

Supporting Statement  
Community Development Financial Institutions Program  
CDFI Program Awardee and NMTC Allocatee Annual Report  
OMB Approval Number 1559-0027

**A. Justification**

1. Circumstances necessitating collection of information

The Community Development Financial Institutions (CDFI) Program provides financial and technical assistance to selected organizations certified by the CDFI Fund as CDFIs, or entities that propose to become 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. According to appropriations legislation, these also include selected Native American organizations certified by the CDFI Fund as CDFIs, or entities that propose to become CDFIs, in order to enhance their ability to make loans and investments and provide services for the benefit of Native American communities and individual Native Americans. Based on an assistance agreement between each Awardee and the CDFI Fund, annual reports are used to collect information for compliance monitoring, performance reporting and recordkeeping purposes. The annual report provides qualitative and quantitative information on the Awardee's compliance with its performance goals, its financial health, and the period of performance in which the CDFI Fund's financial and technical assistance was used.

In addition, the legislation that created the New Markets Tax Credit (NMTC) Program, administered by the CDFI Fund in coordination with the Internal Revenue Service (IRS), requires the collection of data from community development entities (CDEs) that receive allocations of NMTC authority. NMTC Program Allocatees enter into allocation agreements with the CDFI Fund, which contain the terms and conditions of their NMTC allocations, including submission of an annual report. These reports provide qualitative and quantitative information on the Allocatee's compliance and performance commitments with its allocation agreement, adherence to IRS regulations (section 45D of the Internal Revenue Code (26 USC 45D)), community impact data and its financial health.

2. Method of collection and use of data

The CDFI Fund collects this data on an annual basis electronically in the Awards Management Information System (AMIS) according to the Awardee's or Allocatee's fiscal year end. The annual report data will be used to determine an Awardee's compliance with the terms of its assistance or allocation agreement.

3. Use of Information Technology

The CDFI Fund collects the CDFI and NMTC Program Annual Reports; Awardee's and Allocatee's and Transaction Level Report (TLR), and Allocatee's Institution Level Report (ILR); A-133 Narrative Statement; Financial Statements and Single Audit Reports in the Awards Management and Information System (AMIS), which is an enterprise-wide data management system that supports all CDFI Fund programs through each phase of the programs' life cycle. This includes requirements and processes related to: certification, program application, awards and allocations, compliance, data analysis and performance reporting.

4. Efforts to identify duplication

Similar information is not available from other sources. All of the information requested is required in order to evaluate Awardee or Allocatee compliance with the CDFI Fund’s assistance and allocation agreements.

5. Impact on small entities

This collection of information is not expected to have a significant impact on small entities. Entities that become CDFI Fund Allocatees or Awardees must demonstrate significant management capacity to be selected for the Financial Assistance (FA) awards or allocations of NMTC authority that trigger the submission of this report.

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

The CDFI Fund cannot determine compliance with assistance and allocation agreements or measure annual performance without this annual collection of data.

7. Circumstances requiring special information collection

There are no special circumstances.

8. Solicitation of comments on information collection

Pursuant to the notice and request for comments published in the Federal Register on February 25, 2020, at 85 FR 10823, the CDFI Fund received no detailed comments on or before April 27, 2020.

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 supplied in the annual report. All information is submitted by the awardee, and their designated representatives through an authenticated and secure awardee organizational profile in AMIS.-

11. Justification of sensitive questions.

No questions of a sensitive nature are asked in this information collection. No Personally Identifiable Information (PII) is collected.

12. Estimate of the hour burden of information collection.

	<b># Annual Respondents</b>	<b>Hours Per Response</b>	<b>Total Hours</b>
CDFI Awardee -Annual TLR	300	40	12,000
NMTC Allocatee Annual Report	275	80	22,000
			<b>34,000</b>

### 13. Estimate of total annual cost burden to respondents

There are no recordkeeping, capital, start-up, or maintenance costs associated with this information collection.

<b>Affected Pubic</b>	<b># Respondents</b>	<b># Responses Per Respondent</b>	<b>Total Average Annual Responses</b>	<b>Average Hours Per Response</b>	<b>Total Hours</b>	<b>Time Value (per hour)</b>	<b>Monetized Burden Hours</b>
Private Sector	575	1	575	59.13	34,000	\$62.45 <sup>1</sup>	\$2,123,300.00
Totals	575	1	575		34,000		\$2,123,300.00

### 14. Estimate of annualized cost to the Government

The annual staffing costs to the Government are estimated at \$239,550.00 for two GS-13 mid-band staff people<sup>2</sup> full time to manage, analyze and clean the data and answer client help desk questions. The CDFI Fund pays an average of \$130,000 annually to an external contractor for maintenance and data collection in AMIS for support of the ILR and TLR. The total estimated annualized cost to the Government is \$369,550.00.

### 15. Any program changes or adjustments

The principal change to the data collection system is the replacement of the Community Investment Impact System (CIIS) with the Awards Management and Information System (AMIS) system for reporting and the reduced burden for CDFI Program and NACA Program Recipients due to the elimination of the Institutional Level Report (ILR) and reductions in the Transaction Level Report (TLR). Slight efficiency gains are also described for NMTC Program Allocatees, which reduces the average reporting burden for the ILR and TLR.

The move to AMIS eliminated the ILR for CDFI Program and NACA Program Recipients, reducing the burden by 3,066 hours. The CDFI/NACA Program Transaction Level Report (TLR) was reduced 70% by limiting transactional reporting to only newly originated and closed loans and investments and eliminating reporting on outstanding loans and investments. While the reporting structure for NMTC Program allocatees remains the same, the average NMTC reporting time has gone down slightly due to AMIS retaining information on the outstanding TLRs.

Altogether, the move to AMIS has reduced the need for reporting on outstanding TLR and has reduced the number of respondents by 51, from 626 to 575. Additionally, with the efficiency gains from the implementation of AMIS, total annual burden for both CDFI/NACA and NMTC annual reporting has decreased substantially from 51,645 hours in 2017 to 34,000 hours in 2020.

### 16. Plans for information tabulation and publication

The CDFI Fund publishes annually summary data in its Agency Financial Report. In addition the CDFI Fund publishes annually the CDE TLR and CDFI summary TLR data, with a release in the following calendar year typically in June and July, respectively. In keeping with Federal

<sup>1</sup> The hourly rate is based on the national estimate for the median hourly wage for Financial Managers according the Bureau of Labor Statistics (<https://www.bls.gov/oes/current/oes113031.htm>)

<sup>2</sup> <https://www.fedweek.com/pay-tables/2020-gs-pay-table-washington-baltimore-arlington-dc-md-va-wv-pa/>

regulations and laws, confidential and proprietary information collected through the annual report will not be published.

17. Reasons for not displaying expiration date of OMB approval

The CDFI Fund believes displaying an OMB expiration date on this collection will create the incorrect perception that this information request is to run for a shorter term than the awardees assistance agreements.

18. Explanation of exceptions to certification statement

There are no exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods

This section is not applicable.