



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

Supporting Statement
Small Dollar Loan Program (SDL Program) Application
1559-0051

A. Justification

1. Circumstances necessitating collection of information

The Department of the Treasury, through the Community Development Financial Institutions Fund (CDFI Fund) administers the Small Dollar Loan Program (SDL Program). To be eligible for an SDL Program Award, an Applicant must be a Certified CDFI.

The CDFI Fund collects data from prospective SDL Program Applicants once per funding round by means of an online SDL Program Application. The CDFI Fund administers SDL Program funding rounds every two years, subject to appropriations. As required by the Paperwork Reduction Act (PRA), the CDFI Fund invited the public and other Federal agencies to comment on the proposed and/or continuing information collection for the Fiscal Year (FY) 2026 through 2028 funding rounds. In response to this request, the CDFI Fund received 13 comments. There were no changes to the SDL Program Application based on the CDFI Fund's review and adjudication of the comments.

The information collected will be used to select recipients, based on a merit-based selection process. The requested information is required by the SDL Program Authorization (12 CFR § 1.4719) and respective Notice of Funding Availability (NOFA).

2. Method of collection and use of data

The CDFI Fund will collect data once per funding round by means of the voluntary submission of an online Application. Applicants must complete and upload all Application materials through the Awards Management Information System (AMIS), a CDFI Fund-managed web-based application portal. The CDFI Fund uses the data collected to determine award recipients and applicable award amounts. The award selection process and award amount criteria are described in the respective NOFA.

3. Use of Information Technology

Only electronic applications are accepted. All Application materials must be submitted via the AMIS platform.

4. Efforts to identify duplication

The SDL Program Application makes every effort to avoid requesting duplicate data by pulling data from existing organizational profiles such as addresses, Employer Identification Numbers (EIN), and CDFI certification information whenever possible.

5. Impact on small entities

This collection of information is not expected to have a significant impact on small entities.

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 SDL Program Application form. The SDL Program is authorized by Title XII – Improving Access to Mainstream Financial Institutions Act of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Pub. L. 111-203), which amended the Riegle Community Development Banking and Financial Institutions Act of 1994 (Pub. L. 103-325) to include the SDL Program (12 U.S.C. § 4719).
7. Circumstances requiring special information collection
There are no special circumstances. The collection of information is conducted in a manner consistent with the regulations in 5 CFR 1320.6.
8. Solicitation of comments on information collection
Comments on the SDL Program Application were solicited in the *Federal Register* on December 6, 2024 (Vol. 89, No. 235). In response to this request, the CDFI Fund received 13 comments from 3 commenters. One comment was on data collection, while the other comments were related to SDL Program’s Prohibited Practices, Loan Loss Reserve’s 20% award cap, maximum award thresholds, track record and projections, and period of performance. Two comments were not related to the PRA request.
9. Provision of payment to respondents
No payments or gifts will be made to respondents.
10. Assurance of confidentiality
The CDFI Fund is subject to all applicable federal laws and regulations with respect to confidentiality of information supplied in the SDL Program Application process. No other assurances of confidentiality have been provided.
11. Justification of sensitive questions.
No personally identifiable information is collected.
12. Estimate of the hour burden of information collection.
The estimated total number of burden hours for the SDL Program Application in the FY 2026 funding round is 7,820. This is equivalent to \$578,915 monetized burden hours per funding round, equivalent to \$289,457 annualized burden hours (the SDL Program is generally administered every two years). This estimate is based on receiving 92 applications in the FY 2026 funding round, which is approximately 5% higher than the number of Applications received in FY 2024, the most recent round. This projected increase is based on anticipated outreach activities and modest growth of Certified CDFIs eligible to apply.

The CDFI Fund has made efforts to further minimize the collection burden following the 2022 SDL Program Application PRA review of the Application by updating the SDL Program Application for the FY 2026 – 2028 funding rounds, clarifying guidance and instructions, improving the Application submission process, and by implementing technical updates. The CDFI Fund anticipates that these changes will reduce the average hours per response from 89 hours in the FY 2024 funding round to 85 hours in FY 2026.

The estimated cost per hour to respondents is based on the Bureau of Labor Statistics data for Employer Costs for Employee Compensation for private workers and for government workers by occupational and industry group (released September 2024), the total compensation including wages and benefits for

management, professional and financial private industry and government workers at a total hourly compensation of \$74.03¹.

Affected Public	# Respondents	# Responses Per Respondent	Total Responses per Funding Round*	Average Hours Per Response	Total Hours	Time Value (per hour)	Monetized Burden Hours per Funding Round**
Private Sector	92	1	92	85	7,820	\$74.03	\$578,915

* SDL Program funding rounds are administered every two years.

** Annual monetized burden hours \$289,457(half the monetized burden of a funding round).

13. Estimate of total annual cost burden to respondents

It is not expected that this information collection will have a cost burden to respondents other than the hour burden described in item number 12. The CDFI Fund notes that no purchase of equipment or services is required to complete the Application.

