

Department of the Treasury
Information Collection Request – Supporting Statement

Small Dollar Loan Program
OMB No. 1559-NEW

A. Justification

1. Circumstances necessitating the collection of information

Justification for Emergency Processing:

The Community Development Financial Institutions Fund (CDFI Fund) requests emergency processing for the Small Dollar Loan Program Application in order to open the funding round on April 22, 2021 and make disbursements expeditiously to enable selected Certified Community Development Financial Institutions (CDFIs) to establish and maintain small dollar loan programs.

In December 2019, the President signed the Consolidated Appropriations Act, 2020 (P.L. 116-93), which appropriated \$5 million of the CDFI Fund's total \$262 million appropriations to launch and administer the inaugural round of the Small Dollar Loan Program by September 30, 2021.

The Small Dollar Loan Program is a new program, authorized by Title XII – Improving Access to Mainstream Financial Institutions Act of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (P.L. 111-203), which amended The Community Development Banking and Financial Institutions Act of 1994 to include the Small Dollar Loan Program (12 U.S.C. § 4719). Through the Small Dollar Loan Program, the CDFI Fund provides grants for loan loss reserves and technical assistance to enable award recipients to establish and maintain small dollar loan programs to address the issues of expanding consumer access to mainstream financial institutions and providing alternatives to high-cost small dollar loans. The Small Dollar Loan Program is also intended to enable award recipients to help unbanked and underbanked populations build credit, access affordable capital, and allow greater access into the mainstream financial system.

The CDFI Fund was established by the Riegle Community Development and Regulatory Improvement Act of 1994 (Riegle Act; P.L. 103-325), to expand economic opportunity for underserved people and communities by supporting the growth and capacity of a national network of community development lenders, investors, and financial service providers.

The CDFI Fund works to spur economic growth, job creation, and opportunity in our nation's distressed and underserved communities by offering targeted resources and innovative programs to leverage federal dollars with private sector capital. The CDFI Fund supports mission-driven financial institutions that take a market-based approach to supporting economically underserved communities.

2. Method of collection and use of data

The CDFI Fund will collect data once per funding round by means of an application. Applicants must complete and upload the application through a CDFI Fund-managed web-based application portal with the exception of Standard Form 424 (SF-424), which must 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.

3. Use of Information Technology

The CDFI Fund only accepts electronic applications unless an applicant receives advance written permission from the CDFI Fund to submit in another format. All application materials must be submitted in the CDFI Fund-managed web-based portal except for the SF-424 which must be submitted in Grants.gov.

4. Efforts to identify duplication

The CDFI Fund will ensure that the Small Dollar Loan Program application does not request information that is available from other known sources. Any information that is already housed in the CDFI Fund's system from previous applications will be pre-populated to reduce burden.

5. Impact on small entities

This collection of information will minimally affect small entities. However, the CDFI Fund will attempt to minimize burden on small entities to the greatest extent practicable.

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

To meet the Congressional directive to provide funding to selected award recipients, the CDFI Fund must receive the information requested in the application form in order to make funding decisions.

7. Circumstances requiring special information collection

There are no special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines.

8. Solicitation of comments on information collection and justification for expedited processing pursuant to 5 C.F.R. § 1320.13

The CDFI Fund is requesting an emergency PRA review for the Small Dollar Loan Program Application in order to comply with statutory deadlines. As such, public notice and comment is not possible.

9. Provision of payment to respondents

No payments or gifts are provided to respondents.

10. Assurance of confidentiality

Information collected will be kept confidential to the extent appropriate and consistent with the Freedom of Information Act and other applicable laws.

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.

The burden estimate is based on approximately 50 private sector applicants completing the Small Dollar Loan Application in 15 hours for a total of 750 hours. Only private sector (for-profit and non-profit) applicants can apply for the Small Dollar Loan Program. Therefore, the monetized burden hours estimate is based on private sector hourly rate costs.

Affected Public	# Respondents	# Responses Per Respondent	Total Annual Responses	Hours per Response	Total Hours	Time Value (per hour)	Monetized Burden Hours
Small Dollar Loan Program Application	50	1	50	15	750	\$62.45 ¹	\$46,838

13. Estimate of total annual cost burden to respondents

Per the table in Question 12, the average annual cost burden to respondents is \$46,838. No purchase of equipment or services will need to be made by respondents for this information collection other than as required as a part of customary and usual business practices.

14. Estimate of annualized cost to the Government

The cost to the Government is the CDFI Fund staff required to review the submitted applications, maintain the electronic application system and collect follow-up information from applicants. It is not possible to accurately track expenses for the review process associated with this application. CDFI Fund staff at varying grades support application reviews at different levels throughout the application review period.

15. Any program changes or adjustments

This is a request for a new OMB control number, due to new statute.

¹ 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>)

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

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.

B. Collections of Information Employing Statistical Methods

This collection does not employ statistical methods.