

19. Certification for Paperwork Reduction Act Submissions

On behalf of this Federal Agency, 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). Appear 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: X Michael F. Hill, Deputy Assistant Secretary for Operations, HR	Date:
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Signature of Senior Officer or Designee: X Wayne Eddins, Departmental Reports Management Officer, Office of the Chief Information Officer	Date:
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Supporting Statement for Paperwork Reduction Act Submissions

A. Justification

1. **Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

Owners of insured and assisted multifamily housing projects are required by HUD regulations 24 CFR Part 200.105 and administrative guidelines in HUD Handbook 4381.5 REV-2, The Management Agent Handbook, to submit certain data for review by the local HUD office for approval of a new management agent. These requirements apply to insured multifamily projects or HUD-held mortgages and subsidized, non-insured projects that are not financed by State Agencies or the Rural Housing Service Agency. That information is contained on the HUD Forms listed below and referred to collectively as "Management Documents":

HUD-9832 - Management Entity Profile

HUD-9839A - Project Owner's Certification for Owner-Managed Multifamily Housing Projects

HUD-9839B - Project Owner's/Management Agent's Certification for Projects for Identity-of-Interest

or Independent Management Agents

HUD-9839C - Management Certification for Elderly Projects Managed by Project Administrators

Regulatory Authority: 24 CFR Part 200.105

The regulations at 24 CFR Part 200.105 Mortgagor supervision states "As long as the Commissioner is the insurer or holder of the mortgage, the Commissioner shall regulate the mortgagor by means of a regulatory agreement providing terms, conditions and standards established by the Commissioner, or by such other means as the Commissioner may prescribe." The Management Agent acts on behalf of the mortgagor and therefore is bound by the same regulatory and administrative requirements.

The form HUD-9832 (Management Entity Profile) is submitted only when there is new management or a change in the management structure. These forms HUD-9839A, 9839B, and 9839C are submitted based on the type of management at the project. If the project is owner-managed, the form HUD-9839A is required. If there is an Identity-of-Interest Agent or if the project uses an Independent Fee Agent, the form HUD-9839B is required. If a Project Administrator manages the project, the form HUD-9839C is required. No respondent is required to submit all three (9839A, 9839B, and 9839C) forms and they are only required when there is a change in management. It is possible that none of these forms could be required in any given year because there has been no change in the management agent.

Attached are excerpts from the applicable handbook reference and a copy of the HUD Forms listed above and the regulatory citation.

2. **Indicate how, by whom and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

The Management Documents are utilized by the owner and the management entity. The Management Entity Profile provides information that assists the HUD Field Office in determining the acceptability of a proposed management agent. In signing the Certification(s), the owner and the agent agrees to 1) comply with HUD requirements, 2) give HUD and GAO authority to audit a project's records, and 3) give HUD authority to cancel management contracts when project management is unsatisfactory.

Without the information contained in the Management Documents, HUD's ability to screen out unacceptable management agents and control fraud would be limited and the incidents of defaults and unauthorized use of subsidy funds would increase.

3. **Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.**

The Department considered incorporating this information in the automated HUD-2530 Previous Participation Certification process through the Active Partners Performance System (APPS). APPS is an electronic, web-based submission system accessed through secure systems. The Office of Housing continues to believe that this material fits well into an automated form in the APPS system. Notwithstanding that belief, working capital has not been and is not available to undertake this endeavor. Funds have been directed to required enhancements to meet customer demands, corrections, and security upgrades. The proposed modification, as previously reported, cannot begin without funding. However, if working capital becomes available for systems development, HUD will consider reengineering and automating the processes for which these forms are used. In the interim, these forms are required as part of multifamily housing program business processes and will continue to be available on HUD Clips in a fillable PDF format.

4. **Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

The information requested on these documents is not duplicated within the Department's records.

5. **If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I) describe any methods used to minimize burden.**

This information collection does not involved small businesses.

6. **Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

Failure to collect this information would hinder the Department's ability to assess the acceptability of a proposed agent, negotiate project improvement programs, remove unsatisfactory management or recover improper expenditures of project funds.

