




DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

TO: Alex Goodenough, Office of Information and Regulatory Affairs

FROM: Ryan Law, Deputy Assistant Secretary for Privacy, Transparency, and Records 

SUBJECT: Justification for Emergency Processing: Small Dollar Loan Program Application
OMB No. 1559-NEW

The Community Development Financial Institutions Fund (CDFI Fund) requests emergency processing of a new information collection request for the Small Dollar Loan Program Application. In December 2019, the President signed the Consolidated Appropriations Act, 2020 (CAA 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. In order to comply with statutory deadlines to award funding in fiscal year (FY) 2021, it is not possible to follow standard procedures for public notice and comment.

The Small Dollar Loan Program Application will facilitate the collection of information required to review applications and make award determinations and disbursements expeditiously to enable selected Certified Community Development Financial Institutions (CDFIs) to establish and maintain small dollar loan programs.

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). Though authorized in 2010, the program did not receive appropriations until passage of the CAA 2020. Through the Small Dollar Loan Program, the CDFI Fund will provide 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 application information collections are under statutory mandates. To reduce burden, the application has been tailored to leverage data that already exists at the CDFI Fund to the maximum extent practicable. The CDFI Fund will collect only the additional data that is necessary.

Given the timelines required to solicit and review applications and make disbursements by the statutory deadline of September 30, 2021, the CDFI Fund needs to publish the SDLP application on April 22, 2021. As such, the CDFI Fund is requesting that OMB act on this request by April 16, 2021. The CDFI Fund also requests a waiver of the requirement to publish a federal Register Notice during the period of OMB review due to the short review period.