

Department of the Treasury
Information Collection Request – Supporting Statement

Emergency Capital Investment Program
OMB No. – 1505-0267

A. Justification

1. Circumstances necessitating the collection of information

Justification for Emergency Processing:

The Consolidated Appropriations Act, 2021, signed into law on December 27, 2020, added Section 104A of the Community Development Banking and Financial Institutions Act of 1994 (the “Act”). Section 104A authorizes the Secretary of the Treasury to establish the Emergency Capital Investment Program (“ECIP” or the “Program”) to support the efforts of low- and moderate-income community financial institutions to, among other things, provide loans, grants, and forbearance for small businesses, minority-owned businesses, and consumers, especially in low-income and underserved communities, including persistent poverty counties, that may be disproportionately impacted by the economic effects of the COVID-19 pandemic by providing direct and indirect capital investments in low-and moderate-income community financial institutions.

Section 104A(d) requires the Secretary to begin accepting applications for capital investments under the program not later than the end of the 30-day period beginning on the date of enactment, December 27, 2020.

Due to the need to make Covid-19 relief investments under the Program as soon as possible, Treasury requests emergency processing and approval for the State Regulatory form. The State Regulatory form collects information from state banking regulatory agencies on financial condition, supervisory considerations, emergency investment lending plan and other additional considerations. State banking regulators have a unique role in provision of the requested information that is derived from their oversight activities.

2. Use of the data

The information reported will allow Treasury to determine whether an applicant is eligible to receive a capital investment under the Program, as well as to comply with any reporting, recordkeeping, and transparency requirements under the Act.

The information reported by the State Regulatory Response Form will allow Treasury to use currently available supervisory information and assessment for each institution at the time the Treasury investment decision is made. Information will also be collected by State Regulators, identifying the specific regulator performing the assessment, as well as for complying with any reporting, recordkeeping, and transparency requirements under the Act.

3. Use of information technology

Treasury will manage the submission process with the use of existing and widely available technology such as a web portal and e-mail.

4. Efforts to identify duplication

The information collections are under new statutory mandates. The information is not known to overlap with any other data collected under any other information collections at Treasury. Furthermore, the information collection is tailored to leverage data that already exists and require only additional data that is necessary.

The information being collected is not publicly available and can only be collected from state banking regulator agencies from information that they derive from their unique oversight activities.

5. Impact on small entities

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

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

Treasury will collect only the information required to determine whether an applicant is eligible to receive a capital investment under the Program. Treasury cannot meet its statutory requirement to make funding decisions without the application form. The applicant will submit a limited amount of information that should be readily available to the entity in the ordinary course of business. Treasury will collect information on this form only one time for each institution that applies under the Program. If this information is not collected, Treasury will have less information upon which to base investment decisions under the Program. This may result in an increase in risk.

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

This application is being submitted under emergency clearance procedures in order to comply with statutory deadlines. As such, advance public notice and comment is not possible.

9. Provision of payments 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

An applicant is ineligible to participate in the Program if it is designated in Troubled Condition by the appropriate Federal banking agency or the National Credit Union Administration, as applicable, or is subject to a formal enforcement action with its primary Federal regulator that addresses unsafe or unsound lending practices. Determining such ineligibility necessitates sensitive questions be asked of the applicant.

The State Regulator form requests information that may be sensitive in nature because it seeks collects the financial condition and supervisory concerns of regulatory agencies of insured depository institutions. Such information is inherently sensitive.

12. Estimate of the hour burden of information collection.

The Emergency Capital Investment Program Application form, State Regulatory Response Form, and associated recordkeeping and compliance reporting burden estimates are as follows:

Information Collection	Number of Respondents*	# Responses Per Respondent	Total Responses	Hours per response	Total Burden in Hours	Cost to Respondent
Application Form and associated recordkeeping	1,100	1	1,100	0.333 hours (20 minutes)	367	\$17,432**
Lending Plans and associated recordkeeping	1,100	1	1,100	41 hours	45,100	\$2,142,250**
Expenditure Policies	1,100	1	1,100	40 hours	44,000	\$2,090,000**
Exemptive Relief Request	55	1	55	0.25 (15 minutes)	14	\$665**
State Regulatory Response Form	40	5	200	8	1600	\$86,488***
TOTAL			3,555		91,081	\$4,336,835

* Treasury staff estimates that approximately 1,100 financial institutions are eligible for the program.

** Bureau of Labor Statistics (BLS), U.S. Department of Labor, Occupational Outlook Handbook, Accountants and Auditors, on the Internet at <https://www.bls.gov/ooh/business-and-financial/accountants-and-auditors.htm> (visited December 30, 2020). In 2019, the median pay for accounts and auditors was \$34.40/hour. To account for the fully-

loaded employer cost of employee compensation, the median pay is increased by 38%, resulting in a fully-loaded wage rate of \$47.50. According to BLS's Employer Cost for Employee Compensation from September 2020 (released on December 17, 2020: <https://www.bls.gov/news.release/pdf/ecec.pdf>), employers provided 38% of total employee compensation in the form of non-wage compensation (i.e., benefits such as paid leave, health insurance, etc.) for state and local government workers.

*** Bureau of Labor Statistics (BLS), U.S. Department of Labor, Occupational Outlook Handbook, Accountants and Auditors, on the Internet at <https://www.bls.gov/ooh/business-and-financial/financial-examiners.htm> (visited May 26, 2021). In 2020, the median pay for accounts and auditors was \$39.15/hour. To account for the fully-loaded employer cost of employee compensation, the median pay is increased by 38%, resulting in a fully-loaded wage rate of \$54.03. According to BLS's Employer Cost for Employee Compensation from September 2020 (released on December 17, 2020: <https://www.bls.gov/news.release/pdf/ecec.pdf>), employers provided 38% of total employee compensation in the form of non-wage compensation (i.e., benefits such as paid leave, health insurance, etc.) for state and local government workers.

13. Estimated total annual cost burden to respondents

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. Estimated cost to the federal government.

As this is a new program being set up in response to emergency circumstances, Federal costs have not been estimated yet.

15. Reasons for change in burden

This collection of information reflects an increase of 1600 burden hours due to the addendum of the State Regulatory Response form.

16. Plans for tabulation, statistical analysis, and publication

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

17. Display of the expiration date for OMB approval

Treasury plans to display the expiration date for OMB approval of the information collection on all instruments.

18. Exceptions to submission requirements

There are no exceptions to the submission requirements.

Part B. Describe the use of statistical methods such as sampling or imputation

This collection does not employ statistical methods.