

Paperwork Reduction Act Submission

Please read the instruction before completing this form. For additional forms or assistance in completing this forms, contact your agency's Paperwork Reduction Officer. Send two copies of this form, the collection instrument to be reviewed, the Supporting Statement, and any additional documentation to: Office of Information and Regulatory Affairs, Office of Management and Budget, Docket Library, Room 10102, 725 Seventeenth St. NW, Washington, DC 20503.

<p>1. Agency/Subagency Originating Request: U.S. Department of Housing and Urban Development Program Support Division, Office of Single Family Program Development</p>	<p>2. OMB Control Number: a. 2502-0540 b. None</p>																																								
<p>3. Type of information collection: (check one) a. New Collection b. Revision of a currently approved collection c. <input checked="" type="checkbox"/> Extension of a currently approved collection d. Reinstatement, without change, of previously approved collection for which approval has expired e. Reinstatement, with change, of previously approved collection for which approval has expired f. Existing collection in use without an OMB control number For b-f, note item A2 of Supporting Statement instructions.</p>	<p>4. Type of review requested: (check one) a. <input checked="" type="checkbox"/> Regular b. Emergency - Approval requested by c. Delegated</p> <p>5. Small entities: Will this information collection have a significant economic impact on a substantial number of small entities? <input checked="" type="checkbox"/> Yes No</p> <p>6. Requested expiration date: a. <input checked="" type="checkbox"/> Three years from approval date b. Other (specify)</p>																																								
<p>7. Title: Application and Re-certification Packages for Approval of Nonprofit Organizations in FHA Activities</p>																																									
<p>8. Agency form number(s): (if applicable) None</p>																																									
<p>9. Keywords: Housing, Mortgage Insurance, Mortgagor, Nonprofit Organizations</p>																																									
<p>10. Abstract: In general, a nonprofit organization must be HUD-approved and meet specific requirements to maintain approval and remain on the Nonprofit Organization Roster (Roster). This includes an application, affordable housing plan, annual reports, and required record keeping. Participants must submit a new application and updated affordable housing plan every two years to remain on the Roster. HUD uses the information to ensure that a nonprofit organization meets the requirements to participate in Single Family programs.</p>																																									
<p>11. Affected public: (mark primary with "P" and all others that apply with "X") a. Individuals or households e. Farms b. Business or other for-profit f. Federal Government c. <input checked="" type="checkbox"/> Not-for-profit institutions g. <input checked="" type="checkbox"/> State, Local or Tribal Government</p>	<p>12. Obligation to respond: (mark primary with "P" and all others that apply with "X") a. Voluntary b. <input checked="" type="checkbox"/> Required to obtain or retain benefits c. Mandatory</p>																																								
<table style="width: 100%; border-collapse: collapse;"> <tr><td>13. Annual reporting and recordkeeping hour burden:</td><td></td></tr> <tr><td>a. Number of respondents</td><td style="text-align: right;">355</td></tr> <tr><td>b. Total annual responses</td><td style="text-align: right;">1,730</td></tr> <tr><td> Percentage of these responses collected electronically</td><td style="text-align: right;">0%</td></tr> <tr><td>c. Total annual hours requested</td><td style="text-align: right;">11,760</td></tr> <tr><td>d. Current OMB inventory</td><td style="text-align: right;">23,200</td></tr> <tr><td>e. Difference (+,-)</td><td style="text-align: right;">-11,440</td></tr> <tr><td>f. Explanation of difference:</td><td></td></tr> <tr><td> 1. Program change:</td><td></td></tr> <tr><td> 2. Adjustment:</td><td style="text-align: right;">-11,440</td></tr> </table>	13. Annual reporting and recordkeeping hour burden:		a. Number of respondents	355	b. Total annual responses	1,730	Percentage of these responses collected electronically	0%	c. Total annual hours requested	11,760	d. Current OMB inventory	23,200	e. Difference (+,-)	-11,440	f. Explanation of difference:		1. Program change:		2. Adjustment:	-11,440	<table style="width: 100%; border-collapse: collapse;"> <tr><td>14. Annual reporting and recordkeeping cost burden: (in thousands of dollars)</td><td></td></tr> <tr><td colspan="2">Do not include costs based on the hours in item 13.</td></tr> <tr><td>a. Total annualized capital/startup costs</td><td style="text-align: right;">\$0.00</td></tr> <tr><td>b. Total annual costs (O&M)</td><td style="text-align: right;">\$0.00</td></tr> <tr><td>c. Total annualized cost requested</td><td style="text-align: right;">\$0.00</td></tr> <tr><td>d. Total annual cost requested</td><td style="text-align: right;">\$0.00</td></tr> <tr><td>e. Current OMB inventory</td><td style="text-align: right;">\$0.00</td></tr> <tr><td>f. Explanation of difference:</td><td></td></tr> <tr><td> 1. Program change:</td><td></td></tr> <tr><td> 2. Adjustment:</td><td></td></tr> </table>	14. Annual reporting and recordkeeping cost burden: (in thousands of dollars)		Do not include costs based on the hours in item 13.		a. Total annualized capital/startup costs	\$0.00	b. Total annual costs (O&M)	\$0.00	c. Total annualized cost requested	\$0.00	d. Total annual cost requested	\$0.00	e. Current OMB inventory	\$0.00	f. Explanation of difference:		1. Program change:		2. Adjustment:	
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<p>15. Purpose of Information collection: (mark primary with "P" and all others that apply with "X") a. <input checked="" type="checkbox"/> Application for benefits e. <input checked="" type="checkbox"/> Program planning or management b. <input checked="" type="checkbox"/> Program evaluation f. Research c. General purpose statistics g. <input checked="" type="checkbox"/> Regulatory or compliance d. Audit</p>	<p>16. Frequency of recordkeeping or reporting: (check all that apply) a. <input checked="" type="checkbox"/> Recordkeeping b. Third party disclosure c. <input checked="" type="checkbox"/> Reporting: 1. <input checked="" type="checkbox"/> On occasion 2. <input type="checkbox"/> Weekly 3. <input type="checkbox"/> Monthly 4. <input type="checkbox"/> Quarterly 5. <input type="checkbox"/> Semi-annually 6. <input checked="" type="checkbox"/> Annually 7. <input checked="" type="checkbox"/> Biennially 8. <input type="checkbox"/> Other (describe)</p>																																								
<p>17. Statistical methods: Does this information collection employ statistical methods? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>18. Agency contact: (person who can best answer questions regarding the content of this submission) Name: Tanya Gunn or Terri Ames Phone: 202-708-0614 ext. 2350 or ext. 3025</p>																																								

