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## 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.

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Signature of Program Official:

Date:

X  
Kevin B. Perkins, Director, Organizational Policy, Planning and Analysis Division, HROA

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Signature of Senior Officer or Designee:

Date:

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

## Supporting Statement to Paperwork Reduction Act Submission

### HUD-Owned Real Estate – Sales Contract and Addendums OMB #2502-0306

HUD-9516-A, HUD-9519, HUD-9519-A, HUD-9544, HUD-9548, HUD-9548-B, HUD-9548-C, HUD-9548-D, HUD-9548-E, HUD-9548-F, HUD-9548-G, HUD-9548-H, HUD-9545-Y, and HUD-9545-Z

#### A. JUSTIFICATION

1. The National Housing Act (P.L. 479, 48 Stat., 1246, 12 U.S.C., 1715z-11a) authorizes the Secretary of Housing and Urban Development to deal with, complete, rent, renovate, modernize, insure, or sell for cash or credit, at the Secretary's discretion, any properties conveyed to the Department under contracts of mortgage insurance. Regulations regarding the disposition of acquired properties by sale are contained in 24 CFR Part 291, Disposition of HUD-Acquired Single Family Property. This collection of information consists of the sales contracts and addenda that will be used in binding contracts between purchasers of acquired single-family assets and HUD.

Title X of the Housing and Community Development Act of 1992, Pub. L. 102-550, established the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4852d). Section 1018 of that Act directs the Environmental Protection Agency (EPA) and HUD to jointly issue regulations requiring disclosure of known lead-based paint and/or lead-based paint hazards by persons selling or leasing before the phase out of residential lead-based paint use in 1978. Under that authority, EPA and HUD established requirements so that consumers can make more informed decisions concerning home purchase, lease, and maintenance to protect their families from lead hazard exposure (24 CFR part 35, subpart A) (the Lead Disclosure Rule).

This request seeks to disaggregate previously approved collections dealing with the Good Neighbor Next Door (GNND) Sales Program and the Dollar Home Sales Program. HUD will submit separate requests for those collections. The reason for separating the collections is that HUD is currently revising several rules and the timing for the different rules overlaps, so that it is difficult to get one request approved before it is time to submit another request. The proposed disaggregation will simplify requests and approvals for both HUD and OMB. HUD requests to change the title of the collection to be more representative of the information collected.

This request is for approval of the following:

- Revisions to HUD's Sales Contract;
  - Addition of four sales contract addendums dealing with the Lead Safe Housing Rule;
  - Discontinuation of three sales contract addendums that have been incorporated into the revised Sales Contract;
  - Discontinuation of approval for one form that has not been used in several years and that will be rendered obsolete by the GNND program; and
  - Discontinuation of approval for three other forms, as HUD has determined that they do not collect information from the public.
2. The information collections contained in this request deal only with those sales of HUD-acquired properties that do not include special programs. Information is submitted by primarily by real estate brokers and in some cases directly by purchasers of HUD-Homes.

#### **Discontinued Forms**

**Forms HUD-9516-A**, Initial Inspection Report, **HUD-9519**, Acquired Property Inspection Report and **HUD-9519-A**, Property Maintenance Inspection Report, which are included as part of the currently approved collection, are used by HUD's paid contractors and/or HUD staff, but do not collect information from the public. HUD requests that OMB discontinue approval of these forms.

#### **Disposition Forms**

**Form HUD-9544**, Contract of Sale and Purchase (All Cash-Bulk Sale), is a sales contract specifically for the purpose of selling more than one property to a single purchaser. This form is completed by a real estate broker

or one of its agents. The authority is 24 CFR 291.90 and Handbook 4310.5. Ch.10-14.H.3. Only one bulk sale per year.

**Form HUD-9548**, Sales Contract, is a form that is used as a contract between the purchaser of a single property and HUD. This form is used in all sales of HUD-acquired single family assets except as specifically provided otherwise by Handbook 4310. The form submitted with this request is substantially revised to bring it in line with current policies and programs and to incorporate key language formerly contained in Forms HUD-9548-D, HUD-9548-E, and HUD-9548-F. Real estate professionals (12,586, or about 75%) and individuals (500, or about 25%) complete these offers, as specified by specific property disposition special programs. See, Handbook 4310.5.8-33. An estimated 2 offers are received for each of the 61,640 sales.

Changes to the content of HUD-9548 incorporate text from Forms HUD-9548-D, Addendum to the Sales Contract, HUD-9548-E, Radon Gas and Mold Notice and Release Agreement, and HUD-9548-F, Purchaser’s Rights and Responsibilities. By incorporating the relevant text from these forms into HUD-9548, the need to complete separate forms with the same property and purchaser information is eliminated, and the language is updated and, in some cases abbreviated, to reflect current practices. The addition of the language does not increase the time or cost burden associated with the HUD-9548 and in fact saves the parties time overall by eliminating additional forms and required signatures. Upon approval of the revised HUD-9548, the three forms noted herein will be retired.

