

Community Development Financial Institutions Fund
Department of the Treasury

Supporting Statement
Bank Enterprise Award Program
OMB Control Number 1559-0005

A. Justification

1. Circumstances necessitating the collection of information

The Community Development Financial Institutions Fund (CDFI Fund) administers the Bank Enterprise Award Program (BEA Program). The BEA Program was authorized by the Bank Enterprise Award Act of 1991. The regulations governing the BEA Program can be found at 12 C.F.R. Part 1806 (the Interim Rule). The Interim Rule provides the evaluation criteria and other requirements of the BEA Program.

The BEA Program provides formula-based grants to depository institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) for increasing their levels of loans, investments, Service Activities, and technical assistance to residents and businesses in the most economically Distressed Communities, and financial assistance and technical assistance to certified Community Development Financial Institutions (CDFIs) through equity investments, equity-like loans, grants, stock purchases, loans, deposits, and other forms of assistance, during a specified period.

The CDFI Fund collects data from prospective BEA Program Applicants one time per funding round by means of an online BEA Program Application. The information collected will be used to select award recipients, based on a merit-based selection process. The requested information is required by the BEA Program Interim Rule (12 CFR Part 1806) and respective Notices of Funds Availability.

2. Method of collection and use of data

The CDFI Fund will collect data once per funding round by means of an application. Applicants must complete and upload the application through a CDFI Fund-managed web-based application portal with the exception of Standard Form 424 (SF-424), which must be submitted through Grants.gov. The CDFI Fund uses the data collected to select eligible Applicants that are the most highly qualified and to determine the applicable award amounts.

3. Use of Information Technology

The CDFI Fund only accepts electronic applications, unless an applicant receives advance written permission from the CDFI Fund to submit in another format. All application materials must be submitted in the CDFI Fund-managed web-based application portal except for the SF-

424, which must be submitted through Grants.gov.

4. Efforts to identify duplication

The BEA Program application does not request information that is publically available from other Federal agencies. The CDFI Fund continually reviews the status of reference datasets to identify opportunities to pre-fill additional data points.

5. Impact on small entities

This collection of information will minimally affect small entities. The CDFI Fund will minimize the burden on small entities by asking for readily available information. The collection of information is used to verify transactions are eligible per the requirements as outlined in BEA Program Statute (USC Title 12, Chapter 16, Sections 1834a) and Interim Rule (12 CFR Part 1806).

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

The CDFI Fund cannot meet its statutory requirement to make funding decisions based on data received from applicants without the data within the application form and required attachments. The requirements of the BEA Program Statute (USC Title 12, Chapter 16, Sections 1834a) and Interim Rule (12 CFR Part 1806) limit the extent to which the burden can be reduced. The BEA Program receives annual appropriations.

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

Comments on the BEA Program application were solicited in the Federal Register on September 27, 2022 (87 FR 58639). The CDFI Fund received 3 public comments in response to this request. Comments generally fell into three classifications: (a) general comments (b) concerns related to the burden on applicants to provide data (c) recommendations for improving the data entry process into the CDFI Fund managed web-based application system, Awards Management Information System (AMIS).

Please see Tables 1 and 2 for specific comments and BEA Program team responses.

9. Provision of payment 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 questions of a sensitive nature are asked in this information collection. No personally identifiable information (PII) is collected.

12. Estimate of the hour burden of information collection.

The estimated total number of burden hours for the Application is 11,280. This estimate is based on 141 Applicants, which is the average number of BEA Program applications received over the past three years and an estimated hour burden per application of 80 hours per applicant. The estimated hour burden is based on an analysis of application data collected in the most recent FY 2021 BEA Program application.

Affected Public	# Respondents	Hours per Response	Total Hours	Time Value (per hour)	Monetized Burden Hours
Bank Enterprise Award Program	141	80	11,280	\$63.32 ¹	\$714,250

The CDFI Fund notes that hour burden per application can vary widely since it is driven primarily by the number of transactions an applicant chooses to submit. An applicant must submit at least one transaction and the CDFI Fund does not limit the number of transaction an applicant can submit.

13. Estimate of total annual cost burden to respondents

Per the table in Question 12, the total annual cost burden to respondents is \$714,250. 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. Estimate of annualized cost to the Government

¹ The hourly rate is based on the national estimate for the median hourly wage for Financial Managers according the Bureau of Labor Statistics (<https://www.bls.gov/oes/current/oes113031.htm>)

The cost to the Government is the CDFI Fund staff and contractor time required to develop the Application, review submitted applications, collect follow-up information from Applicants, and report the results (the entire lifecycle of the CMF and supplemental applications). The estimates of annualized cost to the Federal government based on a methodology that estimated the time and loaded labor rate for the CDFI Fund staff by GS level and cost of contractor services for the lifecycle of the collection. The estimated total cost is \$941,747.