19. Certification for Paperwork Reduction Act Submissions

On behalf of the U.S. Department of Housing and Urban Development, I certify that the collection of information encompassed by this request complies with 5 CFR 1320.9.

Note: The text of 5 CFR 1320.9, and the related provisions of 5 CFR 1320/8(b)(3) appears at the end of the instructions. The certification is to be made with reference to those regulatory provisions as set forth in the instructions.

The following is a summary of the topics, regarding the proposed collections of information that the certification covers:

- (a) It is necessary for the proper performance of agency functions;
- (b) It avoids unnecessary duplication;
- (c) It reduces burden on small entities;
- (d) It uses plain, coherent, and unambiguous terminology that is understandable to respondents;
- (e) Its implementation will be consistent and compatible with current reporting and recordkeeping practices;
- (f) It indicates the retention periods for recordkeeping requirements;
- (g) It informs respondents of the information called for under 5 CFR 1320.8(b)(3):
 - (i) Why the information is being collected;
 - (ii) Use of the information;
 - (iii) Burden estimate;
 - (iv) Nature of response (voluntary, required for a benefit, or mandatory);
 - (v) Nature and extent of confidentiality; and
 - (vi) Need to display currently valid OMB control number;
- (h) It was developed by an office that has planned and allocated resources for the efficient and effective management and use of the information to collected (see note in item 19 of the instructions);
 - (i) It uses effective and efficient statistical survey methodology; and
 - (j) It makes appropriate use of information technology.

If you are unable to certify compliance with any of these provisions, identify the item below and explain the reason in item 18 of the Supporting Statement.

Signature of Program Official:

Date:

X
Michael E. Winiarski, Acting Director, Organizational Policy, Planning and Analysis Division, HROA

Signature of Senior Officer or Designee:

Date:

X
Lillian Deitzer, Departmental Reports Management Officer,
Office of the Chief Information Officer

Supporting Statement for Paperwork Reduction Act Submissions

Application and Re-certification Packages for Approval of Nonprofit Organizations In FHA Activities OMB Control Number 2502-0540

A. Justification

1. Sections 203(g)(2), 221(h), and 235(j) of the National Housing Act (12 U.S.C. 1708) permits private nonprofit organizations and public entities to act as mortgagors through use of FHA insured mortgage programs to purchase and rehabilitate housing for subsequent resale. HUD's regulations in 24 CFR 200.194 establish eligibility requirements for nonprofit organizations and government entities that seek to participate in certain HUD programs acting as a mortgagor; purchasing HUD's Real Estate Owned (REO) Properties (HUD Homes) at a discount; providing secondary financing; and imposing legal restrictions on conveyance as part of affordable housing programs. HUD has issued policies based on specific requirements of nonprofits that participate in FHA discount sales, down payment assistance and mortgage insurance programs. Procedures for removal of nonprofits with the ability to participate in these programs are codified at 24 CFR 200.195.
2. Nonprofit organizations seeking HUD approval to participate in certain specified Federal Housing Administration (FHA) single family activities submit financial and management information to HUD. HUD staff uses the information to assess the management and financial capability of the nonprofit to carry out its mission relative to the HUD programs in which it seeks to participate. The information also assists HUD staff to detect any conflicts of interest or activities that may not be permissible. Annual activity reports are required to assure compliance and monitor activity to keep the risk to the Federal government at a minimum. The collection of information assists HUD to reduce its own risk as well as protect homebuyers from fraudulent activities that occurred prior to this collection activity. Nonprofit organizations are reevaluated every two years to assure they have performed according to plan and to provide HUD with any information on changes that may impact the nonprofit's performance.
3. Currently, none of the information is collected electronically. However, HUD has undertaken a major effort to develop a web-based program management system to facilitate an automated collection of this information. The system is currently being demonstrated to HUD management and line staff. HUD will also solicit feedback and input from nine nonprofit organizations invited to participate in a pilot of the system, starting February 2007. This newly developed Nonprofit Data Management System is an automated web-based program management tool designed to assist HUD staff with the daily oversight and administration of Single Family's Nonprofit Program activities. This tool will allow for on-line reporting and will enable potential participants to submit an application for approval. The system is scheduled to be fully operational in the fall of 2007.
4. This information is not collected elsewhere. HUD makes every effort to assure no duplication of information is required.
5. The collection of this information may impact small nonprofit organizations seeking approval to participate in FHA programs. However, the required information is, for the most part, standard and already available in the nonprofit organizations' places of business and may include articles of organization, letters of determination, resolutions, and/or legal documents. Reapplication packages require complete information, but the burden of effort to the organization is limited to updating the original and any notification of changes. Reports are done in a standard format and are routinely maintained by the organization as a normal function of doing business.

