

Department of the Treasury, Departmental Offices
Supporting Statement

New Issue Bond Program and Temporary Credit and Liquidity Program
OMB Control Number 1505-0224

1. Circumstances necessitating the collection of information

Authorized under section 304(g) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1719(g)) and Section 306(l) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1455(l), as amended by the Housing and Economic Recovery Act (HERA) of 2008 (Public Law 110-289; approved July 30, 2008) the Department of the Treasury (Treasury) implemented two programs under the HFA (Housing Finance Agency) Initiative. The statute provides the Secretary authority to purchase securities and obligations of Fannie Mae and Freddie Mac (the GSEs) as he determines necessary to stabilize the financial markets, prevent disruptions in the availability of mortgage finance, and to protect the taxpayer.

On December 4, 2009, the Secretary made the appropriate determination to authorize the two programs of the HFA Initiative: the New Issue Bond Program (NIBP) and the Temporary Credit and Liquidity Program (TCLP). Under the NIBP, Treasury has purchased securities from the GSEs backed by mortgage revenue bonds issued by participating state and local HFAs. Under the TCLP, Treasury has purchased a participation interest from the GSEs in temporary credit and liquidity facilities provided to participating HFAs as a liquidity backstop on their variable-rate debt.

In order to properly manage the two programs of the Initiative, continue to protect the taxpayer, and assure compliance with the Programs' provisions, Treasury instituted a series of data collection requirements to be completed by participating HFAs and furnished to Treasury through the GSEs.

2. Use of the data

The reporting package includes requests for program bond information, loan performance metrics and HFA financial reporting. Through these reporting requirements, Treasury aims to collect different types of data to achieve several objectives as provided in the table below.

Reporting Category:	Rationale:
HFA Business Reporting <ul style="list-style-type: none">• Financial Reports and other Submissions• Notices & Certifications	Most of these requirements are already explicitly spelled out in various program documents. The request constitutes the information necessary for the day-to-day management of the NIBP and TCLP and for Treasury to monitor the financial health of the HFAs to which it has risk exposure under the Initiative.

<p>Indenture Detail</p> <ul style="list-style-type: none"> • Single Family Indenture Reporting • Multi-loan MF Indenture Reporting • Single-loan MF Indenture Reporting 	<p>The data requested here are designed to provide Treasury with relevant detail on precisely how its risk position is changing over time. The information will allow Treasury to compare actual losses versus expected losses, project cash flows and re-calibrate loss expectations. The information will enable Treasury and the GSEs to update cost estimates for the program and remain consistent with government-wide accounting standards. Lastly, the information will provide Treasury and the GSEs with the transparency necessary to keep senior officials appropriately informed of the status of the taxpayer investment.</p>
<p>Policy Success Metrics</p>	<p>Because the HFA Initiative constitutes an investment of the taxpayer in helping to stabilize the housing market, it is essential that the Treasury has the information necessary to measure the impact of the Initiative as a policy response.</p>

3. Use of information technology

All of the information associated with this collection is submitted in electronic form via email to a central electronic mailbox created for the specific purpose of this collection. Depending on the specific information type, it will either be in PDF or Excel format.

4. Efforts to identify duplication

Some aspects of the information collection involve data already collected and published by the HFAs. However, in such cases, the HFA are able to submit the data in the form in which it already exists, thus minimizing the incremental burden of this collection. Furthermore, to the extent that any information being collected duplicates information already published, the large number of participants and heterogeneity of reporting standards makes it unreasonable for Treasury to collect the information deemed necessary without instituting a uniform set of reporting requirements.

Other aspects of the information collection regard reporting on matters that are unique to the HFA Initiative’s programs. In these cases, no existing reporting exists, and the potential for duplication is not a concern.

5. Impact on small entities

The HFAs participating in the Initiative vary in size, and some may be considered to be small entities. Local HFAs, which are the most likely to fit the criteria for small entities, have less

frequent reporting requirements than their state-level counterparts, thus reducing their reporting burden. Additionally, for those HFAs whose size and complexity make timely delivery of all reporting a challenge, Treasury has provided flexibility with respect to deadlines and frequency so as not to create an undue burden on such small entities.

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

Any reduction of the burden associated with this information will diminish Treasury's ability to manage programs from an operational standpoint, and to evaluate its success in achieving its policy goals. Furthermore, because this collection is essential to Treasury being able to monitor its risk position, less frequent collections would be contrary to the provision of HERA mandating that any purchase of GSE obligations be undertaken such that the taxpayer is protected. While it would be preferable to have the same reporting frequency from local HFAs as from state HFAs, Treasury believes it is acceptable to operate with the lesser frequency in the interest of keeping the reporting burden on small entities to a reasonable level.

7. Circumstances requiring special information collection

The only potential for this collection involving one of the defined special circumstances is the request for certain quantitative information on a monthly basis. Because the characteristics of outstanding loans may change materially every month, quarterly updates would diminish Treasury's ability to project cash flows and costs as well as to be able to make informed policy decisions based on past performance. However, this type of information is often provided by relatively sophisticated mortgage servicers (either internal or external) to the HFA who upon initial development of any necessary reporting structure should experience minimal marginal burden stemming from the reporting frequency requested.