Expense Category	Cost
IT Contract	\$ 400,000
External Review Contract	\$ 101,655
CDFI Fund Staff	\$440,092
Total	\$941,747

Specifically, the CDFI Fund estimated the hours by grade level for each step of the application life cycle from pre-application preparation, Application collection, Application review, award announcement, and post award processes. The staff wage rate was based on Step 5 of the respective GS level and then multiplied by 1.63 to capture the value of non-wage compensation. The average fully loaded cost per hour was based on a standard 50% of 2000 full time equivalent (FTE) hours per year. Staff members who run the BEA Program split time with the Small Dollar Loan Program.

15. Any program changes or adjustments

The BEA Program has not materially changed, and the proposed FY 2023-2025 BEA Program application is substantially similar to what was approved in 2020, for FY 2020-2022 application rounds. Since the last PRA approval the average number of Respondents increased from 120 to 141 as interest in the Program grew. The estimated hours per Application also increased from 60 hours to 80 hours since the last approval. The 80 hour estimate is based on the average amount of time it took Applicants to complete an Application in the most recent year. Over the past two years, there have been many new Applicants to the Program and it is reasonable to assume that first-time Applicants may take longer to complete an Application, thus explaining the increase in hours to complete an Application.

16. Plans for information tabulation and publication

Confidential or proprietary information collected through this information collection will not be published.

17. Reasons for not displaying expiration date of OMB approval

The CDFI Fund will display the expiration date of the OMB approval on the application form.

18. Explanation of exceptions to certification statement

There are no exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods

This collection does not employ statistical methods.

Appendix 1: Bank Enterprise Program Application Respondents and Comment Summary

Table 1: Bank Enterprise Award Program Application Respondents

No.	Organization Name	Organization Representative	Date Submitted
1	Sones & White	Ben Sones and Everett White	November 26, 2022
2	Fund Consulting	Emily Sipfle and Alexandria Knipp	November 27, 2022
3	Community Development Bankers Association (CDBA)	Brian Blake	November 27, 2022

Table 2: Bank Enterprise Award Program Comment Summary

Organization	Topic	Comment	BEA Response
Sones & White	Is the data and information that is proposed to be collected by the BEA Program Application necessary and appropriate for the CDFI Fund to consider for the purpose of making award decisions?	Yes	The CDFI Fund has taken this comment into consideration as confirmation that, generally, information collected in the BEA Program Application is appropriate.
FUND Consulting LLC	Is the data and information that is proposed to be collected by the BEA Program Application necessary and appropriate for the CDFI Fund to consider for the purpose of making award decisions?	No Comment	This organization did not respond to this question.
Community Development Bankers Association (CDBA)	Is the data and information that is proposed to be collected by the BEA Program Application necessary and appropriate for the CDFI Fund to consider for the purpose of making award decisions?	The data and information currently collected by the agency is generally appropriate for the purpose of making award decisions. However, we believe the burden could be reduced without damaging the program if the threshold for submitting supporting documentation was increased to loans of \$500,000 and greater.	The CDFI Fund has taken this comment into consideration as confirmation that, generally, information collected in the BEA Program Application is appropriate. The CDFI Fund will be maintaining the \$250,000 and above supporting documentation requirement based on internal review and risk requirements.
Sones & White	Does the data and information requested in the BEA Program Application allow an applicant to demonstrate its lending, investment and service activities in BEA Program, Distressed Communities	Yes	The CDFI Fund has taken this comment into consideration as confirmation that generally, information requested in the, BEA Program Application allows an Applicant to demonstrate its lending, investment, and service activities.

