

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 the FHA Comptroller, Single Family Insurance Operations Division	2. OMB Control Number: a. 2502-0414 b. <input type="checkbox"/> None
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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)
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7. Title:
**Mortgage Insurance Termination;
Application for Premium Refund or Distributive Share Payment**

8. Agency form number(s): (if applicable)
HUD-27050-B

9. Keywords:
Mortgage Insurance, Premium Refund, Distributive Share Payment

10. Abstract:
The Mortgage Insurance Termination information is used by FHA-approved lenders to terminate FHA insurance to comply with HUD requirements. The Application for Premium Refund or Distributive Share Payment is used by homeowners to apply for the unearned portion of the mortgage insurance premium or a distributive share payment.

11. Affected public: (mark primary with "P" and all others that apply with "X") a. P Individuals or households e. Farms b. X 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
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13. Annual reporting and recordkeeping hour burden: a. Number of respondents: 462,349 b. Total annual responses 1,004,407 Percentage of these responses collected electronically: 88% c. Total annual hours requested: 157,932 d. Current OMB inventory 500,600 e. Difference (+,-) -342,668 f. Explanation of difference: 1. Program change: 2. Adjustment: -342,668	14. Annual reporting and recordkeeping cost burden: (in thousands of dollars) 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:
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15. Purpose of Information collection: (mark primary with "P" and all others that apply with "X") a. P Application for benefits e. X Program planning or management b. Program evaluation f. X Research c. X General purpose statistics g. X Regulatory or compliance d. Audit	16. Frequency of recordkeeping or reporting: (check all that apply) a. Recordkeeping b. <input type="checkbox"/> Third party disclosure b. X Reporting: 1. X 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"/> Biannually 8. <input type="checkbox"/> Other (describe)
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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: Silas C. Vaughn Phone: (202) 708-0614, Ext. 3545
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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:

Date:

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

Signature of Senior Officer or Designee

Date:

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

Supporting Statement for Paperwork Reduction Act Submissions

Mortgage Insurance Termination; Application for Premium Refund or Distributive Share 2502-0414

HUD-27050-A and HUD-27050-B

A. Justification

1. Insurance of mortgages is authorized under 12 U.S.C 1709. Payment of insurance claims is authorized under 12 U.S.C. 1710. The information collection for the Mortgage Insurance Termination is used by Federal Housing Administration (FHA) approved mortgagees to comply with HUD requirements for reporting the termination of FHA mortgage insurance on single family dwellings (24 CFR 203.318). The form HUD-27050-A is now obsolete. However, the information collection is still in effect and is collected electronically through Electronic Data Interchange and via FHA Connection. The Application for Premium Refund or Distributive Share Payment is used by former FHA mortgagors to apply for homeowner refunds of the unearned portion of the mortgage insurance premium or a distributive share payment (24 CFR 203.423, 24 CFR 203.283, and 24 CFR 203.284). This is a system generated form that is mailed to eligible homeowners. There are no copies of blank forms available to the public.
2. The information collection for Mortgage Insurance Termination is used by servicing mortgagees to comply with HUD requirements for reporting the termination of FHA mortgage insurance. This information collection is used whenever FHA mortgage insurance is terminated and no claim for insurance benefits will be filed. Under the streamline III program, the information can be used to directly pay eligible homeowners. This condition occurs when the data passes the criteria of certain system edits. As a result, the system generates a disbursement to the eligible homeowner for a refund consisting of the unused portion of the paid premium. The information collected is used to update HUD's Single Family Insurance System. The billing of mortgage insurance premiums is discontinued as a result of this transaction. Without this information the premium collection/monitoring function would be severely impeded and program data would be unreliable. Under streamline III, when the data is processed but does not pass the series of edits, the system generates a form HUD-27050-B to the homeowner to be completed and returned to HUD for further processing for a premium refund or distributive share. In general, a premium refund is the difference between the amount of prepaid premium and the amount of the premium that has been earned by HUD up to the time the mortgage is terminated. A distributive share payment is a dividend of the Mutual Mortgage Insurance Fund operated by HUD/FHA and may be payable when the FHA insurance is terminated depending on the age of the mortgage and other eligibility conditions.
3. In previous fiscal years, lenders submitted Mortgage Insurance Termination information to HUD using the form HUD-27050-A. This form is no longer in use; however, the information collection is still in effect. Today, as the result of technological advances, this information is now submitted electronically to HUD from lenders via Electronic Data Interchange (EDI) and via the Internet through FHA Connection in order to take advantage of new technology and reduce the reporting burden for the submission of termination information. Homeowners are still required to use the source document form HUD 27050-B.
4. No other duplicate data exists. The data is not available from other sources.
5. Small businesses or other small entities are not respondents.
6. Current guidelines for servicing procedures give the mortgagee 15 days from the date of termination of FHA mortgage insurance; and if there has been no claim for insurance benefits, to provide the required data. Any further delay in providing the data at the time of termination would further erode the reliability and effectiveness of the program functions, which depend on timely reporting of the termination of the mortgage

insurance contract. Less frequent responses would delay HUD's ability to refund to the mortgagor all the unearned mortgage insurance premiums or pay the mortgagor a distributive share.

7. Mortgagees are required to provide the specified information within 15 days of the date of termination of the FHA mortgage insurance.
8. The agency notice soliciting comments on the information collection for OMB #2502-0414 was published in the Federal Register on March 28, 2007(Vol. 72, No. 59, page 14607). No comments were received.
9. No gift or payment is provided to respondents.
10. Homeowner information collected on the form HUD-27050-B is covered by the Privacy Act.
11. No questions of a sensitive nature are involved.
12. Estimate of Public Burden.

Information Collection	Number of Respondents	Frequency of Response	Total Annual Responses	Hours Per Response	Total Annual Hours	Hourly Cost	Total Annual Cost
Mortgage Insurance Termination	6,000	Varies	548,058	.08	43,845	\$20.00	\$876,900
HUD-27050-B	456,349	1	456,349	.25	114,087	\$35.00	3,993,045
Totals	462,349		1,004,407		157,932		\$4,869,945

Hourly cost is based on an estimated average annual salary of \$40,000 for lender personnel and an estimated average annual salary of \$72,800 for mortgagors.

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

Information Collection	Total Annual Responses	Hours Per Response	Total Annual Hours	Hourly Cost	Total Annual Cost
Mortgage Insurance Termination	548,058	.03	16,442	\$36.26	\$596,187
HUD-27050-B	456,349	.08	36,508	\$36.26	1,323,780
Totals	1,004,407				\$1,919,967

Hourly cost is based on an estimated average annual salary of \$75,671 for GS-12 employees.

15. The decrease in the estimated numbers of respondents, responses, burden hours, and costs reflects the decrease in FHA loan activity in recent years. Previously, the decrease in interest rates caused larger numbers of homeowners to refinance their existing loans to reduce their monthly mortgage payments. With the recent stabilization of interest rates, fewer homeowners are refinancing.
16. The results of the information collection will not be published.
17. We are not seeking approval to avoid displaying the expiration date for the OMB approval.
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 collection of information does not employ statistical methods.