for not displaying expiration date of OMB approval

Display of the expiration date may lead to confusion among respondents who may have identical forms with a different expiration dates in their possession or lead them believe that this date represents a due date or sunset date. We request a non-display of the OMB expiration date.

18. Explanation of exceptions to certification statement

Not applicable.

B. Collections of Information Employing Statistical Methods

Not applicable.

Community Development Financial Institutions Fund, Department of the Treasury

Appendix A. CDE Certification Application PRA - Summary of Public Comments and CDFI Fund Responses

#	Date of Comment	Organization	Author Name	Author Position	Category	Comment	CCME Response
1	2/24/2020	Low Income Investment Fund	Amy Laughlin	VP, Structured Products and Capital Markets	General	Guidance documents and data requested for CDE Certification application are clearly stated. We do not request clarifications or changes.	We concur.