	or to CDFIs?		
FUND Consulting LLC	Does the data and information requested in the BEA Program Application allow an applicant to demonstrate its lending, investment and service activities in BEA Program, Distressed Communities or to CDFIs?	No Comment	This organization did not respond to this question.
Community Development Bankers Association (CDBA)	Does the data and information requested in the BEA Program Application allow an applicant to demonstrate its lending, investment and service activities in BEA Program Distressed Communities or to CDFIs?	Yes, the data and information requested generally allow an applicant to demonstrate its investment and service activities in BEA Program Distressed Communities or to CDFIs.	The CDFI Fund has taken this comment into consideration as confirmation that, generally, information requested in the BEA Program Application allows an Applicant to demonstrate its lending, investment, and service activities.
Sones & White	Are certain data fields, questions, or tables redundant or unnecessary?	(1) field-by-field manual data entry of transactions is unnecessary and overly burdensome, and we would advocate the uploading of all transactions in a single .csv file, and (2) we believe submission of supporting documentation for loan transactions under \$500,000 is unnecessary and would advocate raising the dollar amount threshold for DCFA supporting documentation.	The CDFI Fund has updated its IT system to allow for the bulk upload of transactions. The CDFI Fund will be maintaining the \$250,000 and above supporting documentation requirement based on internal review and risk requirements.

FUND Consulting LLC	Are certain data fields, questions, or tables redundant or unnecessary?	No Comment	This organization did not respond to this question.
Community Development Bankers Association (CDBA)	Are certain data fields, questions or tables redundant or unnecessary?	As discussed above, field-by-field manual data entry of transactions is very burdensome, both due to the time required, and to problems with the AMIS portal. We strongly urge the CDFI Fund to develop a solution that allows for uploading of all transactions in a single .csv file. We also support raising the dollar amount threshold for Distressed Community Financing Activities (DCFA) supporting documentation.	The CDFI Fund has updated its IT system to allow for the bulk upload of transactions.
Sones & White	Should the CDFI Fund add data fields, questions or tables to ensure collection of relevant information?	No.	The CDFI Fund has taken this comment into consideration and will not, at this time, add any data fields, questions, or tables to the Application.
FUND Consulting LLC	Should the CDFI Fund add data fields, questions or tables to ensure collection of relevant information?	No Comment	This organization did not respond to this question.
Community Development Bankers Association (CDBA)	Should the CDFI Fund add data fields, questions or tables to ensure collection of relevant information?	No. The data fields, questions and table that are currently required are adequate for their purpose.	The CDFI Fund has taken this comment into consideration and will not, at this time, add any data fields, questions, or tables to the Application.
Sones & White	Are there any data fields, questions or tables that are particularly difficult or burdensome to	Please see our detailed discussions above regarding the burden associated with (1) field-by-field manual data entry and (2) supporting documentation.	The CDFI Fund has upgraded its IT system and will allow for the bulk upload of transactions.

	answer? If so, please be specific as to which questions or tables and describe why they are difficult or burdensome.		
FUND Consulting LLC	Are there any data fields, questions or tables that are particularly difficult or burdensome to answer? If so, please be specific as to which questions or tables and describe why they are difficult or burdensome.	No Comment	This organization did not respond to this question.
Community Development Bankers Association (CDBA)	Are there any data fields, questions or tables that are particularly difficult or burdensome to answer? If so, please be specific as to which questions or tables and describe why they are difficult or burdensome.	Please see our comments above regarding the burden associated with field-by-field manual data entry and supporting documentation.	The CDFI Fund has upgraded its IT system and will allow for the bulk upload of transactions.
Sones & White	The Fund is considering requiring Applicants to provide information on their most recent independent audit, their most recent Community Reinvestment Act (CRA) Rating, and information on any enforcement actions. How much of a burden will the collection of this information be for Applicants?	We do not believe it is appropriate for applicants to take on this information collection burden, and there are reasons why the Fund should not request such information from applicants. First, the information that the Fund already obtains from the FRB, FDIC, and OCC should be sufficient to assess the safety and soundness of the applicant for purposes of eligibility in the BEA Program. Second, the information regarding enforcement actions is either formal or publicly available (e.g., consent order), so that there is no need to request it from applicants, or else informal and intended to be kept confidential (e.g., Memorandum of Understanding), resulting in confusion on the part of applicants as to what they are required or permitted to disclose.	The CDFI Fund has taken this comment into consideration and will not require Applicants to provide this information in their Applications.
FUND Consulting LLC	The Fund is considering requiring Applicants to provide information on their most recent	No Comment	This organization did not respond to this question.

