

National Credit Union Administration
SUPPORTING STATEMENT

Community Development Revolving Loan Fund – Loan and Grant Programs
12 CFR Part 705
OMB No. 3133-0138

A. JUSTIFICATION

1. Circumstances that make the collection of information necessary.

NCUA's Community Development Revolving Loan Fund (CDRLF or Fund) was established by Congress (Pub. L. 96-123, November 20, 1979) to stimulate economic development in low-income communities. Part 705 was adopted by the Board under section 130 of the Federal Credit Union Act (12 U.S.C. 1772c-1), which implements the Community Development Credit Union Revolving Loan Fund Transfer Act (Pub. L. 99-609, 100 Stat.3475 (Nov. 6. 1986)).

The Fund is used to support credit unions that serve low-income communities by providing loans and technical assistance grants to qualifying institutions. The programs are designed to increase income, ownership, and employment opportunities for low-income residents, and to stimulate economic growth. In addition, the programs provide assistance to improve the quality of services to the community and formulate more effective and efficient operations of credit unions.

2. Purpose and use of the information collection.

CDRLF loan and technical assistance grant opportunities are available to eligible designated low-income credit unions. A Notice of Funding Opportunity is published in the *Federal Register* and grants.gov identifying the period in which funds are available. It also announces special initiatives, the amount of funds available, funding priorities, permissible uses of funds, funding limits, deadlines, and other pertinent details. The Notice of Funding Opportunity advises potential applicants on how to obtain an application and related materials. Through a competitive application process, NCUA's Office of Credit Union Resources and Expansion will determine credit unions' eligibility and administer the funds.

Additional reporting requirements are required of awardees depending on the program and initiative under which funding is provided, such as a promissory note and a loan agreement (loans), grant agreement, payment request, performance report and extension request and additional documents based on grant initiative (grants).

The documents are used to evaluate and administer applications for financial assistance from the CDRLF and to monitor the use of funds and monitor the effectiveness of funds utilized by participating credit unions.

The Fund supports the efforts of participating credit unions by providing basic financial and related services to members and the communities that they serve; stimulating economic activities in the communities they serve which will result in increased income, ownership and employment opportunities for low-income residents, and other community growth efforts.

3. Use of information technology.

NCUA administers both the loan and technical assistance program with an online system to increase internal and external efficiencies. Applicants will be required to submit the information using the online system and NCUA uses the same system to evaluate and manage applications.

4. Efforts to identify duplication.

The information collection consists of legal documents necessary to support NCUA's administration of the CDRLF and the information the rule calls for is unique to each credit union loan transaction and grant application. There is no duplication with any other required submission or recordkeeping. The information requested in the application is not available from other sources.

5. Minimizing the burden on small entities.

The use of the online portal for the application process was deployed in 2012 and provided burden relief to low-income designated credit unions by streamlining all forms, processes, and guidelines.

6. Consequence of not conducting collection.

Loans – The information collected is necessary to support the legal requirements and obligations associated with administering a loan program in which funds are lent with an expectation of repayment. In accordance with its statutory mandate, the CDRLF is a revolving fund; money lent to one credit union is returned and re-lent to others. Failure to require these collections could result in funds being distributed to applicants that are financially unable to repay the loan or used for purposes inconsistent with the purpose and objectives of the statute and its regulation.

Grants – The information collected is used to assess financial viability and suitability to receive funding under the program guidelines. Without the information, there would be no basis upon which to award grant funding. The information is requested only once and could not be collected less frequently.

7. Inconsistencies with guidelines in 5 CFR 1320.5(d)(2).

No special circumstances exist that would cause this collection to be conducted in a manner inconsistent with OMB guidelines.

8. Consultations with persons outside the agency.

The grant and loan program has been discussed at regional conferences, credit union meetings, league conferences, and other federal agency conferences on an ongoing basis. The credit union community provides feedback on the application process at these forums. In addition, a 60-day notice was published in the *Federal Register* on July 17, 2024, at 89 FR 58194, soliciting comments from the public on the renewal of this information collection. No comments were received in response to this notice.

9. Payments or gifts to respondents.

NCUA will not make any payment, gift or remuneration to anyone in connection with this collection of information.

