

Department of the Treasury
Information Collection Request – Supporting Statement

Emergency Capital Investment Program Reports
OMB No. 1505-XXXX

A. Justification

1. Circumstances necessitating the collection of information

Justification for Emergency Processing:

The Consolidated Appropriations Act, 2021, signed into law on December 27, 2020, added Section 104A of the Community Development Banking and Financial Institutions Act of 1994 (the “Act”). Section 104A authorizes the Secretary of the Treasury to establish the Program to support the efforts of low- and moderate-income community financial institutions to, among other things, provide loans, grants, and forbearance for small businesses, minority-owned businesses, and consumers, especially in low-income and underserved communities, including persistent poverty counties, that may be disproportionately impacted by the economic effects of the COVID-19 pandemic by providing direct and indirect capital investments in low-and moderate-income community financial institutions.

As required by the Act, the interest and dividend rates payable on ECIP instruments are determined based on the increase in the amount of lending by an institution within minority, rural, and urban low-income and underserved communities and to low- and moderate-income borrowers during the preceding annual period compared to a baseline set from the annual period ending on September 30, 2020. To establish this baseline level of qualified lending, Treasury will be collecting an Initial Supplemental Report (ISR) from participating applicants.

Applications and other forms for the ECIP program were previously approved under OMB No. 1505-0267. Following review of the applications, Treasury made awards and is now ready to begin scheduling closings. Due to the need to make COVID-19 relief investments under the Program as soon as possible, Treasury requests emergency processing and approval by March 17, 2022, for the Initial Supplemental Report. Given the inability to seek public comment during such a short timeframe, Treasury requests a waiver from the requirement to publish notice in the Federal Register seeking public comments.

2. Use of the data

The information reported will allow Treasury to (1) establish the baseline amount of qualified lending for each applicant; and (2) review details on the composition of qualified lending for each applicant, as well as for complying with any reporting, recordkeeping, and transparency requirements under the Act.

3. Use of information technology

Treasury will collect data through a Salesforce-based system that requires upload of a .csv file.

4. Efforts to identify duplication

The information collected are under new statutory mandates. The information is not known to overlap with any other data collected under any other information collections at Treasury.

The information being collected is not publicly available and can only be collected from the participants.

5. Impact on small entities

This collection of information will impact small financial institutions participating in the program similar to other institutions. Due to statutory requirements, all participating institutions are required to identify qualifying lending that took place during the one-year period ending September 30, 2020. Treasury has designed the process to allow all institutions to use procedures of their own choosing within broad parameters.

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

Treasury will collect the information only once for purposes of proceeding to closing of investments for approved applicants. Treasury cannot meet its statutory requirement to make investments under the program without this information.

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

This application is being submitted under emergency clearance procedures in order to allow for expedition of closing and funding. As such, advance public notice and comment associated with the standard PRA process is not possible. However, Treasury completed a two-week comment period prior to submission of this request and considered comments submitted during the period ending February 28, 2022. Responses to those comments are included with this submission.

9. Provision of payments 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 sensitive questions will be asked.

12. Estimate of the hour burden of information collection.

The Emergency Capital Investment Program for the ISR and associated recordkeeping and compliance reporting burden estimates are as follows:

Information Collection	Number of Respondents*	# Responses Per Respondent	Total Responses	Hours per response	Total Burden in Hours	Cost to Respondent**
Initial Supplemental Report	186	1	186	160	29,760	\$1,413,600
TOTAL			186		29,760	\$1,413,600

* Treasury approved 186 banks, bank holding companies, and credit unions to participate in the program.

** Bureau of Labor Statistics (BLS), U.S. Department of Labor, Occupational Outlook Handbook, Accountants and Auditors, on the Internet at <https://www.bls.gov/ooh/business-and-financial/accountants-and-auditors.htm> (visited December 30, 2020). In 2019, the median pay for accounts and auditors was \$34.40/hour. To account for the fully-loaded employer cost of employee compensation, the median pay is increased by 38%, resulting in a fully-loaded wage rate of \$47.50. According to BLS’s Employer Cost for Employee Compensation from September 2020 (released on December 17, 2020: <https://www.bls.gov/news.release/pdf/ecec.pdf>), employers provided 38% of total employee compensation in the form of non-wage compensation (i.e., benefits such as paid leave, health insurance, etc.) for state and local government workers.

Treasury estimates each response requires two FTEs for two weeks on average to prepare the data and submit it.

13. Estimated total annual cost burden to respondents

The ISR is a one-time report required to establish baseline data. Depending on accessibility of the respondent’s historical data, some respondents may choose to use consultants to evaluate lending data. Treasury did not increase the cost estimate shown in 12 above because it is expected that consultants would replace internal labor on a one for one basis. No other non-labor costs are anticipated.

14. Estimated cost to the federal government.

Federal costs are estimated to be \$10,000. These costs are associated with confirming receipt of the reports. Limited follow-up may be required in the event of missing data points but do not require analysis beyond confirmation of completeness.

15. Reasons for change in burden

This collection of information reflects an increase of 29,760 burden hours due to the ISR.

16. Plans for tabulation, statistical analysis, and publication

While not planned at this time, Treasury may publish baseline qualified lending data on a summary basis to support transparency and reporting on program impact. Tabulations could include sub-tabulations by geography or institution type.

17. Display of the expiration date for OMB approval

Treasury plans to display the expiration date for OMB approval of the information collection on all instruments.

18. Exceptions to submission requirements

There are no exceptions to the submission requirements.

Part B. Describe the use of statistical methods such as sampling or imputation

This collection does not employ statistical methods.