	independent audit, their most recent Community Reinvestment Act (CRA) Rating, and information on any enforcement actions. How much of a burden will the collection of this information be for Applicants?		
Community Development Bankers Association (CDBA)	The Fund is considering requiring Applicants to provide information on their most recent independent audit, their most recent Community Reinvestment Act (CRA) Rating, and information on any enforcement actions. How much of a burden will the collection of this information be for Applicants?	CDBA does not support requiring applicants to report on their safety and soundness. This would create an additional burden, and is an unnecessary and duplicative request for information. Unfortunately, the form of the burden cannot be precisely determined. For example, we anticipate there would be considerable uncertainty and delays as Banks exchanged correspondence with regulators requesting permission to provide information on certain enforcement actions that are intended to be kept confidential. Similarly, independent audits often contain information that are appropriate for review by executive staff, shareholders and regulators, but cannot be conclusively determined to be appropriate for dissemination for the purposes of participating in a grant program. The administrative and compliance burden would vary widely, but would be noticeable as well as unnecessary.	The CDFI Fund has taken this comment into consideration and will not require Applicants to provide this information in their Applications.
Sones & White	Are there any reasons that the CDFI Fund should not request CRA and enforcement actions information from Applicants?	No Comment	This organization did not respond to this question.
FUND Consulting LLC	Are there any reasons that the CDFI Fund should not request CRA and enforcement actions information from Applicants?	No Comment	This organization did not respond to this question.

Community Development Bankers Association (CDBA)	Are there any reasons that the CDFI Fund should not request CRA and enforcement actions information from Applicants?	The CDFI Fund should continue its current practice of obtaining safety and soundness information through Memorandums of Understanding with the agencies, since safety and soundness information is confidential outside of regulatory reporting. Requiring banks to supply these reports would be variously burdensome and redundant. Further, going straight to the regulators removes a potential source of variation in the quality of information available to the CDFI Fund and also reduces application burden.	The CDFI Fund has taken this comment into consideration and will not require Applicants to provide this information in their Applications.
Sones & White	Is there anything else the CDFI Fund should consider?	No Comment	This organization did not respond to this question.
FUND Consulting LLC	Is there anything else the CDFI Fund should consider?	No Comment	This organization did not respond to this question.
Community Development Bankers Association (CDBA)	Is there anything else the CDFI Fund should consider?	Where the CDFI Fund has access to the same public information as anyone else (such as with Community Reinvestment Act compliance), the Fund should use its own resources to collect that information, and to the extent information is not public, it should continue its current practice to gather information that it requires.	The CDFI Fund has taken this comment into consideration and will not require Applicants to provide this information in their Applications.
Sones & White	The Fund is considering adding Business Description and Impact text entry fields. Will reporting this information significantly increase the number of hours spent completing the BEA Program Application?	We estimate that adding both fields would increase the time burden on Applicants by over 60 hours in some cases. The Impact Description data field that the Fund is considering would be a picklist or text entry box to more particularly describe the nature of the loan. The additional burden on applicants from this field would be immense. In the case of an applicant like our client who reported over 250 Commercial Loans, even an additional burden of 5 minutes per transaction—which is also very optimistic—results in an additional 22 hours of work to complete the BEA Application. In sum, adding either (or both) of these text entry fields would substantially increase the burden on most applicants. For some applicants, these fields alone would likely require more than 60 hours of additional work	The CDFI Fund has taken this comment into consideration and will not require Applicants to provide this information in their Applications.
FUND Consulting LLC	The Fund is considering adding Business Description and Impact text entry fields. Will reporting this	FUND anticipates that the addition of Impact Reporting Fields would significantly increase the number of hours spent on an application. During the FY2021 BEA application period, FUND conducted time tracking on the 20 complete BEA applications and found that the average time to complete an application was at least 50 hours.	The CDFI Fund has taken this comment into consideration and will not require Applicants to provide this information in their Applications.

	information significantly increase the number of hours spent completing the BEA Program Application?		
Community Development Bankers Association (CDBA)	The Fund is considering adding Business Description and Impact text entry fields. Will reporting this information significantly increase the number of hours spent completing the BEA Program Application?	Yes, adding additional text entry fields will significantly increase the number of hours spent completing the application, and is unnecessarily burdensome for applicants. We defer to colleagues at Sones & White Consulting on their estimate of the number of additional hours that may be added to completing applications.	The CDFI Fund has taken this comment into consideration and will not require Applicants to provide this information in their Applications.