10. Assurance of confidentiality.

There is no assurance of confidentiality other than those provided by law.

11. Information of a sensitive nature.

No questions of a sensitive nature are asked. The information collection does not collect any Personally Identifiable Information (PII).

12. Estimate of burden of information collection.

Grants: Of the 325 grant applications, NCUA estimates 200 payment requests and performance reports, and 30 extension requests annually. Burden associated with the disclosure of a credit unions progress of grant initiative and services provided to members from funds under the CDRLF are provided to members (§705.9(b)(2)(ii)) at their annual meeting as prescribed by Article IV, Section 4(c) of Appendix A to part 701.

Loans: NCUA estimates ten loan applications per year. The approved applications requires additional documentation such as the loan agreement, promissory note, and post-award performance reporting describing the use of loan proceeds, the impact of any new programs supported or funded by loan proceeds, and any obstacles encountered affecting the credit union's ability to accomplish the objectives identified in its loan application. This reporting must be provided to NCUA once a year.

	CFR Citation	Collection Activity	# Respondents	# Responses per Respondent	Total Annual Responses	Hours per Response	Total Annual Burden
GRANTS	705.7(b)	Grant Application Requirements	325	1	325	1	325
	705.7(g)(2); 705.9(b)(1)	Reimbursement/ Payment Requests/Performance Report	200	1	200	2	400
	2 CFR 200.211	Grant Agreement	150	1	150	0.1	15
		Electronic Funds Transfer Form	35	1	35	0.1	3.5
	705.9(a)	Irregular extensions	30	1	30	1	30
	Totals GRANTS		325		740		773.5
LOANS	705.7(b)(2)	Loan Application Requirements	10	1	10	0.75	7.50
	705.7(b)(3)	Additional documentation for Non-federally insured state-chartered CU	1	1	1	0.5	0.5
	705.7(g)(1)	Loan agreement, promissory note, and any other loan related documents.	5	1	5	0.5	2.5
	705.9(b)(1)	Performance Report	5	1	5	0.5	2.5
	Totals LOANS		10		21		13
TOTAL			335		761		786.5

The cost to respondents is based on the GS-11 RUS salary table with an hourly labor rate of \$35 per hour. The hourly wage rate is estimated to be \$35 per respondent; the total annual cost to respondents is estimated to be \$27,527.50.

13. Capital start-up or on-going operation and maintenance costs.

There are no capital start-up or maintenance costs.

14. Estimated annualized cost to the Federal government.

NCUA currently staffs and administers the CDRLF programs through the Office of Credit Union Resources and Expansion (CURE).

Review, Analysis, Reporting	Professional Staff hours	\$75 per hr	Support Staff hours	\$45 per hr	Total
Cyber Grants – Grant Applications	200	\$15,000	400	\$18,000	\$33,000
Payment Requests	432	\$32,400	0	0	\$32,400
Extensions	22	\$1,650	0	0	\$1,650
Cyber Grants – Loan Applications	200	\$15,000	0	0	\$15,000
Loans Documents	45	\$3,375	0	0	\$3,375
Performance Reports	56	\$4,200	0	\$0	\$4,200
Federal Labor Cost					\$89,625
Annual maintenance and licensing of Cyber Grant system					\$35,912
Total Cost to the Federal Government					\$125,537

15. Reason for change in burden.

Based on the previous application cycle, adjustments have been made to estimates to reflect current information collection activity.

The NCUA made minor changes to the current reporting and recordkeeping requirements. The changes have little impact to applicants/awardees and the total annual burden will decrease from 872 total burden hours to 787 burden hours.

16. Information collection planned for statistical purposes.

This information is not used for statistical purposes. NCUA only publishes summary information about its CDRLF loan and grant program on its website, including the identity and initial loan and grant amounts approved for various credit union borrowers.

17. Non-display of the expiration date of the OMB control number

The display of the expiration date on the electronic version of the form would cause design and IT project scheduling concerns. Non-display is requested.

18. Exceptions to Certification for Paperwork Reduction Act Submissions.

This collection complies with the requirements in 5 CFR 1320.9.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection does not involve statistical methods.