

Supporting Statement for Request to Extend Approval of Information Collection
Public Housing Homeownership Program (2577-0233)
Family Application, Reporting and Recordkeeping Requirements
Homeownership Program Application and Approval

1. Justification.

Section 536 of the Quality Housing and Work Responsibility Act of 1998 (P.L. 105-276, 112 Stat. 2461, approved October 21, 1998) (Public Housing Reform Act) amended Title I of the U.S. Housing Act of 1937 (42 U.S.C. 1437 et. Seq.) (1937 Act) by adding a new section 32, which authorized a new statutory public housing homeownership programs. (A copy of the applicable section is attached.) The homeownership program replaced the public housing agency homeownership program that was authorized under section 5(h) of the 1937 Act (the 5(h) homeownership program or 5(h) program). Section 518 of the QHWRA repealed the section 5(h) homeownership program, and section 566 of the QHWRA added a new section 5(h) that deals with an unrelated matter.

The regulations implementing the former 5(h) homeownership program are found at 24 CFR part 906 (April 1, 2002). The 5(h) program generally was a program, similar to the section 32 program, under which PHAs could sell public housing units subject to Annual Contributions Contract (ACC) to public housing and section 8 residents for purposes of homeownership (see Sec. Sec. 906.2, 906.3). On March 11, 2003, HUD published a Public Housing Homeownership Program Final Rule implementing the new section 32 homeownership program.

Under this public housing homeownership program, Public Housing Agencies (PHAs) apply to HUD for approval to implement homeownership programs, including participation by Purchase and Resale Entities (PREs), and process applications from eligible families that wish to purchase public housing or other dwelling units authorized for sale under the homeownership program for use as principal residences. This part sets forth the Department's requirements for submission and approval of homeownership applications, and section 32 public housing homeownership program implementation. The sections in the regulation that impose information collection requirements are as follows:

Section 906.17. Families who are interested in purchasing units must submit an application to the PHA. The PHA will evaluate applications to determine applicants meet eligibility requirements, have the financial capacity for making purchases, and otherwise meet the requirements of the HUD-approved homeownership program. The reporting burden is for the PHA to describe the application process the families will have to follow in order to be considered for the program.

Section 906.19. Where purchase and resale entities will purchase units for resale to eligible families, PHAs must include information in their homeownership program applications demonstrating that the PREs have legal and practical capacity to carry out program responsibilities, and assurances that PRE's will carry out sales in accordance with the terms of the HUD-approved homeownership program and in a manner to protect against fraud or misuse of funds.

Section 906.33. PHAs shall be responsible for the maintenance of records (including sale and financial records) for all activities incident to the implementation of the HUD-approved homeownership program. Where PREs are participating in the program, PHAs must ensure the PRE's responsibilities include proper recordkeeping and accountability to the PHA, sufficient to

enable the PHA to monitor compliance with the approved homeownership program and to meet its audit responsibilities. The PHA must report annually to HUD on the progress of each program approved under this part.

Section 906.39. PHA must develop a homeownership program and obtain HUD approval before it can be implemented. The program must include, as applicable to the particular factual situation: method of sale, property description, repair or rehabilitation plan, purchaser eligibility and selection, terms and conditions of sale and financing, consultation with residents and purchasers, counseling, description of PRE responsibilities and compliance with 906.19, plan for non-purchasing residents, sale proceeds, description of record-keeping, accounting, and reporting procedures, budget, timetable, and deed restrictions.

Section 906.40. Additional supporting documentation required with homeownership program submissions include documents related to PRE participation, including PRE organizational documents, regulatory and operating agreement between the PHA and PRE, management agreement and plan, financing documents, use of operating subsidy, mixed-finance Annual Contributions Contract, deed restrictions or covenants running with the land assuring PREs will operate units according to public housing laws and regulations, and other materials required by HUD. Other supporting documents for the homeownership plan include physical assessments, feasibility statements, description of PHA performance in homeownership, non-discrimination certification, legal certification, board resolutions, certifications of assistance to be provided under Section 8(y) homeownership option, and other information that may be reasonably required for HUD review of the program. HUD approval is not required for documents to be prepared and used by the PHA in implementing the program (such as contracts, applications, deeds, mortgages, promissory notes, and cooperative or condominium documents).

Section 906.41. PHAs must submit to HUD additional supporting documentation for acquisition of non-public housing for homeownership: property description, wage rate certification, site information, property costs, appraisal, property acquisition schedule, environmental information, market analysis, and additional information HUD may require to make its determination of whether to approve the homeownership program.

Section 906.49. PHAs and HUD will execute written implementing agreements to evidence HUD approval and authorization for implementation.

