

Supporting Statement
Community Development Financial Institutions Fund Native American Access to Capital Study
1559-NEW

Summary

The CDFI Fund is seeking to streamline the process of obtaining feedback from the public for the CDFI Fund’s Native American Communities Access to Capital and Credit Study (the Study) (working title). The CDFI Fund has submitted a Generic Information Collection Request: “Generic Clearance for the Collection of Qualitative Feedback on the CDFI Fund Native American Communities Access to Capital and Credit Study” to OMB for approval under the Paperwork Reduction Act (PRA) (44 U.S.C. 3501 et seq).

Background: In 2001, the U.S. Department of the Treasury’s Community Development Financial Institutions Fund (CDFI Fund) produced the Native American Lending Study (NALS), which analyzed lending and investment practices on Indian reservations and other lands held in trust by the United States Government. The CDFI Fund is now building upon the original report to produce the Study to specifically assess the state of access to capital and credit in Native Communities. The Study will provide policymakers, tribal governments, tribal community organizations, and economic development practitioners with detailed analysis and qualitative research, including actionable recommendations for improving access to capital and credit in Native Communities. The final report will be available to the public.

The heart of the final report will consist of six chapters Study discussing elements of improving access to capital and credit in Native Communities. Each chapter will communicate the findings, conclusions, and implementation plan for recommendations (if applicable). Each Chapter will have a specific research methodology articulating how each topic will be completed, and could fall under this generic GIC. The CDFI Fund will clear each relevant PRA request under the generic GIC. Any quantitative research will consist of statistical analysis of census and other available data, no new quantitative data will be gathered as part of the Study.

Justification

1. Circumstances Necessitating Collection of Information

Pursuant to the Community Development Banking and Financial Institutions Act of 1994 as amended (12 USC 4701 et seq.), the Community Development Financial Institutions (CDFI) Fund provides training and technical assistance to Community Development Financial Institutions (CDFIs), in order to enhance their ability to make loans and investments and provide services for the benefit of designated investment areas and targeted populations. Further, the CDFI Fund has a specific Native Initiatives program, which focuses on Native CDFIs, who serve primarily Native American, Native Hawaiian, and Alaskan Native communities (collectively referred to as “Native Communities”). The information collected will be used to identify

specific subject matter and data to develop and write the Study. The Study will build upon the 2001 Native American Lending Study conducted by the CDFI Fund, which resulted in the creation of the Native Initiatives program. The requested information is necessary to support effective use of Federal resources.

2. Method of Collection and Use of Data

The CDFI Fund plans to conduct multiple data collections in support of the Study. The CDFI Fund will manage the data collected, either directly or through third-party contractors. Under the Study, the CDFI Fund may contact third-party experts capable of collecting the necessary information.

The structure of the Study prevents the CDFI Fund from determining in advance the details of specific individual collections; however, none of the collections will be quantitative. The technical approach for the Study will be determined in collaboration between the CDFI Fund and the final project team conducting the Study. A broad overview of the Study has been detailed, but will require further refinement as it evolves and research is conducted. It is not the intention of the CDFI Fund to use the findings gathered through the data collection to change policies directly related to the CDFI Program's financial and technical assistance awards programs, however, if appropriate, the CDFI Fund may implement new capacity building initiatives or webinars may be made as a result of the new information.

To be effective, the Study will have two primary data gathering periods: one in advance of the Study and another during the execution phase of the Study through a series of open-ended focus groups, tribal consultations, and conference calls. The CDFI Fund will ask for comments pertaining to the topic of the Study and no specific data (including financial documentation) will be asked for during this process. The advanced work will allow the CDFI Fund to determine what topics and issues should be included in the Study. During the execution phase of the Study, the CDFI Fund may again use focus groups, tribal consultations, and conference calls to refine the topics and issues relevant to the Study. This will allow Native Communities and other experts the opportunity to provide input on the specific topics that will be the root of the Study. The CDFI Fund may also utilize a survey to gather specific data from Native CDFIs.

To quantify the evaluation criteria that will determine the specific research topics, the CDFI Fund and the Contractor shall develop a decision matrix with specific criteria to evaluate the possible topics. The Contractor and the CDFI Fund shall collaborate to refine the criteria and topics to be evaluated by the decision matrix. Each criterion will be given an appropriate weight and a scale (i.e. 1-5 or 1, 3, 5). The Contractor and the CDFI Fund staff will rate each topic and together reach a final decision on the topics for the six chapters. The CDFI Fund shall provide the Contractor with a draft of the matrix and list of topics to evaluate, based on the CDFI Fund's initial research, public comments, and literature review.

