



"COMMUNITY SUPPORT REQUIREMENTS"

OMB NUMBER 2590-0005

SUPPORTING STATEMENT

A. JUSTIFICATION

1. Circumstances Necessitating the Collection of Information

The Federal Home Loan Bank System (System) consists of eleven regional Federal Home Loan Banks (Banks) and the Office of Finance, a joint office of the Banks that issues and services their debt securities. The Banks are wholesale financial institutions, organized under authority of the Federal Home Loan Bank Act (Bank Act) to serve the public interest by enhancing the availability of residential housing finance and community lending credit through their member institutions and, to a limited extent, through eligible non-member "housing associates." Each Bank is structured as a regional cooperative that is owned and controlled by member financial institutions located within its district, which are also its primary customers.

Section 10(g)(1) of the Bank Act requires the Director of FHFA to promulgate regulations establishing standards of community investment or service that Bank member institutions must meet in order to maintain access to long-term Bank advances.^{1,2} Section 10(g)(2) of the Bank Act requires that, in establishing these community support requirements for Bank members, FHFA take into account factors such as the member's performance under the Community Reinvestment Act of 1977 (CRA)³ and record of lending to first-time homebuyers.⁴ FHFA's community support regulation, which establishes standards and review criteria for determining compliance with section 10(g) of the Bank Act, is set forth at 12 CFR part 1290.

Part 1290 requires that each Bank member subject to community support review submit to FHFA biennially a completed Community Support Statement (Form 060), which contains several short questions, the answers to which are used by FHFA to assess the responding member's compliance with the statutory and regulatory community support standards.⁵ Members are strongly encouraged to complete and submit Form 060 online, but may submit a

¹ 12 U.S.C. 1430(g)(1).

² For purposes of the community support requirements, a long-term advance is an advance with a term of maturity greater than one year. 12 CFR 1290.1 (definition of "long-term advance").

³ See 12 U.S.C. 2901 *et seq.*

⁴ 12 U.S.C. 1430(g)(2).

⁵ See 12 CFR 1290.2. Non-depository community development financial institutions and institutions that have been Bank members for less than one year as of March 31 of the year the Form 060 is due are not required to submit Form 060.

version via email or fax if they cannot complete the submission online. In Part I of Form 060, a member that is subject to the CRA must record its most recent CRA rating and the year of that rating. Part II of Form 060 addresses a member's efforts to assist first-time homebuyers. A member may either record the number and dollar amount of mortgage loans made to first-time homebuyers in the previous or current calendar year (Part II.A), or indicate the types of programs or activities it has undertaken to assist first-time homebuyers by checking selections from a list (Part II.B), or do both. If a member has received a CRA rating of "Outstanding," it need not complete Part II.

Part 1290 also establishes the circumstances under which FHFA will restrict a member's access to long-term Bank advances and to the Bank Affordable Housing Programs (AHP), Community Investment Programs (CIP), and Community Investment Cash Advance (CICA) programs for failure to meet the community support requirements.⁶ Part 1290 permits Bank members whose access to long-term advances has been restricted to apply directly to FHFA to remove the restriction.⁷

2. Use of Data

FHFA uses the information collection contained in FHFA Form 060 and part 1290 to determine whether Bank members satisfy the statutory and regulatory community support requirements and to ensure that, as required by statute and regulation, only Bank members that meet those requirements maintain continued access to long-term Bank advances and to AHP, CIP, and CICA programs.

3. Use of Information Technology

Bank members are strongly encouraged to complete and submit Form 060 online but may submit a version via email or fax if they cannot complete the submission online.

4. Efforts to Identify Duplication

This information collection avoids duplication by utilizing CRA ratings as a method of determining fulfillment of the community support requirements by members subject to the CRA.

5. Impact on Small Entities

This information collection does not have a significant economic impact on a substantial number of small entities.

6. Consequences of Less Frequent Collection and Obstacles to Burden Reduction

If FHFA did not collect the information at least biennially, its ability to effectively evaluate Bank members' community support review, as is required by the Bank Act, would be impacted.

⁶ See 12 CFR 1290.5(b), (e).

⁷ See 12 CFR 1290.5(d).

7. Circumstances Requiring Special Information Collection

No special circumstances require FHFA to conduct the information collection in a manner inconsistent with the guidelines provided for this Item 7.

8. Solicitation of Comments on Information Collection

In accordance with the requirements of 5 CFR 1320.8(d), FHFA published a request for public comments regarding this information collection in the *Federal Register* on August 19, 2022.⁸ The 60-day comment period closed on October 18, 2022. FHFA received one comment letter that was not responsive to any of the questions in the notice and contained no comments relating to the community support requirements or any issues arising under the PRA.

9. Provision of Payments to Respondents

No payment or gift will be provided to any respondent.

10. Assurance of Confidentiality

FHFA has not provided, and is not required to provide, any assurance of confidentiality with respect to the information to be collected.

11. Questions of Sensitive Nature

There are no questions of a sensitive nature in the information collection.