6. Ascertaining the legal eligibility, financial capacity, and experience in housing activities of nonprofit organizations is necessary to comply with the requirements of the National Housing Act, and to assess the organization's ability to participate as a mortgagor in FHA programs. Sound underwriting practices require that HUD evaluate a mortgagor's ability to make mortgage payments on insured properties to minimize risk of monetary loss. HUD also bears the responsibility to assure that homebuyers who purchase homes from nonprofits that participate in the discount sales and other programs receive the benefits derived from those programs. This collection provides the means to meet that obligation.
7. There are no special circumstances involved in this collection.
8. In accordance with 5 CFR 1320.8(d), the agency's notice soliciting public comments was announced in the *Federal Register* on November 2, 2006 (Volume 71, Number 212, Pages 64548-64549). No comments were received. Since the last submission, HUD headquarters staff worked closely with field staff to get feedback from end users on the burden of program reporting and the processes used to collect information.
9. There are no payments or gifts to respondents with respect to this collection.
10. Since social security numbers are required, HUD addresses the issue of confidentiality in two formats (1) within the text of Mortgagee Letter 2002-01 the agency explains to respondents the purpose for which social security numbers will be used and assures respondents that SSNs will be kept confidential; and (2) HUD added a statement to the attachment to comply with the requirements of the Privacy Act of 1974.
11. No sensitive information is required as part of this collection.
12. Estimate of public burden. Total number of respondents consists of 100 new applicants and 255 yearly agency re-certifications

Description of Info. Collection	Number of Respondents	Frequency of Response	Total Annual Responses	Hours per Response	Total Hours	Hourly Rate	Total Annual Cost
Application	100	1	100	24	2,400	\$25	\$60,000
Affordable Hsg Program	100	1	100	12	1,200	\$25	30,000
Agency Reporting	255	1	255	4	1,020	\$25	25,500
Agency Recertification	255	1	255	16	4,080	\$25	102,000
Credit Evaluation of Nonprofit	255	4	1,020	3	3,060	\$25	76,500
Totals	355		1,730		11,760		\$294,000

The hourly rate is based on an estimated average annual salary of \$50,000 nonprofit personnel.

Most of the information required under this information collection is maintained by the affected organizations in the normal course of business. Recordkeeping is considered a normal part of the participant's business. The recordkeeping requirements is information HUD expects to view when its staff conducts a review, and HUD ascribes no burden to recordkeeping requirements.

13. There are no additional costs to respondents or recordkeepers.
14. Estimated annualized costs to the Federal government include staff time needed to coordinate the review and approval of applications, and to monitor housing related activities of participating nonprofit organizations.

Description of Info. Collection	Total Annual Responses	Hours per Response	Total Hours	Hourly Rate	Total Annual Cost
Application	100	12	1,200	\$27	\$64,800
Affordable Hsg Program	100	6	600	\$27	32,400
Agency Reporting	255	2	510	\$27	13,770
Agency Recertification	255	8	2,040	\$27	55,080
Credit Evaluation of Nonprofit	1,020	2	2,040	\$27	55,080
Totals	1,730		6,390		\$221,130

The hourly rate is a blended rate based on the estimated average annual salaries of both administrative and professional personnel.

15. This is an extension of a previously approved collection. Program adjustments reflect a reduction in respondents due to the elimination of double counting, which directly affects a reduction in cost of the collection requirement. Another adjustment is that HUD has established a better methodology for identifying and documenting the burden of program reporting requirements. As an outcome, this new process has yielded more real time data.
16. There is no anticipated publication of the information gathered through this collection.
17. HUD is not requesting approval to avoid displaying the expiration date.
18. There are no exceptions to the certification statement identified in item 19 of the OMB 83-I.

B. Collections of Information Employing Statistical Methods

This collection of information does not employ statistical methods.