3. Information Technology

Data collection and information gathering will be conducted so as to minimize burden and facilitate comments and interaction with the Native Communities and other experts. Data collection is expected to take place via in-person and remote focus/working groups, tribal consultations, phone calls, or similar methods. Focus/working groups, tribal consultations, and conference calls will be recorded, allowing CDFI Fund staff to document and ensure all comments have been documented.

4. Efforts to Identify Duplication

The information to be gathered by the CDFI Fund during the Study is not publically available and not available from the CDFI Fund's existing data sources. Information about access to capital and credit in Native Communities is very sparse and not regularly updated. The NALS, published in 2001, is still regularly quoted today despite being over 12 years old.

5. Impact on Small Entities

Data collection methods are not expected to have a significant impact on small entities.

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

The CDFI Fund will not be able to conduct the Study without the collection of information, including the input and comments of the Native Communities and experts. Not being able to collect information for the Study would be a significant detriment and might result in ineffective use of the federal funds devoted to the Study. Further, the impact of an inadequate Study could significantly impair progress towards improving Native Communities' access to credit and capital.

7. Circumstances Requiring Special Information Collection

The CDFI Fund requires the information collected to help identify the specific challenges to the Native Communities access to credit and capital. The Study will provide actionable items and guidance for improving access to capital and credit. The information collected will then assist Native Communities to develop additional capacity to increase their overall economic health and economic development. The requested information is necessary to support effective use of Federal resources devoted to the Study and possible recommendations arising from the Study.

8. Solicitation of Comments on Information Collected

In accordance with the Paperwork Reduction Act of 1995, the CDFI Fund published a notice in the Federal Register regarding the proposed collection. The notice was published on January 28, 2013, at 78 FR5870, with comments from the public due on March 29, 2013. No public comments were submitted.

9. Provision of Payment to Respondents

No payments or gifts will be made to the respondents.

10. Assurance of Confidentiality

The CDFI Fund is subject to all applicable Federal regulations with respect to confidentiality of information supplied in this data collection.

11. Justification of Sensitive Questions

Given the nature of the Study and its concerns toward the economic livelihood of Native Communities; it is possible that sensitive comments may be made by the public. The CDFI Fund will make every attempt to avoid sensitive questions where possible.

12. Estimate of the Hourly Burden of Information Collection

In aggregate, the CDFI Fund assumes information would be collected from 250 respondents, with an estimated annual time per respondent of 1 to 20 hours with an average of 10 hours. Therefore, the estimated total annual burden hours would be 2,500 between focus/working groups, tribal consultations, and conference calls.

Each focus/working group, tribal consultation, and conference call will not last more than 10 hours, but is likely to average 90 minutes per session. Focus/working groups, tribal consultations, and conference calls will be held at a different locations ensuring that few participants will partake in multiple efforts. It is possible that individuals may participate in multiple focus groups, tribal consultations, and conference calls, but doing so will be of their own volition and not through any specific invitation by the CDFI Fund.

13. Estimate of Total Annual Cost Burden to Respondents

It is not expected that the information collected will have a cost burden to respondents other than the time they attend the focus group, complete the survey, tribal consultation, or conference call and any possible travel to each location. No purchases of equipment or services will need to be made by respondents for the sole purpose of completing any data collection.

14. Estimate of Annualized Cost to the Government

The primary cost to the government is the development and analysis of the Study, including costs associated with hosting focus groups, tribal consultations, and conference calls.

15. Any Program Changes or Adjustments

Not Applicable.

16. Plans for Information tabulation and Publication

The information collected through the focus groups, tribal consultations, and conference calls will not be published as collected. Instead, the CDFI Fund will synthesize the comments into specific topics within the Study.

17. Reasons for Not Displaying Expiration Date of OMB Approval.

The CDFI Fund intends to display the expiration date of the OMB approval on all associated data collection instruments.

18. Explanation of Exceptions to Certification Statement

Not Applicable.

19. Collection of Information Employing Statistical Methods

Information collected by employing statistical methods will be conducted by CDFI staff and consultants of publicly reported data.