12. Estimated Burden of Information Collection on Respondents

FHFA is seeking OMB clearance for two information collections under this control number: (1) Community Support Statements (Form 060); and (2) Requests to Remove a Restriction on Access to Long-Term Advances. The total estimated annualized hour burden imposed upon respondents by these two information collections is 1,884 hours. The estimated annualized cost associated with this burden estimate is \$183,124.80, which includes salaries, benefits, and overhead costs. These estimates are based on the following calculations:

- 1) *Community Support Statements (Form 060)*

The estimated annualized hour burden associated with the preparation, review, and submission of Form 060 is 1,875 hours. The estimated annualized cost associated with this burden estimate is \$182,250.

Most Bank members are required to submit a completed Community Support Statement biennially, with exemptions for members that are non-depository community development financial institutions (CDFIs) or that have been members for less than one year as of March 31st of the year submission is required.

⁸ See 87 FR 51095 (Aug. 19, 2022).

There are currently about 6,600 Bank members. 68 of these are non-depository CDFIs.⁹ Moreover, there has been a net decrease in System membership over the last three years of 124 members in 2019, 37 members in 2020, and 121 members in 2021. This averages to a loss of 94 members per year. Based upon that average, FHFA estimates a net loss of 282 members over the coming three years.

After subtracting the exempt members (68) and the estimated loss in members (282) from the current membership of 6,600, FHFA estimates that 6,250 members will be required to submit the biennial statement over each of the next several cycles. This corresponds to an annual average of 3,125 respondents.

Senior executive completes and submits Form 060:

- Time per Form: 0.6 hours
- Total Forms: 3,125
- Total hours: 1,875
- Hourly rate: \$97.20¹⁰
- Total cost: \$182,250

2) *Request to Remove a Restriction on Access to Long-Term Advances*

The estimated annualized hour burden associated with the preparation, review, and submission of requests to remove a restriction on access to long-term advances is 9 hours. The estimated annualized cost associated with this burden estimate is \$874.80.

FHFA based its estimates for the annual burdens arising from the preparation, review, and submission of these requests upon an annual average of 12 respondents. Currently 32 members are on restriction for failure to submit a biennial Community Support Statement.

Senior executive prepares and submits a request to remove a restriction on access to long-term advances:

- Time per request: 0.75 hours
- Total requests: 12
- Total hours: 9
- Hourly rate: \$97.20
- Total cost: \$874.80

13. Estimated Total Annualized Cost Burden to Respondents

⁹ Federal Housing Finance Agency, Membership Database (November 2022).

¹⁰ See Real Earnings News Release, Bureau of Labor Statistics (Nov. 10, 2022), available at [Real Earnings News Release - 2022 M10 Results \(bls.gov\)](#). The Bureau of Labor Statistics found that “[r]eal average hourly earnings decreased 2.8 percent, seasonally adjusted, from October 2021 to October 2022.” *Id.*

FHFA has not identified any costs to respondents other than the costs discussed in detail under Item 12 above.

14. Estimated Cost to the Federal Government

The estimated annual hour burden to FHFA associated with the two information collections for which it is seeking clearance under this control number is 534 hours. The estimated annualized cost associated with this burden estimate is \$60,876, which includes salaries, benefits, and overhead costs. These estimates are based on the following calculations:

1) Community Support Statements

The estimated annualized hour burden to FHFA in connection with assisting members with the completion of their Community Support Statements and with the review and processing of the completed Forms is 531 hours. The estimated annualized cost associated with this burden estimate is \$60,534. These estimates are based on the following calculations:

Senior policy analyst responds to questions from Bank staff concerning community support requirements, and reviews and processes Community Support Statements for which part II has been completed (regarding a member's efforts to assist first-time homebuyers) or for which incorrect CRA ratings have been entered:

- Time per Form: 0.17 hours
- Total Forms: 3,125
- Total hours: 531
- Hourly rate: \$114
- Total cost: \$60,534

2) Request to Remove a Restriction on Access to Long-Term Advances

The estimated annualized hour burden to FHFA in connection with reviewing and processing member requests to remove restrictions on access to long-term advances and to AHP, CIP, and CICA programs is 3 hours. The estimated annualized cost associated with this burden estimate is \$342. These estimates are based on the following calculations:

Senior policy analyst reviews and processes each request to remove a restriction on access to long-term advances and notifies Bank staff of the result.

- Time per request: 0.25 hours
- Total requests: 12
- Total hours: 3
- Hourly rate: \$114
- Total cost: \$342

15. Reasons for Change in Burden

FHFA has decreased its estimate of the total annualized hour burden imposed upon respondents by this information collection from 1,950 hours in its 2020 submission to 1,884 hours in this submission. This decrease is due to the projected reduction in System membership over the next three years.

16. Plans for Tabulation, Statistical Analysis and Publication

FHFA will not publish the results of this information collection.

17. If Seeking Approval to Not Display the Expiration Date for OMB Approval of the Information Collection, Explain the Reasons Why Display Would Be Inappropriate

FHFA plans to display the expiration date for OMB approval.

18. Explain Each Exception to the Topics of the Certification Statement Identified in “Certification for Paperwork Reduction Act Submission.”

There are no exceptions to the certification statement identified in this Item 18.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

This information collection does not employ statistical methods.