

Supporting Statement
Community Development Financial Institutions Fund
New Markets Tax Credit Program American Recovery and Reinvestment Act Allocatee
Quarterly New Markets Report
1559-0035

A. Justification

1. Circumstances necessitating collection of information

The CDFI Fund is requiring American Recovery and Reinvestment Act (Recovery Act) New Markets Tax Credit (NMTC) Allocatees to complete, on a quarterly basis, a much shorter version of the CDFI Fund's Transactional Level Report (TLR), which Allocatees currently report through the Community Investment Impact System (CIIS). The Quarterly New Markets Report (QNMR) will help the CDFI Fund meet its own Recovery Act agency reporting requirements per agreement with OMB. While under the Recovery Act, Allocatees are not required to publicly report to FederalReporting.gov, the CDFI Fund will implement the QNMR to meet OMB's requirement that NMTC Allocatees provide quarterly reports. The QNMR provides qualitative and quantitative information on the Allocatees' compliance with performance goals as outlined in their Allocation Agreements with the CDFI Fund.

2. Method of collection and use of data

The CDFI Fund will collect the QNMR data in an excel worksheet format which Allocatees will submit via email. The CDFI Fund currently requires NMTC Allocatees to report annually through completion of the TLR. The QNMR, an abbreviated version of the TLR, requires quarterly performance and compliance reporting by Recovery Act allocatees of the NMTC program. In order to align NMTC Allocatees' reporting requirements with Section 1512 (f) of the Recovery Act, the QNMR must be submitted by Allocatees 10 days after the end of each calendar quarter.

3. Use of Information Technology

The QNMR will be submitted via email to QNMRSubmissions@cdfi.treas.gov.

4. Efforts to identify duplication

All of the information requested is required in order to evaluate Allocatee compliance with the CDFI Fund's Allocation Agreements and does not duplicate other information collections.

5. Impact on small entities

This collection of information is not expected to have a significant impact on small entities since the data requirements are significantly less than the standard annual TLR, consisting of approximately 17 questions as opposed to the maximum of 260 potential questions. Small entities that become NMTC Allocatees must demonstrate significant management and technical reporting capacity to be selected for an award.

In addition, the CDFI Fund has made two distinct efforts to minimize the reporting burden on all Allocatees, regardless of size by eliminating the most burdensome questions in the annual TLR (the investment capital table, and the summary income and expense tables) and the CDFI Fund has retained only those questions that directly relate to Recovery Act reporting.

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

The CDFI Fund cannot determine Allocatees' compliance with the Allocation Agreements, nor can it measure Allocatees' performance, or perform program evaluation without this quarterly collection of data.

7. Circumstances requiring special information collection

Not applicable.

8. Solicitation of comments on information collection

The CDFI Fund is seeking regular clearance for the QNMR. This request is based on the emergency clearance granted by OMB (set to expire on April 30, 2010). The CDFI Fund solicited public comments regarding the burden associated with the information collected in the QNMR. The 60-day public comments notice was published in the Federal Register on February 19, 2010, Volume 75, page 7538. Comments were due to the CDFI Fund on April 20, 2010. It should also be noted that the questions within the QNMR are a subset of questions in the existing TLR instrument already cleared under OMB 1559-0027 (which is scheduled to expire 7/31/2010).

The CDFI Fund received comments regarding the data entry burden associated with manually entering data in the Community Investment Impact System (CIIS) and seeking adjustments to standardize terms and data points common to both the Quarterly New Markets Report (QNMR) and the Transaction Level Report (TLR) submitted through CIIS on an annual basis, notification regarding changes to QNMR reporting instrument and/or related instructions, clarification regarding jobs calculation and appropriate QALICB North American Industry Classification System (NAICS) Code, and the addition of a comment field related to community development benefits.

Regarding the data entry burden associated with manually entering data in the CIIS and based on the success of reporting via Excel workbook, the CDFI Fund will collect Excel workbook QNMRs via email rather than having allocatees report to the CDFI Fund through the CIIS. For some awardees, this may reduce the time investment associated with uploading data to CIIS and prevent the need to manually re-enter all data each quarter.

Comparable data point titles in the QNMR will be revised to correspond to data point titles in the TLR, where appropriate, and instructions will be revised to clarify points of confusion regarding jobs and NAICS Code reporting. The CDFI Fund will make allocatees aware of any changes to the QNMR via email with enough time to allow data collection adjustments.

9. Provision of payment to respondents

No payments or gifts were made to respondents.

10. Assurance of confidentiality

The CDFI Fund is subject to all Federal regulations with respect to confidentiality of information supplied in the annual report.

11. Justification of sensitive questions.

Virtually all of the data collected will be based on questions that Allocatees must supply to the CDFI Fund on an annual basis and are therefore not considered of a sensitive nature. The CDFI Fund plans to release certain data collected in the QNMR to the public only in an aggregated format. Except as may be permitted pursuant to the Freedom of Information Act (FOIA) or otherwise required by law, the Fund will not release: (i) data that is collected only for compliance purposes, or (ii) the identities of the borrowers/investees. In addition, the CDFI Fund will not release an organization's name or any other data that can be used to identify an organization. Please note, however, that such identifying data may be released pursuant to a FOIA request or as otherwise required by law.

12. Estimate of the hour burden of information collection.

The total hour burden of this information collection is 960 hours for QNMR reports from all Allocatees (60 respondents; 4 hours per respondent quarterly).

13. Estimate of total annual cost burden to respondents

There are no capital/start-up or ongoing operation/maintenance costs associated with this information collection.

14. Estimate of annualized cost to the Government

The costs to the Government are those related to the staffing of the CDFI Fund's Certification and Compliance Monitoring and Evaluation Unit and Financial Strategies and Research Unit, and the annual maintenance and data management costs for the QNMR submitted via excel spreadsheet. The annual costs are expected to average \$80,000 (which includes the costs for CDFI Fund staff to validate the Recovery Act reports by the NMTC allocatees and costs of IT contractors to support data systems management).

15. Any program changes or adjustments

This is a revision of a currently approved collection with no change to the burden. Data point titles have been revised to correspond to data point titles in the TLR, where appropriate, and the instructions have been revised to clarify points of confusion regarding jobs and NAICS Code reporting. Burden associated with this collections remains at 960 hours.

16. Plans for information tabulation and publication

Confidential and proprietary information collection through the quarterly report will not be published.

17. Reasons for not displaying expiration date of OMB approval

The display of the OMB expiration date would cause confusion by respondents due to the frequency of their reporting required. It is requested not to display this expiration date.

18. Explanation of exceptions to certification statement

Not applicable.

B. Collections of Information Employing Statistical Methods

This section is not applicable.