7. **Explain any special circumstances that would cause an information collection to be conducted in a manner:**

- **requiring respondents to report information to the agency more than quarterly;**

There is no requirement for respondents to report the information more than quarterly.

- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**

There is no requirement for respondents to prepare a written response to a collection in fewer than 30 days.

- **requiring respondents to submit more than an original and two copies of any document;**

There is no requirement requiring respondents to submit more than an original and two copies of any document.

- **requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**

There is no requirement for respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years.

- **in connection with a statistical survey, that is not designed to produce valid and reliable results than can be generalized to the universe of study;**

This collection is not in connection with a statistical survey.

- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**

There is no use of a statistical data classification.

- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are**

consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or

There is no pledge of confidentiality that is not supported by authority established in statute or regulation.

- **requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

There is no requirement for respondents to submit proprietary trade secret or other confidential information.

Owners are required to submit management documents during the initial selection of the management agent, if the owner changes management agents, if the owner and management agent negotiate a new management fee and/or management agreement, or if the management agent makes major changes in its organizational structure.

8. **If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.**
 - **Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping disclosure, or reporting format (if any) and the data elements to be recorded, disclosed, or reported.**
 - **Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years -- even if the collection of information activity is the same as in prior periods. There may be circumstances that preclude consultation in a specific situation. These circumstances should be explained.**

Information collected is conducted in a manner consistent with the guidelines of 5 CFR 1320.6. The Notice announcing this collection of information appeared in the Federal Register

9. **Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

There will be no gifts or payments given to respondents.

10. **Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation or agency policy.**

Assurance of confidentiality is provided by respondents under the Privacy Act of 1974.

11. **Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

The Management Documents do not contain questions of a sensitive nature.

12. **Provide estimates of the hour burden of the collection of information. The statement should:**
 - **indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally estimates should not include burden hours for customary and usual business practices;**

- if this request covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I; and
- provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead this cost should be included in Item 14.

Estimate Number of Respondents – 25,884

1. Form HUD-9832 – Management Entity Profile						
*Number of Respondents	Frequency of Response	*Total Annual Responses	Burden Hours per Response	Total Annual Burden Hrs	**Hourly Cost	Total Annual Cost
25,884	1	1,294	2	2,588	\$15.00	\$38,820
2. Form HUD-9839A – Project Owner’s Certification for Owner-Managed Multifamily Housing Projects						
*Number of Respondents	Frequency of Response	*Total Annual Responses	Burden Hours per Response	Total Annual Burden Hrs	**Hourly Cost	Total Annual Cost
6,471	1	324	.50 (30 Minutes)	162	\$15.00	\$2,430
3. Form HUD-9839B – Project Owner’s/Management Agent’s Certification for Multifamily Housing Projects for Identity-of-Interest or Independent Management Agents						
*Number of Respondents	Frequency of Response	*Total Annual Responses	Burden Hours per Response	Total Annual Burden Hrs	**Hourly Cost	Total Annual Cost
16,825	1	841	.50 (30 Minutes)	421	\$15.00	\$6,315
4. Form HUD-9839C – Project Owner’s/Borrower’s Certification for Elderly Projects Managed by Administrators						
*Number of Respondents	Frequency of Response	*Total Annual Responses	Burden Hours per Response	Total Annual Burden Hrs	**Hourly Cost	Total Annual Cost
2,588	1	129	.25 (15 Minutes)	32	\$15.00	\$480
TOTALS						
25,884	1	2,588	3.25	3,203		\$48,045

The estimated total number of responses (combined for all forms) is 25,884.

Item 1 - Estimate number of respondents is based on the applicable projects that would be required to complete this form. All respondents would be required to provide a management entity profile, therefore 100% of those respondents would be required to complete the form HUD-9832 for HUD’s review and approval as a result of new management (initial) or a change in management.

