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.

1. Agency/Subagency Originating Request:
U.S. Department of Housing and Urban Development
Single Family Insurance Operations Division – Office of the FHA Comptroller

2. OMB Control Number:
a. **2502-0423** b. None

3. Type of information collection: (check one)
- a. ☐ New Collection
- b. ☐ Revision of a currently approved collection
- c. **X** 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.

4. Type of review requested: (check one)
- a. **X** Regular
- b. ☐ Emergency - Approval requested by
- c. ☐ Delegated

5. Small entities: Will this information collection have a significant economic impact on a substantial number of small entities?
☐ Yes **X** No

6. Requested expiration date:
a. **X** Three years from approval date b. ☐ Other (specify)

7. Title:
Single Family Premium Collection Subsystem-Upfront

8. Agency form number(s): (if applicable)
None

9. Keywords:
Housing, Mortgage Insurance Premium, Single Family

10. Abstract:
Lenders use the Single Family Premium Collection Subsystem-Upfront (SFPCS-U) to remit the upfront premium to obtain mortgage insurance for the homeowner. The information strengthens HUD's ability to manage and process upfront single-family mortgage insurance premium collections and corrections to submit data. It also improves data integrity for the Single Family Mortgage Insurance Program.

11. Affected public: (mark primary with "P" and all others that apply with "X")
- a. Individuals or households
- b. **P** Business or other for-profit
- c. Not-for-profit institutions
- e. Farms
- f. Federal Government
- g. State, Local or Tribal Government

12. Obligation to respond: (mark primary with "P" and all others that apply with "X")
- a. Voluntary
- b. **P** Required to obtain or retain benefits
- c. Mandatory

13. Annual reporting and recordkeeping hour burden:

a. Number of respondents	10,735
b. Total annual responses	415,469
Percentage of these responses collected electronically	100%
c. Total annual hours requested	33,238
d. Current OMB inventory	111,990
e. Difference (+,-)	-78,752
f. Explanation of difference:	
1. Program change:	
2. Adjustment:	-78,752

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
- b. Total annual costs (O&M)
- c. Total annualized cost requested
- d. Total annual cost requested
- e. Current OMB inventory
- f. Explanation of difference:
  1. Program change:
  2. Adjustment:

15. Purpose of Information collection: (mark primary with "P" and all others that apply with "X")
- a. **P** Application for benefits
- b. Program evaluation
- c. **X** General purpose statistics
- d. Audit
- e. **X** Program planning or management
- f. **X** Research
- g. **X** Regulatory or compliance

16. Frequency of recordkeeping or reporting: (check all that apply)
- a. ☐ Recordkeeping
- b. ☐ Third party disclosure
- c. **X** Reporting:
  1. **X** On occasion 2. ☐ Weekly 3. ☐ Monthly
  4. ☐ Quarterly 5. ☐ Semi-annually 6. ☐ Annually
  7. ☐ Biennially 8. ☐ Other (describe)

17. Statistical methods:
Does this information collection employ statistical methods?
☐ Yes **X** No

18. Agency contact: (person who can best answer questions regarding the content of this submission)
Name: **Sonja Sharpe**
Phone: **202-708-0614 ext. 3391**

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

Single Family Premium Collection Subsystem-Upfront
OMB Control Number 2502-0423

A. Justification

1. Regulations at 24 CFR 203.259a; 203.280; 203-281; and 203-283 authorize the collection, calculation, and refunds of a one-time mortgage insurance premium (MIP). Lenders use the Single Family Premium Collection Subsystem-Upfront (SFPCS-U) to remit the upfront premium to obtain mortgage insurance for the homeowner.

2. SFPCS-U strengthens HUD's ability to manage and process upfront single-family mortgage insurance premium collections and corrections to submit data. It also improves data integrity for the Single Family Mortgage Insurance Program. FHA approved lenders use Automated Clearing House (ACH) and/or Electronic Data Interchange (EDI) applications for all transmissions with SFPCS-U. The collection of information is used to update HUD's Single Family Insurance System. The information collection is also used in calculating refunds due to former FHA mortgagors when they apply for homeowner refunds of the unearned portion of the mortgage insurance premium, 24 CFR 203.283, as appropriate. Without this information the premium collection/monitoring process would be severely impeded, and program data would be unreliable. In general, lenders use the ACH and/or EDI applications to remit the upfront premium through SFPCS-U to obtain mortgage insurance for the homeowner.

3. The number of respondents is 10,735 (lenders sign up and use the ACH and/or EDI applications) and the frequency of response is on occasion, at the mortgage closing. Since remittances are made through ACH or EDI, the upfront remittance is submitted electronically and there is no paperwork to complete and mail-in. There are approximately 415,469 responses per year.

4. No duplicate data exits. The data is not available from other sources.

5. There is no impact on small businesses or other small entities.

6. The information collection is required of the remitting mortgagee and shall accompany all upfront payments sent to HUD through ACH and/or EDI and collected and reported by SFPCS-U. If this information collection is not conducted or is conducted less frequently, the consequence to the single-family mortgage insurance program is that incomplete and/or inaccurate data may delay endorsement of the FHA case involved.

7. Mortgagees are required by 24 CFR 203.280 to provide the required information when the upfront mortgage insurance premium is due to the Department, which is the time of settlement when the FHA mortgage closes.

8. In accordance with 5 C.F.R. 1320(8)(d), the agency’s notice soliciting public comments for the information collection was published in the Federal Register on December 27, 2006 (Vo1 71, No. 248, page 77776). No comments were received.

9. No gift or payment is provided to respondents.

10. Confidentiality is not an issue for the data involved.

11. No questions of a sensitive nature are involved.

12. Estimate of public burden:

Number of Respondents	Frequency of Response	Total Annual Responses	Burden Hours per Response	Total Burden Hours	Hourly Cost	Total Annual Cost
10,735	Varies	415,469	0.08	33,238	$15	$498,570

Hourly cost is based on an estimate of lender clerical staff annual salary of $30,000.

13. There are no additional costs to the respondents.

14. An estimate of the annualized cost to the Federal Government covering ACH and/or EDI costs, programming, processing, and modifications is approximately $425,000.

15. This is an extension of a currently approved collection. There is an increase in the number of lenders to account for all FHA-approved lenders. Additionally, there has been growth in the number of refinance loans due to the lower interest rates. HUD has decreased its estimate of burden hours per response because the transactions are all electronic. There is a decrease in cost to the Federal government based on recent experience.

16. The results of the information collection will not be published.

17. We are not seeking approval to avoid displaying the expiration date.

18. There are no exceptions to the certification statement identified in item 19.

B. Collections of Information Employing Statistical Methods

This information collection does not employ statistical methods.