14. Estimate of annualized cost to the Government

There is no direct Federal contractor service associated with the SDL Program Application. The cost to the federal government can be estimated using the number of staff hours required to develop the Application, review submitted applications and report the results. The estimated annualized cost to the federal government is \$54,540 (\$109,080 per funding round, administered every two years). This estimate is based on the projected federal employee labor costs of \$72.72. The federal employee labor costs reflect loaded rates by GS level and based on an estimated 1,500 labor hours.

15. Any program changes or adjustments

The SDL Program proposed relatively minor changes to the FY 2026 - 2028 SDL Program Application relative to the approved FY 2022 SDL Program Application PRA.

Proposed revisions to the FY 2026 - 2028 SDL Program Application include: 1) elimination of certain requests to the SDL Program Application that are no longer needed, minimizing the collection burden; and 2) clarification of the methodology to be used in the all-inclusive Annual Percentage Rate (APR) to align with the updated CDFI Certification Application requirements. Applicants will use the Military Annual Percentage Rate (MAPR) methodology, ensuring consistency in how the APR is calculated and reported in the Application and for Certification purposes. The CDFI Fund anticipates that these changes will reduce the average hours per response from 89 hours in the FY 2024 funding round to 85 hours in FY 2026 - 2028.

16. Plans for information tabulation and publication

Confidential or proprietary information collected through the Application 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.

¹ The hourly rate is based on the Bureau of Labor Statistics "Table 4. Employer Costs for Employee Compensation for private workers by occupational and industry group" (released September 2024), the total compensation including wages and benefits for management, professional and financial private industry workers is \$74.03. Link to the Bureau of Labor Statistics wage data report: <https://www.bls.gov/news.release/eecec.t04.htm>

#	Date of Comment	Organization	Author's Name	Topic	SDL Program Policy Issues and Application Burden PRA Questions	Related to SDL Program Policy Issue?	Related to SDL Program Application Burden?	Author's Comment / Recommendation	CDFI Fund SDL Program Response
1	12/30/2024	N/A - Individual	Tiffany Graven	Data Collection	1. Should any data fields, questions, or tables, be added, removed, or clarified to ensure collection of relevant information?	No	Yes	Add data fields for borrower demographics, loan product features, borrower outcomes, and financial counseling participation. Clarify definitions, data entry instructions, and provide examples for complex questions.	All data fields noted in the comment are already captured in the SDL Program Application. The SDL Program Application and the AMIS Technical Guide provide clear instructions for data entry and definitions, and the CDFI Fund plans to develop an SDLP Glossary with key terms and definitions for future funding rounds.
2	12/30/2024	N/A - Individual	Tiffany Graven	20% LLR Award Cap	2. The Application states that LLR Awards cannot exceed 20% of the Applicant's three-year projected total of small dollar loans closed. Is the 20% cap appropriate for the purpose of supporting a wide variety of small dollar loan program designs? If not, provide a rationale and state what alternative cap would be more appropriate.	Yes	No	Consider a sliding scale cap or an alternative metric (e.g., percentage of operating expenses) to provide flexibility for diverse program designs.	This comment is not related to Application burden and related to programmatic structure. It will be considered by the CDFI Fund in developing the program's Notice of Funds Availability (NOFA).
3	12/30/2024	N/A - Individual	Tiffany Graven	Max LLR Award Size	3. Is the maximum LLR Award size of \$350,000 appropriate for the purpose of supporting a wide variety of small dollar loan program designs? If not, what maximum award size would be more appropriate and why?	Yes	No	Consider a tiered approach with different maximum award sizes based on factors like applicant size, program scope, and target population.	This comment is not related to Application burden and related to programmatic structure. It will be considered by the CDFI Fund in developing the program's Notice of Funds Availability (NOFA).
4	12/30/2024	N/A - Individual	Tiffany Graven	Demonstrated Need for LLR Award	4. The Application requests information on how the Applicant will use an LLR Award to establish a small dollar loan program or expand an existing one. Is the requested information adequate to demonstrate a need for an LLR Award? Why or why not? What, if any, additional	Yes	No	Request information on existing financial resources, staffing, technology, previous attempts to address the need, and challenges encountered.	All data elements noted in the comment are already captured in the SDL Program Application. No changes to the proposed form are required.

