

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 (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.

Applications, a state regulator response form, and eligible applicant intent to participate form were previously approved under 1505-0267. Following review of the applications, Treasury anticipates, beginning in January 2022, to enter into letter agreements (agreements) with participating financial institutions. These agreements are still under development but contain standardized information collection necessary for the legal closing process. While the agreements are still in draft form, the information collection elements are not expected to be altered prior to use.<sup>1</sup> The agreements have also been sent to the federal banking agencies and the National Credit Union Administration for their input and the agencies are not expected to have revisions to the information collection elements in the agreements.

Due to the need to make Covid-19 relief investments under the Program as soon as possible, Treasury requests emergency processing and approval by January 20, 2022 for the agreements. The agreements collect information from applicants in two general categories: (1) administrative information needed to facilitate payments and notifications and (2) disclosures to Treasury (e.g. litigation or exceptions to representations and warranties). Participants are the only parties that can provide information of this type to Treasury. Treasury intends to publish this form on the Treasury website on or about January 21, 2022. Based on this publication, Treasury will provide an opportunity for eligible applicants to review the terms and conditions of the investments prior to indicating to Treasury whether the institution intends to participate in the Program. Treasury

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<sup>1</sup> Treasury will use three different letter agreements. These documents are customized for the following: (1) institutions able to issue senior preferred stock; (2) Mutuals and Subchapter S corporations issuing subordinated debt; and (3) credit unions.

requests a waiver from the requirement to publish notice in the Federal Register seeking public comments on the letter agreements.

## 2. Use of the data

The information reported will allow Treasury to complete the legal agreement process and to reduce risk through disclosure prior to making investments.

## 3. Use of information technology

Treasury will manage the submission process with the use of existing and widely available technology such as the existing ECIP 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. Where Treasury determines that it has access to requested information, Treasury will provide such information to each participant and request confirmation of accuracy only.

The information being collected is not publicly available and can only be collected from participating institutions.

## 5. Impact on small entities

This collection of information will minimally affect small entities that participate in the Program. 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 the information only once for purposes of executing the legal closing process and facilitating payments to approved applicants. Treasury cannot meet its statutory requirement to make investments under the Program without this information. The applicant will submit information that should be readily available to the entity in the ordinary course of business. If this information is not collected, Treasury will not be able to make investments under the Program.

## 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 to facilitate the statutory purpose of the ECIP. 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

Sensitive questions, such as the disclose of material litigation, are necessary to mitigate risk to Treasury.

12. Estimate of the hour burden of information collection.

The reporting burden related to the Emergency Capital Investment Program Letter Agreement is as follows:

Information Collection	Number of Respondents*	# Responses Per Respondent	Total Responses	Hours per response	Total Burden in Hours	Cost to Respondent**
Response to Applicant Notification Letter	186	1	186	0.25	46.5	\$2,209
Letter Agreements	186	1	186	8	1,488	\$117,329
<b>TOTAL</b>			<b>372</b>		<b>1,535</b>	<b>\$119,538</b>

\* Treasury determined 186 Program applicants to be eligible for investment. All eligible applicants are expected to participate in the Program.

\*\* Bureau of Labor Statistics (BLS), U.S. Department of Labor, Occupational Outlook Handbook, Lawyers, on the Internet at <https://www.bls.gov/ooh/legal/lawyers.htm> (visited December 21, 2021). In 2020, the median pay for lawyers was \$61.03/hour. To account for the fully-loaded employer cost of employee compensation, the median pay is increased by 29.2%, resulting in a fully-loaded wage rate of \$78.85. According to BLS’s Employer Cost for Employee Compensation from September 2021 (released on December 17, 2020: <https://www.bls.gov/news.release/pdf/ecec.pdf> ), private sector employers provided 29.2% of total employee compensation in the form of non-wage compensation (i.e., benefits such as paid leave, health insurance, etc.).

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.

Federal costs are estimated to be \$3,500 based on 10-15 minutes of review per returned letter agreement.

15. Reasons for change in burden

This collection of information reflects an increase of 1,488 burden hours due to the addition of the letter agreements.

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.