Item 2 - Estimate number of respondents is based on the applicable projects are owner managed, which is estimated to be about 25% (9,059) of the total (25,884). It is estimated that about 5% of the respondents would be required to complete the form HUD-9839A for HUD’s review and approval as a result of new management (initial) or a change in management.

Item 3 - Estimate number of respondents is based on the applicable projects are identity-of-interest or have independent management agents, which is estimated to be about 65% (12,942) of the total (25,884). It is estimated that about 5% of the respondents would be required to complete the form HUD-9839B for HUD’s review and approval as a result of new management (initial) or a change in management.

Item 4 - Estimate number of respondents is based on the applicable projects are managed by administrators, which is estimated to be about 10% (3,883) of the total (25,884). It is estimated that about 5% of the respondents would be required to complete the form HUD-9839C for HUD’s review and approval as a result of new management (initial) or a change in management.

Hourly costs for items 1 through 4 is based on an estimate of the owner or owner's staff (Property Manager) to review the instruction and complete the form(s). The hourly cost has remained at \$15.00 per hour based on information gathered from payscale.com. Payscale.com is an online salary and benefit information resource which provides compensation data for various occupations. The hourly costs previously submitted were over stated and did not provide a good estimate for costs to the respondent as with this data, which was obtained April 2007.

- Note: All respondents would be required to complete and submit a management entity profile (form HUD-9832) and the applicable management certification. No respondent is required to submit all three (9839A, 9839B, and 9839C) forms and they are only required when there is a change in management. It is possible that none of these forms could be required in any given year because there has been no change in the management agent, therefore the frequency could equal zero.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information (do not include the cost of any hour burden shown in Items 12 and 14).

- The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s) and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities;
- If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10) utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.
- generally, estimates should not include purchases of equipment or services, or portions thereof made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

There are no additional capital or start-up costs.

14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

Total Annual Responses	Burden Hours per Response	Total Annual Burden Hrs	Hourly Cost	Total Annual Cost
2,588	.50	1,294	\$27.00	\$34,938

*Estimated cost per hour for HUD staff (GS-12) to review and process the documents for this collection.

15. Explain the reasons for any program changes or adjustments reported in Items 13 and 14 of the OMB Form 83-I.

There are no program changes, however adjustments were made based on the project data currently in HUD systems.

16. For collection of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The results of this reporting will not be published.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

HUD is not seeking approval not to display the expiration date for OMB approval of the information collection.

18. Explain each exception to the certification statement identified in item 19.

There are no exceptions to the Certification Statement identified in item 19. The certification provisions identified in items a through j have been satisfied within this supporting statement, therefore there are no exceptions to the certification statement.

a. Information is necessary for the Department to ensure that its programs are appropriately administered;

b. This information is not collected under other currently approved information collections

c. This information has no impact on small entities.

d. The information collection form uses plain, coherent, and unambiguous terminology that is understandable to respondents.

e. The implementation will be consistent and compatible with current reporting and recordkeeping practices.

f. The retention periods for recordkeeping requirements are consistent with HUD policies.

g. It informs respondents of the information called for under 5 CFR 1320.8(b)(3).

(i) The information is being collected in accordance with HUD Handbook 4381.5, REV-2.

(ii) The information is being collected to approve and monitor project actions involving new management agents. The documents bind the management agent to comply with HUD requirements and gives HUD the authority to cancel management agent contracts when project management is unsatisfactory.

(iii) The burden hour estimate is 2,588.

(iv) The nature of the response is required to obtain or retain benefits.

(v) The information collected is not of a confidential nature, therefore the Department does not assure confidentiality to respondents.

(vi) The valid OMB control number for this collection will be displayed on the forms HUD-9832, 9839A, 9839B, and 9839C.

(h.) The information will be monitored by the HUD field offices. There are adequate staff and resources necessary for managing the use of this information.

(i.) No statistical methodology is involved with this collection.

(j.) The Office of Asset Management is utilizing all available information technology for this effort.

B. Collections of Information Employing Statistical Methods

There are no statistical methods used in this collection.