The form is also reformatted so that the need for a separate instruction sheet is eliminated. All areas are self explanatory and familiar to real estate sales brokers who are the parties primarily responsible for completion of the form.

Change Details:

Current	Revised HUD-9548
HUD-9548-D – Individual Owner Occupant Certification	Language included under number 14. Owner Occupancy Certification.
HUD-9548-D – Broker Certification	Language included under number 24. Certification of Broker.
HUD-9548-E – Radon Gas and Mold Notice and Release Agreement	Language included under number 7. Property Conveyed AS-IS.
HUD-9548-F – Purchasers Rights and Responsibilities	Language included under numbers 7. Property Conveyed AS-IS 8. Property Condition Report; Appraisal 9. Inspection Contingency 11. Repairs 12. Non-Performance; Forfeiture of Earnest Money Deposits and 20. Notice to Purchaser

Note that the new Sales Contract provides a space on each page for the purchaser’s initials. As with any legal document or contract, it is common practice for signers to initial each page. This is currently the practice even though the existing form does not have a specific space designated for the initials. The addition of the space provides for more consistent location of the initials and acknowledges that the practice of initialing each page should continue.

**Form HUD-9548-B**, Addendum for Discounted Sales to Nonprofit Organizations and Governmental Entities, was formerly titled Land Use Restriction Addendum. This form is required only when properties are sold to HUD-approved nonprofit organizations or participating local governments. This addendum includes new language that assists in assuring the program participants understand and fulfill their obligation to rehabilitate properties and resell or rent them in accordance with HUD’s mission and policy. Reporting requirements contained in this form are covered under OMB Control Number 2502-0540. Purchases made by nonprofits and government entities represent less than 1% of total HUD-owned property sales.

**Form HUD-9548-C**, Assignment of Sales Contract, an addendum to the Form HUD-9548, Sales Contract, is used when a local government or nonprofit organization is the purchaser of an acquired asset through the Officer Next Door Sales program and the Teacher Next Door Sales and must be assigned in accordance with 24 CFR

291.580. Transactions requiring this form have not occurred, and none are anticipated. This form will be rendered obsolete by the GNND rule. HUD requests that this form be canceled.

**Forms HUD-9548-D**, Addendum to the Sales Contract, **HUD-9548-E**, Radon Gas and Mold Notice and Release Agreement and **HUD-9548-F**, Purchaser's Rights and Responsibilities - The content of these forms has been incorporated into the revised Sales Contract HUD 9548, as noted above. HUD requests these forms be cancelled upon approval of revised Form HUD-9548, Sales Contract.

**Form HUD-9548-G**, Addendum to Sales Contract, 203(k) Rehabilitation Financing Lead Agreement. This new form provides information necessary to administer the HUD Lead Safe Housing Rule (24 CFR Part 35 subpart F). Lenders providing 203(k) rehabilitation financing for HUD Homes sold with deteriorated lead-based paint and constructed prior to 1978 should complete the form. The form requires the signature of the Lender, Purchaser, and Selling Broker.

**Form HUD-9548-H**, Addendum to Sales Contract, Completion of 203(k) Rehabilitation Financing Lead-Based Paint Stabilization and Clearance. This new form provides information necessary to insure compliance with the Lead Safe Housing Rule at 24 CFR Part 35, Subpart F.

**Form HUD-9545-Y**, Lead-Based Paint Disclosure Addendum. Seller Has Records Or Reports Pertaining To Lead-Based Paint and/or Lead-Based Paint Hazards. This form is used by the M&M contractor, the Selling Broker, and the Purchaser identifying pertinent information on HUD homes built prior to 1960 and listed for sale. The form is signed by the M&M contractor, the Selling Broker, and the Purchaser. Because the M&M contractor is acting as an agent of HUD, no burden is ascribed to the M&M contractor's time to complete the form.

**Form HUD-9545-Z**, Lead-Based Paint Disclosure Addendum. Seller Has NO Records Or Reports Pertaining To Lead-Based Paint and/or Lead-Based Paint Hazards. This form is used by the M&M contractor, the Selling Broker, and the Purchaser identifying pertinent information on HUD homes built from 1960 through 1977 and listed for sale. The form is signed by the M&M contractor, the Selling Broker, and the Purchaser. Because the M&M contractor is acting as an agent of HUD, no burden is ascribed to the M&M contractor's time to complete the form.