<p>Sones & White</p>	<p>Is there any reason that the CDFI Fund should not collect Business Description and Impact information?</p>	<p>The Business Description data field would require Applicants, for every Commercial Loan reported, to provide a “brief description of the entity or business that received the loan or investments.” The example provided, however, described both the business and the specific purpose of the loan; it is unclear whether the Fund contemplates also adding an additional purpose description requirement. Requiring Applicants to draft a narrative description of each business or entity that received a reported Commercial Loan would dramatically increase the Applicant’s burden on two fronts. In the first place, it would require additional time to review the underlying loan documents or conduct research to determine the specific industry or type of business or entity receiving the loan or investment. And second, it would increase the data entry burden for every Commercial Loan that is reported. For example, one of our clients reported over 250 Commercial Loans in a recent Application. Even assuming that it would only take an additional 10 minutes per loan to identify the type of business or entity that received the loan and then draft the description—which is an optimistic estimate—this additional requirement would have added 44 hours to the Application preparation process. The utility of the business descriptions to the Fund, moreover, is doubtful. Each Applicant will describe the businesses or entities using its own categories and language. It will thus be difficult for the Fund to aggregate and utilize the descriptions in any meaningful way. Thus, we believe adding a business description field is not justified under any reasonable cost-benefit analysis. Like the business description field, it would increase the applicant’s burden in terms of both data collection and entry. In many cases, it would require a manual review of the loan documentation for each loan to determine the appropriate sub-category that should be selected in the picklist. The purpose codes in typical loan reports, for example, do not identify whether a business loan was for startup, or expansion, or fixed capital. Without an equally significant increase in the amount of the annual average award, adding these fields would almost certainly lead to a reduction in participation in the BEA Program.</p>	<p>The CDFI Fund has taken this comment into consideration and will not require Applicants to provide this information in their Applications.</p>
<p>FUND Consulting LLC</p>	<p>Is there any reason that the CDFI Fund should not collect Business Description and Impact information?</p>	<p>Typically, applicants with a greater number of eligible transactions to be entered into the application required additional time. Should the CDFI Fund require additional data points per each transaction such as the outlined impact data points, FUND anticipates that the time period to enter data would significantly increase, particularly for institutions with a high volume of eligible loans.</p>	<p>The CDFI Fund has taken this comment into consideration and will not require Applicants to provide this information in their Applications.</p>

<p>Community Development Bankers Association (CDBA)</p>	<p>Is there any reason that the CDFI Fund should not collect Business Description and Impact information?</p>	<p>CDBA members do not believe that the proposed additional text entry fields would improve the CDFI Fund’s ability to gather impact data. Further, such a new requirement will significantly increase the number of hours needed to complete each application. Furthermore, we believe the benefit of collecting responses in this way is negligible, and perhaps misleading, as the data cannot be accurately aggregated or analyzed across all awardees due to a varying definitions in the proposed picklist fields without better common definitions. The addition of new fields, whether text boxes or pick lists, is a further complication. Reporting this information is iterative, complex, and unreliable. These proposals would require banks to assign employees to draft narrative descriptions for each commercial loan, requiring review of original documentation and industry specific research. The data entry and quality assurance efforts that would follow would be enormous. This would all be complicated by the challenges in reporting large quantities of data under AMIS. It will impose significant new costs to the banks, including modification to each banks’ core system, internal data collection infrastructure, and staff training. None of the commercially available core systems on the market are set up to collect, store and report this type of data. Altogether, the burden imposed by these fields, far outweighs any likely benefits, and would lead to sharp reductions in BEA Program participation.</p>	<p>The CDFI Fund has taken this comment into consideration and will not require Applicants to provide this information in their Applications.</p>
<p>Sones & White</p>	<p>Is there any additional information or data that demonstrates the impact of program related investments that the CDFI Fund should consider?</p>	<p>No Comment</p>	<p>This organization did not respond to this question.</p>

<p>FUND Consulting LLC</p>	<p>Is there any additional information or data that demonstrates the impact of program related investments that the CDFI Fund should consider?</p>	<p>Data would significantly increase, particularly for institutions with a high volume of eligible loans. One potential remedy for this time burden would be to update the upload process. Currently, the AMIS application requires that each data point for each loan be entered individually. In addition to increasing the potential for data entry errors this is a time intensive step in the process. If a comprehensive upload process was available, such as a .csv file upload process that is part of the Transaction Level Report portion of AMIS, the time needed to input transactions would be lowered. FUND understands the importance of the impact data to support the BEA program and has no concerns about the data points to be included, beyond the potential time burden for applicants. There are no additional impact data points that we would recommend at this time.</p>	<p>The CDFI Fund has enhanced its IT system to allow for the bulk upload of transactions.</p>
<p>Community Development Bankers Association (CDBA)</p>	<p>Is there any additional information or data that demonstrates the impact of program related investments that the CDFI Fund should consider?</p>	<p>The benefit of collecting the proposed business and impact descriptions is questionable from a public policy perspective, as the data cannot be aggregated or analyzed without common definitions. As discussed, reporting this information is further complicated by the challenges in reporting large quantities of data under AMIS. As above, the burden imposed by these fields, far outweighs any likely benefits, and would lead to sharp reductions in BEA Program participation.</p>	<p>The CDFI Fund has enhanced its IT system to allow for the bulk upload of transactions.</p>
<p>Sones & White</p>	<p>How much of a burden will the collection of Business Description and Impact information be for Applicants?</p>	<p>We respectfully suggest that the Fund should not add these fields to the Application. As with the fields for tracking impact, adding fields for this affordability information would impose a significant burden on the applicant.</p>	<p>The CDFI Fund has taken this comment into consideration and will not require Applicants to provide this information in their Applications.</p>

