

**Department of the Treasury**  
**Information Collection Request – Supporting Statement**

**Emergency Capital Investment Program Reports**  
**OMB No. 1505-0275**

**A. Justification**

1. Circumstances necessitating the collection of information

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 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.

As required by the Act, the interest and dividend rates payable on ECIP instruments are determined based on the increase in the amount of lending by an institution within minority, rural, and urban low-income and underserved communities and to low- and moderate-income borrowers during the preceding annual period compared to a baseline set from the annual period ending on September 30, 2020. To establish this baseline level of qualified lending, Treasury collected an Initial Supplemental Report (ISR) from participating applicants. This baseline must be adjusted to reflect mergers and acquisitions, should those events occur. The Quarterly Supplemental Report (QSR) allows for the collection of data on the increase in qualified and deep impact lending from the baseline amount established through the ISR. Legal certifications support validation of the accuracy of information reported to Treasury. Finally, the Impact Highlight Report form allows participants, on a voluntary basis to provide qualitative information on the type of activities that the institutions have undertaken, that result from ECIP investment.

Treasury requests approval of the following forms associated with collection of compliance, legal certifications, and performance information from financial institutions that are participating in the program and to consolidate such forms under a single collection number.

- (1) Routine collection of the Initial Supplemental Report for use in the event of certain mergers and acquisitions or other circumstances, inclusive of separate versions for credit unions and bank and holding companies.

- (2) An alternative version of the Initial Supplemental Report, used for newly approved applicants.<sup>1</sup>
- (3) Quarterly Supplemental Report, inclusive of separate versions for credit unions and banks and holding companies.
- (4) Legal certifications required by legal agreements.
- (5) Impact highlight reports.

## 2. Use of the data

The information reported will allow Treasury to (1) establish the baseline amount of qualified lending for each applicant and to adjust such baseline data as a result of mergers and acquisitions; (2) review details on the composition of qualified lending for each applicant for purposes of determining qualification for rate reductions for payments due to Treasury and program evaluation; (3) facilitate compliance with legal agreements; and (4) allow for voluntary reporting of impact highlights, as well as for complying with any reporting, recordkeeping, and transparency requirements under the Act.

## 3. Use of information technology

Treasury will collect data through a Salesforce-based system that requires upload of .xlsx files, .csv files, upload of attachments, or direct data entry into the platform.

## 4. Efforts to identify duplication

The information collected are under new statutory mandates or result from legal agreements implementing the statute. The exception is the Impact Highlights, which is a voluntary report not required by statute or legal agreement. None of the information is known to overlap with any other data collected under any other information collections at Treasury.

The information being collected is not publicly available and can only be collected from the participants.

## 5. Impact on small entities

This collection of information will impact small financial institutions participating in the program similar to other institutions. Due to statutory and legal requirements, all institutions are subject to the same reporting requirements.

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

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<sup>1</sup> Treasury anticipates that this version of the Initial Supplemental Report will not longer need to be collected after the end of fiscal year FY23.

Treasury will collect the information only to the extent necessary to administer the statutory, regulatory, and legal requirements of the program. Treasury cannot meet its statutory requirement to implement the program without this information.

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 information collection represents a consolidation. Treasury has solicited comments as follows:

Initial Supplemental Report and Quarterly Supplemental Report – On June 29, 2022, Treasury solicited comments on the Quarterly Supplemental Report. Thirty-six responses were received comprising 223 individual comments. Some comments requested additional guidance regarding mergers and acquisitions, which is the basis for inclusion of an Initial Supplemental Report form and instructions for use in merger and acquisition circumstances.

Legal Certifications Required by Legal Agreements: On September 16, 2022, Treasury announced in the Federal Register that it was soliciting comments on the Letter Agreements under PRA #1505-0267 for 60 days. The referenced legal certifications are included in the legal agreements. No comments were received in response to the Federal Register notice. The legal agreements are currently approved for use through June 30, 2023. The certifications must be made annually by each participant.

Treasury did not solicit comments on the Impact Highlight form. However, this form would be used exclusively on a voluntary basis by program participants to communicate to Treasury examples of how the ECIP has enabled increases in Qualified Lending and other developments. While Treasury will not require use of this form, it will help to standardize information that participants may desire to submit to Treasury regarding the impact of the ECIP investment. To date, numerous entities have voluntarily provided Treasury similar information. Making this form available to participants will facilitate submission of information and its inclusion in Treasury information systems. This information will help Treasury to understand the impact of ECIP investments and is likely to be useful in future evaluation efforts.

On March 27, 2023, Treasury announced in the Federal Register a final solicitation of comments on all these forms and instructions. Treasury received 78 comments from 17 commenters. Most comments involved issues previously considered by Treasury and addressed during the first comment period. A few comments raised requests for clarifications of instructions. Treasury made edits to the final Quarterly Supplemental Report based on comments. None of the changes are expected to materially impact reporting burden. Of comments made regarding Treasury's

burden estimate, no commenter provided an alternative quantitative estimate, so no changes were made to the hour or cost burden estimates.

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

No sensitive questions will be asked.

12. Estimate of the annual hour burden of information collection.

For the Emergency Capital Investment Program reporting components, the 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*
Initial Supplemental Report – M&A version	3	1	3	160	480	\$22,800
Initial Supplemental Report – Initial approval version	7	1	7	160	1,120	\$53,200
Quarterly Supplemental Report Schedules A & B**	180	4	720	10	7,200	\$342,000
Quarterly Supplemental Report Schedules C & D**	180	1	180	120	21,600	\$1,026,000
Legal Certifications	180	3	540	10 minutes each	90	\$4,275
Impact Highlight Reports	5	1	5	.5	2.5	\$119
<b>TOTAL</b>					<b>30,493</b>	<b>\$1,448,418</b>

\* 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.

\*\* Quarterly Supplemental Report Schedules A & B are completed four times a year. Schedules C & D and completed only once a year. For clarity purposes these are shown separately in the table.

Treasury estimates each response requires two FTEs for two weeks on average to prepare the data and submit it.

### 13. Estimated total annual cost burden to respondents

The total estimated burden cost is \$1,043,744 including time necessary compile data, completion and submission of forms.

### 14. Estimated cost to the federal government.

Federal costs are estimated to be \$280,000 annually. These costs are associated with confirming receipt of the reports. Limited follow-up may be required in the event of missing data points but do not require analysis beyond confirmation of completeness.

### 15. Reasons for change in burden

This collection of information reflects changes to incorporate the Quarterly Supplemental Report, Legal Certification forms, and Impact Highlight reports, along with a reduction in hours for the Initial Supplemental Report.

### 16. Plans for tabulation, statistical analysis, and publication

While not planned at this time, Treasury may publish qualified lending data on a summary basis to support transparency and reporting on program impact. Tabulations could include sub-tabulations by geography or institution type.

### 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 for the Initial Supplemental Report, Quarterly Supplemental Report, or legal certifications. Impact highlight reporting is voluntary.

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

This collection does not employ statistical methods.