3. This information is not collected electronically. Sales contracts and addendums requiring original signatures will be submitted to HUD in hard copy.
4. The Single Family Property Disposition Sales Program is the only HUD program that disposes of single-family acquired properties. Therefore, the information collection forms are unique to this program, and the information collected is not duplicative.
5. The information collected does not have a significant economic impact on a substantial number of small entities. HUD-approved real estate brokers with active Name Address Identifiers (NAID) (identification numbers) submitting offers on behalf of prospective program participants may include small entities. The equipment required to access and process the information collection tools is desk top or equivalent computers typically found in any real estate sales office. An additional burden is not imposed on the small entity.
6. Information collected is the minimum needed to acquire and dispose of single-family properties using appropriate management control tools to protect against fraud and abuse.
7. Each information collection is unique to the respondent who is required to complete the form and the frequency is usually on a one-time or as-needed basis. Form HUD-9548 (with addenda) requires an original and 3 copies each, giving the authorization to act on the sales contract. Only one copy is retained by HUD. The other three copies go to the real estate broker, the closing agent, and the purchaser.
8. In accordance with 5 CFR 1320.8(d), HUD published a notice soliciting public comments in the *Federal Register* on November 2, 2006. No comments were received.

HUD held consultations through telephone conversations with Real Estate Sales Brokers, Arthur Cirignani, William Barnes, Blair Winn, and John Molta regarding the revised Sales Contract, form HUD-9548 and the Addendum for Discounted Sales to Nonprofit Organizations and Governmental Entities, form HUD-9548-B. Discussions included the information currently collected and information to be collected. No comments were received.

9. Other than remuneration of contractors and sales commission payments to brokers submitting selected offers, no gift or other type payments are made to the respondents.
10. These information collections take into consideration the need to assure data confidentiality and provide adequate Privacy Act Notice statements where needed.
11. This information collection does not contain any questions of a sensitive nature.
12. The following are the estimates of the burden hours of the collection of information.

Information Collection	Number of Respondents	Frequency of Response (Averages)	Total Annual Responses	Hours per Response	Total Annual Hours	Cost per Hour	Total Annual Cost
HUD-9544	1	1.0	1	0.25	.25	\$25	6.25
HUD-9548	13,136	9.4	123,478	0.50	61,739	\$25	1,543,480
HUD-9548-B		Varies*	500	0.08	40	\$25	1000
HUD-9548-G		Varies*	129	0.20	25.8	\$25	\$645
HUD-9548-H		Varies*	129	0.16	20.64	\$25	\$516
HUD-9545-Y		Varies*	28,481	0.20	5,696.2	\$25	142,405
HUD-9545-Z		Varies*	12,755	0.10	1,27.5	\$25	31,887.5
<b>Totals</b>	<b>13,137</b>		<b>165,473</b>		<b>67,550</b>		<b>\$1,719,939</b>

Real estate listing agent costs are assumed at \$25 per hour.

\*Based on actual amounts received from periodic reports received in SAMS.

13. There are no additional costs to the respondents.
14. Cost to the Federal Government.

Information Collection	Total Annual Responses	Hours per Response	Total Annual Hours	Cost per Hour	Total Annual Cost
HUD-9544	1	1.00	1	\$26	26
HUD-9548	123,780	0.50	61,890	\$26	1,609,140
HUD-9548-B	500	0.02	10	\$26	\$260
HUD-9548-G	129	0.02	3	\$26	\$78
HUD-9548-H	129	0.02	3	\$26	78
HUD-9545-Y	28,481	0.20	5,696	\$26	148,096
HUD-9545-Z	12,755	0.10	1,276	\$26	33,176
<b>Totals</b>	<b>165,775</b>		<b>68,879</b>		<b>\$1,790,854</b>

15. This is a revision of a currently approved information collection. There are several reasons for the revision. The first is to disaggregate the collection to reduce it to only those documents involved with the sale of HUD-owned property. The second is to revise the Sales Contract (form HUD-9548) and revise the Addendum for Discounted Sales to Nonprofit Organizations and Governmental Entities (form HUD-9548-B). The third is to discontinue three forms found not to collect information from the public; three sales contract addendums, the content of which has been incorporated into the revised Sales Contract; and one sale contract addendum that has not been used in several years and which will be rendered obsolete by the GNND rule. The fourth reason is to include 4 forms to comply with the Lead-Safe Housing Rule. These revisions result in a small decrease in the number of respondents, and a substantial decrease in the number of responses, burden hours, and costs.
16. These collections of information do not include results that will be published.
17. HUD is not seeking to display the expiration date for OMB approval of this information collection.

18. There are no exceptions to the certification statement.

**B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS.**

No statistical methods are employed in the collection of this information.