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					information should be collected to assess the need and use of an LLR Award request?				
5	12/30/2024	N/A - Individual	Tiffany Graven	Max TA Award Size	5. Is the maximum award size for Technical Assistance Awards of \$150,000 appropriate to support eligible Technical Assistance activities? If not, what maximum award size would be appropriate and why?	Yes	No	Consider a tiered approach based on the scope and complexity of the proposed activities.	This comment is not related to Application burden and related to programmatic structure. It will be considered by the CDFI Fund in developing the program's Notice of Funds Availability (NOFA).
6	12/30/2024	N/A - Individual	Tiffany Graven	Track Record & Projections	6. Is the data collected in the track record and projections tables adequate and appropriate to assess an Applicant's experience in small dollar lending and projections? Why or why not?	No	Yes	Include questions about managing risk, addressing borrower defaults, and providing financial counseling services.	All data elements noted in the comment are already captured in the SDL Program Application. No changes to the proposed form are required.
7	12/30/2024	N/A - Individual	Tiffany Graven	Period of Performance	7. The period of performance for SDLP awards is three years. Is three years sufficient to expend the award to launch or expand a small dollar loan program? If it's not sufficient, what period would be more appropriate and why?	Yes	No	Consider a flexible performance period with the option for extensions.	This comment is not related to Application burden and related to programmatic structure. It will be considered by the CDFI Fund in developing the program's Notice of Funds Availability (NOFA).
8	12/30/2024	N/A - Individual	Tiffany Graven	Other Information Not Currently Requested	8. Is there other information not requested (such as additional detail on other unsecured consumer loans below \$10,000) in the Application that would demonstrate an Applicant's experience in small dollar lending and projected small dollar lending activities? If yes, what is that information?	No	Yes	Request data on other unsecured consumer lending products and experience with serving borrowers with poor credit histories.	All data elements noted in the comment are already captured in the SDL Program Application. No changes to the proposed form are required.

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9	12/30/2024	N/A - Individual	Tiffany Graven	Assess Program Impact	9. The Application includes questions about the intended impact of an Applicant's small dollar lending strategy. (1) How should the CDFI Fund assess the impact of SDL Program Awards on communities served by Applicants? (2) The CDFI Fund has identified a set of impact options for Applicants to choose in the Application. Are the current impact choices sufficient? Why or why not? Are there impacts that should be added or modified and if yes, what are they?	Yes	No	Use a mix of quantitative and qualitative data to assess borrower outcomes, community-level changes, and applicant performance. Expand impact options to include specific outcomes like credit score improvement, reduced reliance on high-cost credit, and increased access to mainstream financial products.	All data elements noted in the comment are already captured in the SDL Program Application. No changes to the proposed form are required.
10	2/4/2025	American Financial Services Association	Celia Winslow	Prohibited Practices	10. The SDL Program Application states that the Awards will not be made to Applicants that engage in the Prohibited Practices listed in Table 1. Are the Prohibited Practices appropriate to prevent predatory or abusive lending practices that low-income borrowers often face? Why are why not? Are there any Prohibited Practices that should be added, eliminated, or clarified? What are they?	Yes	No	We appreciate the CDFI and Treasury's mission to ensure that SDLP applicants engage in fair lending practices. The criteria for measuring whether an applicant is engaging in responsible lending practices should not be whether the applicant lends above a 36% MAPR, but: whether it offers transparent, fully amortized loans that are repaid in substantially equal payments. The removal of the prohibition against purported high-rate loans would help continue to foster diversity of types, activities and geography; support the growth and reach of CDFIs; protect the CDFI brand; minimize burden on CDFIs; and promote efficiency. We encourage the Treasury Department and CDFI Fund to amend its application.	This comment is not related to Application burden and related to programmatic structure. It will be considered by the CDFI Fund in developing the program's Notice of Funds Availability (NOFA).

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11	12/30/2024	N/A - Individual	Tiffany Graven	Prohibited Practices	10. The SDL Program Application states that the Awards will not be made to Applicants that engage in the Prohibited Practices listed in Table 1. Are the Prohibited Practices appropriate to prevent predatory or abusive lending practices that low-income borrowers often face? Why are why not? Are there any Prohibited Practices that should be added, eliminated, or clarified? What are they?	Yes	No	Carefully review the list of Prohibited Practices. Consider adding or clarifying prohibitions on excessive fees, deceptive marketing, coercion, harassment, and discriminatory lending practices.	This comment is not related to Application burden and related to programmatic structure. It will be considered by the CDFI Fund in developing the program's Notice of Funds Availability (NOFA).
12	12/7/2024	N/A - Individual	Bryan Richardson	Misc.	N/A	No	No	Am I eligible	The comment is NOT related to Application burden. The CDFI Fund does not provide loans directly to individual consumers.
13	12/30/2024	N/A - Individual	Tiffany Graven	Misc.	N/A	No	No	Side note: links for laws, rights and protections of applicants. Advocacy and support when CDFIs deny applicant request for loans as low income, minorities. I personally applied for a CDFI loan for startup affordable childcare. The reasons were inconsistent and did not represent my character. I was dismissed and could not find any information or anyone to help me navigate on what was required of CDFI when denied. Credit background check was not done. It is important that consumers know the regulations and should be easily available for reference. How would one navigate a denial that was incorrect?	The comment is NOT related to the proposed Application burden.