

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 Office of Single Family Program Development		2. OMB Control Number: a. 2502-0556 b. None	
3. Type of information collection: (check one) a. <input type="checkbox"/> New Collection b. <input type="checkbox"/> Revision of a currently approved collection c. <input checked="" type="checkbox"/> Extension of a currently approved collection d. <input type="checkbox"/> Reinstatement, without change , of previously approved collection for which approval has expired e. <input type="checkbox"/> Reinstatement, with change , of previously approved collection for which approval has expired f. <input type="checkbox"/> 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. <input checked="" type="checkbox"/> Regular b. <input type="checkbox"/> Emergency - Approval requested by c. <input type="checkbox"/> Delegated 5. Small entities: Will this information collection have a significant economic impact on a substantial number of small entities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 6. Requested expiration date: a. <input checked="" type="checkbox"/> Three years from approval date b. <input type="checkbox"/> Other (specify)	
7. Title: FHA TOTAL Mortgage Scorecard			
8. Agency form number(s): (if applicable) None			
9. Keywords: Housing, Mortgage Insurance, Automated Underwriting Systems; TOTAL			
10. Abstract: The data collection requirements consist of an electronic lender certification process and requirements to provide reports and loan samples at FHA's request, and appeals in writing for loss of privilege to use the scorecard.			
11. Affected public: (mark primary with "P" and all others that apply with "X") a. Individuals or households e. Farms b. P Business or other for-profit f. Federal Government c. Not-for-profit institutions 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 12,000 b. Total annual responses 452 Percentage of these responses collected electronically 99% c. Total annual hours requested 908 d. Current OMB inventory 1,000 e. Difference (+,-) -92 f. Explanation of difference: New Collection 1. Program change: 2. Adjustment: -92		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 e. Program planning or management b. X Program evaluation f. Research c. General purpose statistics g. X Regulatory or compliance d. Audit		16. Frequency of recordkeeping or reporting: (check all that apply) a. <input checked="" type="checkbox"/> Recordkeeping b. <input type="checkbox"/> 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 type="checkbox"/> Annually 7. <input type="checkbox"/> Biennially 8. <input type="checkbox"/> Other (describe)	
17. Statistical methods: Does this information collection employ statistical methods? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		18. Agency contact: (person who can best answer questions regarding the content of this submission) Name: James A. Beavers Phone: 202-708-2121 ext. 2205	

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
Kevin B. Perkins, 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

OMB Control No. 2502-0556 FHA TOTAL (Technology Open to Approved Lenders) Mortgage Scorecard