<p>FUND Consulting LLC</p>	<p>How much of a burden will the collection of Business Description and Impact information be for Applicants?</p>	<p>As noted above related to the added impact fields, FUND’s primary concern for the collect of affordability related fields would be the additional time burden for inputting the information into the application.</p>	<p>The CDFI Fund has taken this comment into consideration and will not require Applicants to provide this information in their Applications.</p>
<p>Community Development Bankers Association (CDBA)</p>	<p>How much of a burden will the collection of Business Description and Impact information be for Applicants?</p>	<p>Similar to the costs of business and impact descriptions, the cost for the banks to modify their existing systems to collect and report this information will be enormous and will likely exceed the set-up and on-going data collection expenses. As above, the burden imposed by these fields, far outweighs any likely benefits, and would lead to sharp reductions in BEA Program participation.</p>	<p>The CDFI Fund has taken this comment into consideration and will not require Applicants to provide this information in their Applications.</p>
<p>Sones & White</p>	<p>For BEA Qualified Activities that are loans, Applicants will be asked to provide basic information related to the affordability of BEA Qualified Financial Products, such as rates, points and fees. Are there any reasons that the CDFI Fund should not collect this information?</p>	<p>The Fund is considering adding the following fields to collect information about the affordability of loans reported by applicants: interest rate, interest type, term, origination fees, and points. We respectfully suggest that the Fund should not add these fields to the Application. As with the fields for tracking impact, adding fields for this affordability information would impose a significant burden on the applicant. This affordability information is not contained in the typical loan reports that are generated in the bank’s ordinary course of business. Providing this information would therefore require a review of the loan documentation for each loan reported on the BEA Application. The information would then have to be entered for each transaction. Even using optimistic assumptions regarding the time, it would take an Applicant to provide this information, this field would still add several hours to most Applications, and potentially 20 or more hours for applicants with numerous transactions to report.</p>	<p>The CDFI Fund has taken this comment into consideration and will not require Applicants to provide this information in their Applications.</p>

