

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 Comptroller, Office of Financial Services		2. OMB Control Number: a. 2502-0419 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: Multifamily Mortgage's Application for Insurance Benefits			
8. Agency form number(s): (if applicable) HUD-2747			
9. Keywords: Housing, Mortgage Insurance, Multifamily Housing			
10. Abstract: Mortgagees provide information to apply for insurance benefits. HUD uses the information provided to cancel multifamily mortgage insurance contracts and payments of mortgage insurance.			
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. X 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 110 b. Total annual responses 110 Percentage of these responses collected electronically 0% c. Total annual hours requested 9 d. Current OMB inventory 9 e. Difference (+,-) 0 f. Explanation of difference: 1. Program change: 2. Adjustment: 0		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 0 b. Total annual costs (O&M) 00 c. Total annualized cost requested 00 d. Total annual cost requested 0 e. Current OMB inventory 0 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. Program evaluation f. Research c. General purpose statistics g. Regulatory or compliance d. Audit		16. Frequency of recordkeeping or reporting: (check all that apply) a. <input 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: Amalia F. Sablada Phone: 202-708-0614 ext. 2818	

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
Mortgagee's Application for Insurance Benefits (Multifamily Mortgage)

2502-0419

Form HUD – 2747

A. Justification

1. A lender with an insured multifamily mortgage pays an annual insurance premium to the Department. When and if the mortgage goes into default, the lender may elect to file a claim for insurance benefits with the Department. A requirement of the claims process is the submission of an application for insurance benefits, via the form HUD-2747. Regulation 12 USC 1713 (g) and Title II, Section 207(g) of the National Housing Act provides that, “Notwithstanding any other provision of this chapter, upon receipt, after September 2, 1964, of an application for insurance benefits of a mortgage insured under this chapter, the Secretary may terminate the lender’s obligation to pay premium charges on the mortgage.” This provision is further spelled out under 24 CFR Part 207 – Subpart B – Contract Rights and Obligations at 207.252(d) and 207.258(c)(6). Form HUD 2747, Mortgagee’s Application for Insurance Benefits (Multifamily Mortgage), satisfies this requirement.
2. In addition to satisfying the law, this information is used by HUD to establish the date for cancellation of the insurance contract, which ends the lender’s obligation to pay mortgage insurance premiums (MIP’s). The lender is responsible for the MIP’s up to the date the application is received by the Department (Commissioner). Delinquent premiums prior to the Commissioner’s receipt date can be deducted from insurance benefits payable to the lender.
3. The form requires a very limited amount of information and the number of respondents is small. The form is posted on www.hud.gov in electronic format and can be downloaded easily by the mortgagee. The form HUD-2747 only requires seven data fields which are readily available to the lender. There are no plans to further automate the submission of this particular form. The minimal amount of data required would not be decreased by further automation and the burden on the lender would not be reduced. The cost to enable electronic submission of the form would far outweigh any benefits to the lender.
4. Duplication is identified and prevented by the uniqueness of the project number and name. No similar information is being collected.
5. Multifamily lenders are not small business or small entities.
6. If the information were not provided, the Commissioner and the lender would incur unnecessary expenses. HUD and the lender would spend countless hours determining and agreeing on the actual date the mortgage insurance contract was terminated. This could delay the payment of insurance benefits. Consequently, there would be an increase in the number of accrued interest days added to the claim settlement.
7. The lender is required to prepare a written response to the collection information requirement within 30 days after receiving an application from the Commissioner. Regulation 24 CFR part 207.258(b) states, “If the mortgagee elects to assign the mortgage to the Commissioner, it shall at any time within 30 days after the date of the notice of election, file its application for insurance benefits.” The application is mailed to the lender after the Commissioner has approved the lender’s election to assign the mortgage.
8. The agency notice soliciting comments on the information collection for OMB #2502-0419 was published in the *Federal Register* on February 15, 2007, Vol. 72, No. 31, page 7451. No public comments were received.

Comments were solicited from three mortgagees that regular submit Claims for Insurance Benefits relating HUD insured multifamily mortgages. Their comments are summarized below.

- A- Mr. Paul Carter, Armstrong Mortgage
- B- Ms. Cheryl Good, Connecticut Housing Finance Authority
- C- Mr. Jeff, Red Capital Group

Availability of Data:

- A. “All information required is readily available when preparing to assign a mortgage or convey title.”
- B. It is not difficult to obtain the data.
- C. “Data for this form is basic data and is readily available.”

Frequency of Collection:

- A. “Reasonable, as it notifies HUD of the action taken with respect to a specific project loan.”
- B. “Very easy.”
- C. “Since the form is easy to use, and the data is available, the frequency of collection is not a burden.

Clarity of Instructions:

- A. “Self-explanatory fill in the blanks with information requested.”
- B. It is self explanatory.
- C. “I feel the instructions are clear.”

Format for Record Keeping:

- A. “Permits either (electronic or manual) or both with appropriate software.”
- B. Prefers the electronic format.
- C. “I prefer the electronic version (current version) of the form, rather than typing on the manual forms.”

Data Elements:

- A. Minimal, as only six need to be completed, including execution by Mortgagee or Servicer.”
- B. “This is one of the clearer forms. “
- C. “The requirement for the data elements are understandable, since they identify both the project and the existing mortgagee(s).”

- 9. There is no decision to provide any payment or gifts to the lender except the payment of insurance benefits. This payment is the Department’s contractual obligation.
- 10. HUD’s policy for providing confidentiality is to ensure that any information released to the public does not contain identifying information such as social security numbers or Employer Identification Numbers in the case of a lender. Such identification is deleted from the requested information prior to being released.
- 11. The information gathered using the subject form is not of a sensitive nature, such as sexual behavior and attitude, religious beliefs, and other matters considered private.
- 12. It is estimated that 110 respondents (lenders) will annually submit one application for insurance benefits.

Forms	Number of Respondents	Frequency of Responses	Total Annual Responses	Hrs Per Response	Total Annual Hrs	Hourly Cost	Total Annual Cost
HUD-2747	110	1	110	0.08	9	\$15.81	\$142.29

The hourly rate is based on an estimated average annual salary of \$33,000 for lender clerical personnel.

- 13. There are no additional costs associated with this information collection.

14. The following expenses are incurred by HUD to obtain and to process the requested information:

Printing forms	\$ 64.00
Mailing forms (110 x .39)	\$ 43.00
Processing submissions	
(GS-12/5 @ \$35/hr) 110 x 1 ¼ hrs x \$35 x =	\$4,800.00
Overhead (\$4,800.00 x 10%)	<u>\$ 480.00</u>
Total	\$5,387.00

15. This is a request for extension of a currently approved collection. There is no change in the number of burden hours (9 hours) from the previously approved OMB information collection. There has been no change in the number of defaulted loans and automatic assignments and consequently no change in the number of applications for insurance benefits.

16. The information collected will not be published.

17. No approval is being sought to avoid displaying the expiration date on the OMB approval of the Application for Insurance Benefits Form.

18. Not applicable. We certified that our submission complies with the Paperwork Reduction Act.

B. Collections of Information Employing Statistical Methods.

This information collection does not employ statistical methods.