2. HUD will review and approve homeownership program applications for statutory and regulatory compliance. HUD will review annual progress reports to gauge PHAs' success in administering and meeting the goals of their homeownership programs. PHAs will review, determine eligibility, and approve applications from families interested in participating in their homeownership programs, which is not addressed in the burden totals.
3. HUD has automated this information collection through an enhancement of the Public Housing Information Center data system (PIC) for submission of homeownership program applications and reporting to further reduce information collection burdens. As of October 2006, ninety percent of the applications received are submitted electronically.. HUD has a revision of PIC in the works that will allow/require electronic submission of all section 32 applications by December 2006
4. There is no duplication of effort. Information collected is unique to each PHA's development and does not duplicate any similar information.

5. The information being collected has no significant impact on small businesses or other small entities.
6. Statutory and regulatory requirements would not be met if the collection is not conducted, or is conducted less frequently.
7. There are no special circumstances that would cause the information collection to be conducted inappropriately.
8. A Notice of Proposed Information Collection was published in the Federal Register on July 7, 2006 soliciting public comment on this proposed information collection. The public had until September 5, 2006 to submit comments. HUD did not receive any public comments in response to the notice.
9. No payments or gifts to respondents are provided.
10. Assurance of confidentiality is neither provided nor needed.
11. No sensitive questions are asked.
12. The burden hour estimates are based on Sections of the regulations setting forth requirements for the section 32 public housing homeownership program and published March 11, 2003. The information collection involves applications from PHAs for approval to sell units and/or use funds provided under the Housing Act of 1937 to administer a program that allows low-income families to purchase units, homeownership proposals from PHAs to HUD for approval to operate homeownership programs, annual progress reports to HUD from PHAs, and recordkeeping requirements.

From May 1998 until September 1999, when the request for approval of this new information collection for the homeownership program was submitted, HUD's Special Application Center had received 17 Section 5(h) homeownership applications from PHAs, for a total of 895 public housing units. The cumulative total of PHA homeownership applications received from May 1998 until July 2002 is 63 applications. This is an average of 16 applications received annually. Accordingly, the estimate of burden hours has been revised to reflect 16 PHAs submitting homeownership program applications to HUD each year, and 127 PHAs reporting annually the progress results of their programs. A review of the workload showed that in the period of Oct 1, 2005, to October 1, 2006 showed 17 new Section 32 applications were received, requiring no change to the burden hours. Estimated cost for PHAs to submit applications and reports is \$27/hour for 892 burden hours or \$24,084. The number of families or respondents submitting applications to PHAs for approval to participate in the program has been removed, since families do not submit applications to HUD. Revised burden hour estimates are provided as follows:

Section Reference	Number of Respondents	Frequency of Responses	Number of Responses	Est. Average Response Time (Hours)	Est. Annual Burden Hours (Hours)
906.17 Description of Family application	16	1	16	4	64
906.19 Purchase and resale entity Capacity	16	1	16	4	64
906.33 Recordkeeping and reporting Annual performance report	127	1	127	4	508
906.39 Homeownership program application	16	1	16	8	128
906.40 Homeownership supporting documentation	16	1	16	4	64
906.41 Acquisition supporting documentation	16	1	16	4	64
TOTAL REPORTING BURDEN:					892

13. No additional costs will be incurred by PHAs for this information collection.
 14. PHA applications to participate in the public housing homeownership program and reports on annual program progress will be reviewed in accordance with HUD's existing review and monitoring requirements, and are estimated to cost HUD 640 staff hours and \$17,280 in costs. Review of annual progress reports is optional for HUD Field Staff, but may require up to an estimated 1,008 staff hours and \$27,216 in costs.
 15. From May 1998 until September 1999, when the request for approval of this new information collection for the homeownership program was submitted, HUD's Special Application Center had received 17 Section 5(h) homeownership applications from PHAs, for a total of 895 public housing units. The cumulative total of PHA homeownership applications received from May 1998 until July 2002 is 63 applications. This is an average of 16 applications received annually. Accordingly, the estimate of burden hours has been revised to reflect 16 PHAs submitting homeownership program applications to HUD each year, and 127 PHAs reporting annually the progress results of their programs. A review of the workload showed that in the period of Oct 1, 2005, to October 1, 2006 showed 17 new Section 32 applications were received, requiring no change to the burden hours. Estimated cost for PHAs to submit applications and reports is \$27/hour for 892 burden hours or \$24,084. The number of families or respondents submitting applications to PHAs for approval to participate in the program has been removed, since families do not submit applications to HUD.
 16. This will not be published.
 17. Expiration date will appear on the collection.
 18. No exceptions.
- B. Collections of Information Employing Statistical Methods.

This collection of information will not be used for statistical purposes.