<p>FUND Consulting LLC</p>	<p>For BEA Qualified Activities that are loans, Applicants will be asked to provide basic information related to the affordability of BEA Qualified Financial Products, such as rates, points and fees. Are there any reasons that the CDFI Fund should not collect this information?</p>	<p>Should the CDFI Fund implement a new upload process as part of updates to the BEA application, such that data may be uploaded through a spreadsheet rather than datapoint by datapoint data entry, the burden would be significantly reduced. Given the additional time burden, FUND recommends that the CDFI Fund focuses on collecting data that is required for statutory purposes until a more robust upload system is available. A secondary concern is the historic nature of the BEA programs: while FUND anticipates that the banks that it works with would have access to the proposed data points, they may not be readily accessible in report format, particularly as they were not identified as necessary for the BEA program at the time the activities occurred. For some, newly required fields may require a review of past loan data to build out necessary information, which would significantly increase the burden of the application process. FUND anticipates it would be helpful to applicants to understand how the data points may be used and what may be deemed “affordable”. The intended data points do provide information, they do not provide a full context into the underwriting process, risks profiles etc. that informed how the terms were set. While not a limiting factor to collecting the information, FUND feels it would be beneficial to the applicant to require the data for only the assessment period, to reduce the need to add data on the same loans more than once, i.e. if it is reported as an assessment year loan in one application and then a baseline year loan in the following. One affordability related item that has been identified as a challenge for other BEA qualified Activities is pinpointing the appropriate interest rate for banks seeking to place deposits with CDFI credit unions. A common challenge FUND has encountered is aligning the deposits’ rate with the Treasury’s posted rate for that day. While we recognize that the CDFI Fund’s guidance allows for the rate to be materially below the previous day’s rate if it is placed after hours, it remains challenging to track given processing time. FUND would recommend a larger window, such as being materially below the highest interest rate of the previous week to allow for more communication between the bank applicant and the CDFI credit union.</p>	<p>The CDFI Fund has taken this comment into consideration and will not require Applicants to provide this information in their Applications.</p>
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<p>Community Development Bankers Association (CDBA)</p>	<p>For BEA Qualified Activities that are loans, Applicants will be asked to provide basic information related to the affordability of BEA Qualified Financial Products, such as rates, points and fees. Are there any reasons that the CDFI Fund should not collect this information?</p>	<p>For applicants with many eligible transactions to enter, this could add a large increase in the time burden of completing the application. The additional cost and time burden of the proposed new reporting requirements will greatly exceed any reasonable cost-benefit analysis given the modest size of the average BEA award. We also note that Congress' intent in creating the BEA Program was to incentivize banks to increase the dollar volume of their activities in distressed communities and other categories of Qualified Activities. To that end, we suggest the CDFI Fund consider whether the significant new data collection requirements would be so burdensome as to undermine congressional intent and discourage banks from engaging in certain beneficial activities.</p>	<p>The CDFI Fund has taken this comment into consideration and will not require Applicants to provide this information in their Applications.</p>
<p>Sones & White</p>	<p>Is there any additional information or data that demonstrates the affordability of program related loans or investments that the CDFI Fund should consider?</p>	<p>We believe that there are less burdensome and more helpful ways for the Fund to obtain information on the affordability of loans made by applicants. For instance, the Fund could require applicants to provide this affordability information based on the applicant's standard rates and current loan policies instead of the particular loans reported in the Application. This would provide the Fund with a broader view of the affordability of applicants' products. Another option would be to have applicants attest that their loans generally satisfy certain affordability criteria determined by the Fund. This would give the Fund assurance that the applicants' loans were affordable, as defined by the Fund, without requiring the applicants to collect and submit loan-specific data and without requiring the Fund to collate that data. If the Fund were to go this route, however, we suggest that the Fund not seek further comment from the industry regarding "affordable" loan terms for each type of loan; for example, Small Dollar Consumer Loans generally involve higher interest rates and are still less profitable to CDFI banks than other loan types. A third option would be to only require the affordability information on loans for which supporting documentation is already required (currently \$250,000 and greater). This would still impose a burden on many applicants, but the burden would at least be mitigated to a degree because the applicants would already have to collect and review the loan documentation for those loans.</p>	<p>The CDFI Fund has taken this comment into consideration and will not create new data collection requirements.</p>
<p>FUND Consulting LLC</p>	<p>Is there any additional information or data that demonstrates the affordability of program related loans or investments that the</p>	<p>No Comment</p>	<p>This organization did not respond to this question.</p>

	CDFI Fund should consider?		
Community Development Bankers Association (CDBA)	Is there any additional information or data that demonstrates the affordability of program related loans or investments that the CDFI Fund should consider?	CDBA members consistently work to ensure customers have been offered products that are affordable and consumer-friendly. In lieu of imposing new data reporting requirements, we would be happy to engage in a conversation about setting affordability standards for products to be BEA Qualified Activities. We believe this could achieve the same objective without creating new data collection requirements.	The CDFI Fund has taken this comment into consideration and will not require Applicants to provide this information in their Applications.
Sones & White	Is the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility	We think the information collected by the Fund for the BEA Program is, in general, appropriate for the proper performance of the functions of the agency.	The CDFI Fund has taken this comment into consideration as confirmation that generally, information collected in the BEA Program Application is appropriate.
FUND Consulting LLC	Is the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility	As detailed below, the function and utility of several of the proposed pieces of information to be added to the application are increased impact information or affordability data points. Additionally, each item added to the application will increase the burden of compiling an application, in terms of staff time and related costs.	This comment is in response to another question related to proposed information to be added to the application, and not feedback on the information that is currently collected by the CDFI Fund. The CDFI Fund has responded to the burden below.
Community Development Bankers Association (CDBA)	Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility	No Comment	This organization did not respond to this question.