A. Justification

1. SEC. 203 of the National Housing Act (12 U.S.C. 1709) authorizes the Secretary, upon application by the mortgagee, to insure mortgages offered to him that are eligible for insurance upon such terms as the Secretary may prescribe. The regulation mandating this collection can be found in the Code of Federal Regulations at 24 CFR 203.255(b)(5). This information is necessary to assure that lenders (and automated underwriting system (AUS) vendors) are aware of their obligations regarding use of the TOTAL Mortgage Scorecard and are certifying that they will comply with all pertinent regulations. It also allows FHA to request reports from lenders regarding their use of the scorecard, that they have implemented appropriate quality control procedures for using the scorecard, and provides an appeal mechanism should FHA take an action to terminate a lender's use of the scorecard.
2. Any AUS vendor that "calls" the Total Mortgage Scorecard, and any FHA-approved mortgagee that obtains a risk-assessment from the Scorecard, must abide by the requirements in 24 CFR 203.255(b). Access to the TOTAL Mortgage Scorecard by a FHA mortgagee is conditioned upon the mortgagee's certification to comply with those requirements. Only AUSs developed, operated, owned, or used by FHA-approved Direct Endorsement mortgagees, Fannie Mae, or Freddie Mac are permitted to access the Scorecard, and only FHA-approved mortgagees are able to obtain risk assessments using the TOTAL Mortgage Scorecard. The primary use of the information is to assure that the lenders who use FHA's TOTAL Mortgage Scorecard have certified to the terms and conditions of that use and that they will not violate the regulations at 24 CFR 203.255. This data collection also permits FHA to obtain information as needed from TOTAL scorecard users, including evidence of their quality control procedures, and establishes an appeal process should FHA take an action against a lender deemed to have violated the appropriate regulations.
3. The information regarding the lender's certification that it will properly use the TOTAL Mortgage Scorecard is collected electronically. Other information, such as evidence of quality control procedures, may be collected in hard copy.
4. None of this information is collected elsewhere.
5. This information will not impact small businesses and other small entities.
6. Without requiring lenders to certify to proper use of FHA's Mortgage Scorecard, FHA would have no means of enforcing the regulations regarding use of the scorecard and employing sanctions against lenders misusing it. HUD/FHA would not be able to terminate lender access nor would it be able to demand evidence that may indicate such misuse. This collection also provides a mechanism for lenders to contest FHA's decisions to terminate a lender's access to the scorecard.
7. There are no special circumstances required in the collection of information.
8. In accordance with 5 CFR 1320.8(d)(a), HUD is soliciting comments from the public and affected agencies concerning the proposed collection of information. The Notice announcing this collection of information appeared in the Federal Register on December 27, 2006, Volume 71, Number 248 page 77778.
9. There are no payments or gifts made to any respondents.
10. No assurances of confidentiality are provided to respondents.

11. There are no questions of a sensitive nature posed to respondents.

12. Estimated burden and costs to respondents:

The estimated public burden consists of an electronic certification process, required of all lenders wishing to use FHA’s TOTAL Mortgage Scorecard, using “click-through” procedures, providing FHA reports and loan samples on an as-needed basis, and the burden associated with appealing FHA’s decision to terminate a lender’s access to the scorecard.

There are about 12,000 FHA-approved lenders. Approximately 3,500 lenders have already certified to the terms and conditions for using the scorecard, leaving about 8,500 who may yet certify. HUD is requesting burden hours to cover approximately 400 new lender certifications and any possible re-certifications. HUD estimates that about 50 lenders (included in the 3,500) are expected to generate the kind of production volume that would result in meaningful usage reports for FHA’s examination. Because the burden hour estimate is so high, HUD is including the appeal process in this request. There are no burden hours associated with quality control implementation. Quality Control is a customary and usual business practice and existing requirements already cover lenders using automated underwriting systems.

Information Collection	Number of Respondents	Frequency of Response	Total Annual Responses	Burden Hours per Response	Total Burden Hours	Hourly Cost	Total Annual Cost
Certification	8,500	Varies	400	0.02	8	\$25	\$200
Reports and Loan Samples	50	Varies	50	10.00	500	\$25	12,500
Appeals	3,500	Varies	2	200.00	400	\$25	10,000
Totals	12,000		452		908		\$22,700

The hourly cost is based on an estimate of the average annual salary of lender support staff in the range of \$52,000.

13. There are no additional costs to the respondents.

14. Estimated cost to the Federal government:

Information Collection	Total Annual Responses	Burden Hours per Response	Total Burden Hours	Hourly Cost	Total Annual Cost
Reports and Loan Samples	50	15	750	\$35	\$26,250
Appeals	2	100	200	\$35	7,000
Subtotal	52		950		\$33,250
System maintenance					20,000
Total					\$53,250

The hourly rate is based on the average annual salary of a GS-12-5. HUD pays \$20,000 annually for system maintenance.

15. This is an extension of a currently approved collection. The number of respondents has increased to include all potential respondents. The total number of FHA lenders is approximately 12,000, but only about 3,500 have entered certifications to date, leaving roughly 8,500 potential respondents. The numbers of responses and total burden hours have decreased due to the lower expected number of new certifications.

16. The results of the information collected 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 of the OMB 83-I.

B. Collections of Information Employing Statistical Methods

The information collection does not employ statistical methods.