8. Solicitation of comments on information collection

A 60-day notice was published in the *Federal Register* on March 27, 2014, at 79 FR 17236, soliciting comments from the public with the comment period ending May 27, 2014. No comments were received as a result of this notice.

9. Provision of payments to recordkeepers

Not applicable.

10. Assurance of confidentiality

Any confidential information provided as part of this collection will be maintained as confidential consistent with applicable provisions of the Trade Secrets Act and Freedom of Information Act.

11. Justification of sensitive questions

No personally identifiable information (PII) is collected.

12. Estimated burden of information collection

The table below provides estimates for the total annual burden of the information collection. Many items listed in the table are produced by HFAs for purposes other than the HFA Initiative. The assumption for these items is that there is a minimal marginal cost to the HFAs, measured in hours, of emailing to the GSEs and Treasury electronic copies of what is produced for other purposes. Also, with respect to Loan Portfolio Performance Data, which is a significant portion of the total annual burden, the HFAs' loan servicers, or the HFAs themselves, use automated data processing systems that require only a modest amount of time to produce the required reports.

	Information Collection	# Respondents	# Responses Per Respondent	# Annual Responses	Hours Per Response	Total Burden
1	Issuer Financial Statement (State Government)	46	4	184	0.5	92
2	Issuer Financial Statement (Local Government)	20	1	20	0.5	10
3	Indenture Financial Statements (State Governments)	46	4	184	1	184
4	Secondary Market Disclosures (State Governments)	46	4	184	0.5	92
5	Secondary Market Disclosures (Local Governments)	20	1	20	0.5	10
6	Material Events Filings (State Governments)	46	4	184	1	184
7	Material Events Filings (Local Governments)	20	1	20	1	20
8	Current Counterparties (State Governments)	46	4	184	1	184
9	Current Counterparties (Local Governments)	20	1	20	1	20
10	Copies of Official Statements (State Governments)	46	2	92	0.5	46
11	Copies of Official Statements (Local Governments)	20	1	20	0.5	10
12	Ratings Letters/Report (State Governments)	46	2	92	0.5	46
13	Ratings Letters/Report (Local Governments)	20	1	20	0.5	10
14	Presentations to Rating Agencies (State Governments)	46	2	92	0.5	46
15	Presentations to Rating Agencies (Local Governments)	20	2	40	0.5	20
16	Indenture Cash Flow Certificates (State Governments)	46	4	184	0.5	92
17	Indenture Cash Flow Certificates (Local Governments)	20	2	40	0.5	20
18	Trustee Trial Balance (State Governments)	46	4	184	2	368
19	Trustee Trial Balance (Local Governments)	20	4	80	2.5	200
20	Loan Portfolio Performance Data (State Governments)	46	12	552	2	1,104
21	Loan Portfolio Performance Data (Local Governments)	20	12	240	3	720
22	Information for Housing Goals (State Governments)	46	1	46	2	92
23	Information for Housing Goals (Local Governments)	20	1	20	2	40
24	Other Data (State Governments)	46	2	92	3	276
25	Other Data (Local Governments)	20	2	40	3	120
26	Notices and Certifications (State Governments)	46	4	184	2	368
27	Notices and Certifications (Local Governments)	20	4	80	2.5	200
	Totals	66	46.94	3,098	1.48	4,574

13. Estimated total annual cost burden to respondents

The Department estimates that there will be no significant annualized capital/start-up costs for the respondents to collect and submit this information aside from the costs associated with the time burden estimated above.

14. Estimated cost to the federal government.

There will be no annualized capital/start-up costs for the government to receive this information.

15. Reasons for change in burden

The reduction of 20,860 burden hours is attributed an adjustment in Agency estimates and is comprised of two parts:

- 1) The number of participants decreased from 92 to 66. (Those HFAs that chose to exit the program redeemed their bonds and returned the principal to Treasury, along with the appropriate amount of interest. No losses have occurred.)
- 2) More accurate accounting of time – While the 2011 estimates were prepared based on what Treasury expected to occur, we now have the past three years of experience to inform our revised estimates of the burden hours.

The Compliance Checklist that was included in the previous submission is no longer required and has been removed. This reduction of 736 burden hours is attributed to a program change due to Agency discretion.

A total of 4,574 burden hours is requested.

16. Plans for tabulation, statistical analysis and publication

Not applicable.

17. Reasons why displaying the OMB expiration date is inappropriate

Treasury believes displaying an OMB expiration date on this collection will create the incorrect perception that this information request is to run for a shorter term than the programs of the HFA Initiative. Treasury intends to renew this ICR as long as the information remains necessary to protect the taxpayer, and accordingly and believes it would create confusion to imply otherwise.

18. Exceptions to certification requirement

Regarding this request for OMB approval, there are no exceptions to the certification statement