Sones & White	Accuracy of Agency's Estimate of Burden on Collection of Information	The Fund's estimate of 60 hours to collect the necessary information and prepare a BEA Application is, in our view, too low. As described above, in our experience the average BEA Application requires more than eighty (80) hours of personnel time. Based on recent maximum Award amounts of between \$170,000 and \$230,000, banks are able to justify the time spent on these Applications; however, any increase in burden would almost certainly result in a decrease in BEA participation.	The CDFI Fund will review its application data and make any needed adjustments to the burden estimates.
FUND Consulting LLC	Accuracy of the agency's estimate of the burden of the collection of information	FUND completes time tracking to estimate the time burden of the application process. As part of the FY2021 cycle, FUND estimated that the average time to complete the application was 50 hours. This relates only to the application process, not time burdens related to building out systems to accommodate reporting need for application or compliance purposes or conducting activities needed to complete BEA eligible activities.	The CDFI Fund has taken this comment into consideration as confirmation that, generally, the CDFI Fund's estimate of hours necessary for an Applicant to prepare the BEA Program Application is in line with the Applicant's estimate.
Community Development Bankers Association (CDBA)	Accuracy of Agency's Estimate of Burden on Collection of Information	No Comment	This organization did not respond to this question.

Sones & White	Ways to enhance the quality, utility, and clarity of the information to be collected	No Comment	This organization did not respond to this question.
FUND Consulting LLC	Ways to enhance the quality, utility, and clarity of the information to be collected	<p>In preparing applications in conjunction with its clients, FUND has found that the documentation requirements for Affordable Housing Loans and Affordable Housing Development Loans and Projects remain unclear. In particular, what types of documentation are sufficient to demonstrate affordability are not clear. This is particularly the case for projects that did not include income restricted funding sources, i.e. Low Income Housing Tax Credits (LIHTCs), and instead are naturally occurring affordable housing compared to the surrounding communities. Additional guidance is needed on what documentation the CDFI Fund determines sufficient for these loans. Currently, the AMIS application does not have a comprehensive way of downloading all detail on each transaction submitted with the application in Table 6: Transactions to be Considered for an Award. Without such an export option, it can be challenging to conduct a review of uploaded data for quality control purposes. FUND anticipates that building in a complete export functionality would allow for better quality control and ultimately more accurate data to be submitted with the application.</p>	The CDFI Fund will take this comment into consideration for future updates.
Community Development Bankers Association (CDBA)	Ways to enhance the quality, utility, and clarity of the information to be collected	No Comment	This organization did not respond to this question.

Sones & White	Ways to Minimize Burden of Collection	<p>We respectfully submit that the Fund could reduce the burden of Applicants in two ways. First, allowing Applicants to report all transactions by uploading a single .csv file, instead of requiring manual field-by-field data entry of each transaction in AMIS, would significantly reduce the personnel time associated with Application data entry. Moreover, a .csv upload would eliminate the dilemma many clients face in having to make a cost-benefit decision of whether a particular BEA qualified activity increase justifies the burden of additional data entry. Second, requiring supporting documentation only for loans of \$500,000 and greater, rather than for loans of \$250,000 and greater, would substantially reduce the personnel hours associated with collection, processing, and review of supporting documentation. This change would also result in time savings for CDFI Fund staff tasked with Application review.</p>	<p>The CDFI Fund has enhanced its IT system to allow for the bulk upload of transactions. The CDFI Fund will be maintaining the \$250,000 and above threshold supporting documentation requirement based on internal review and risk requirements.</p>
FUND Consulting LLC	Ways to minimize the burden of the collection of information on respondents, including through the use of technology;	<p>Currently, the AMIS application requires a manual upload of all data points collected for the application in Table 6: Transactions to be Considered for an Award, requiring each data point to be entered one by one. Some banks submit hundreds or thousands of transactions as part of the application, so this can present a significant data entry burden. FUND anticipates that a bulk upload option, rather than a field by field upload, would greatly reduce the data entry time required for the application.</p>	<p>The CDFI Fund has enhanced its IT system to allow for the bulk upload of transactions.</p>
Community Development Bankers Association (CDBA)	Ways to Minimize Burden of Collection	No Comment	<p>This organization did not respond to this question.</p>
Sones & White	Cost Estimate for Providing Information	<p>The primary cost for providing the information required to prepare a BEA Application is the wages, fees, and opportunity costs associated with the time that applicants' staff and independent contractors spend collecting and organizing the requested information. As described above, an average applicant's staff and/or independent contractors spend 80 hours collecting and organizing this information.</p>	<p>The CDFI Fund will review its application data and make any needed adjustments to the burden estimates.</p>

FUND Consulting LLC	Cost Estimate for Providing Information	No Comment	This organization did not respond to this question.
Community Development Bankers Association (CDBA)	Cost Estimate for Providing Information	No Comment	This organization did not respond to this question.