



**DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220**

TO: Dominic J. Mancini, Deputy Administrator, Office of Information and Regulatory Affairs

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

SUBJECT: Justification for Emergency Processing: Emergency Rental Assistance (ERA) Administrative Costs Form

Pursuant to the Office of Management and Budget (OMB) procedures established at 5 C.F.R. § 1320.13, the Department of the Treasury (Treasury) requests emergency processing for an Emergency Rental Assistance program information collection request.

On December 27, 2020, the President signed the Consolidated Appropriations Act, 2021 (the "Act"). Division N, Title V, Section 501(a)(1) of the Act provides \$25 billion for the U.S. Department of the Treasury (Treasury) to make payments to States (defined to include the District of Columbia), U.S. Territories (Puerto Rico, U.S. Virgin Islands, Guam, Northern Mariana Islands, and American Samoa), Indian tribes or tribally designated housing entities, as applicable, the Department of Hawaiian Homelands, and certain local governments with more than 200,000 residents (collectively the "eligible grantees") to provide financial assistance and housing stability services to eligible households.

Treasury seeks approval for a form required to implement Section 501(c)(5) of the Act, which mandates that each eligible grantee spend no more than 10 percent of the amount paid to the grantee on administrative costs. Treasury's ERA1 Reallocation Guidance (Guidance) provides that a grantee may generally spend up to 10 percent of its initial ERA1 allocation guidance for administrative expenses only if the grantee obligates at least 30 percent of its initial allocation for the provision of financial assistance and housing stability services on behalf of eligible households by September 30, 2022. The Guidance also provides that a grantee that has obligated less than 30% of its initial allocation on these purposes by September 30, 2022 may spend up to 10% of its initial allocation on administrative costs, but only if it can demonstrate that those costs are related to the delivery of the ERA1 program.

To implement this provision of the Guidance, Treasury has developed an application through which grantees obligating less than 30% of their initial allocations by September 30, 2022 may demonstrate that their administrative costs are related to ERA1 program delivery. The application process asks grantees to submit both a template letter and a short financial report regarding their ERA1 administrative costs. Treasury will then consider these applications and provide grantees direction on the treatment of their administrative costs under the Guidance.

Under the Act, the deadline for grantees to obligate funds from their initial ERA1 allocations is September 30, 2022, and reallocated funds must be obligated by December 29, 2022. After

these deadlines, grantees will close out their ERA1 programs as required by the Uniform Guidance, 2. C.F.R. Part 200, and they must resolve the treatment of their administrative costs under the Guidance as part of this process.

Treasury has developed the data collection now because, as grantees have begun to conclude their ERA1 programs, Treasury has observed growing interest in applying the administrative costs provision of the Guidance. The proposed form is an effort to respond to recent grantee concerns and provide additional clarity on the administrative costs rule. Given that grantees are encountering this provision of the Guidance for the first time, Treasury was not able to anticipate earlier in the year the degree to which a standardized collection would support grantees and facilitate program administration.

In light of grantees' upcoming closeout processes, it is imperative that Treasury's administrative-costs application be made available to grantees as soon as possible. Treasury therefore requests emergency processing and approval prior to August 31, 2022 so that grantees may have time to submit applications regarding their ERA1 administrative costs, and so that Treasury may have time to consider those applications prior to the closeout period. Given the inability to seek public comment during such a short timeframe, Treasury requests a waiver from the requirement to publish notice in the Federal Register seeking public comment.