

# 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.

<p>1. Agency/Subagency Originating Request:  <b>U.S. Department of Housing and Urban Development</b>                  Office of Multifamily Housing Programs, Office of Asset Management</p>	<p>2. OMB Control Number:                  a. <b>2502-0108</b>      b. None</p>																																		
<p>3. Type of information collection: (check one)</p> <p>a. <input type="checkbox"/> New Collection</p> <p>b. <input type="checkbox"/> Revision of a currently approved collection</p> <p>c. <input checked="" type="checkbox"/> Extension of a currently approved collection</p> <p>d. <input type="checkbox"/> Reinstatement, <b>without change</b>, of previously approved collection for which approval has expired</p> <p>e. <input type="checkbox"/> Reinstatement, <b>with change</b>, of previously approved collection for which approval has expired</p> <p>f. <input type="checkbox"/> Existing collection in use without an OMB control number</p> <p>For b-f, note item A2 of Supporting Statement instructions.</p>	<p>4. Type of review requested: (check one)</p> <p>a. <input checked="" type="checkbox"/> Regular</p> <p>b. <input type="checkbox"/> Emergency - Approval requested by</p> <p>c. <input type="checkbox"/> Delegated</p> <p>5. Small entities: Will this information collection have a significant economic impact on a substantial number of small entities?  <input checked="" type="checkbox"/> Yes   <input type="checkbox"/> No</p> <p>6. Requested expiration date:                  a. <input checked="" type="checkbox"/> Three years from approval date    b. <input type="checkbox"/> Other (specify)</p>																																		
<p>7. Title:  <b>Multifamily Project Monthly Accounting Reports</b></p>																																			
<p>8. Agency form number(s): (if applicable)                  HUD-93479, HUD-93480, HUD-93481</p>																																			
<p>9. Keywords:                  Housing, Mortgage insurance, contract monitoring, rent agreement</p>																																			
<p>10. Abstract:                  This information is necessary to assess the need for remedial actions to correct project deficiencies or head off potential default of a project mortgage. HUD monitors compliance with contractual agreements and analyzes cash flow trends as well as occupancy and rent collection levels.</p>																																			
<p>11. Affected public: (mark primary with "P" and all others that apply with "X")</p> <p>a. Individuals or households    e. Farms</p> <p>b. <b>P</b> Business or other for-profit    f. Federal Government</p> <p>c. <b>X</b> Not-for-profit institutions    g. State, Local or Tribal Government</p>	<p>12. Obligation to respond: (mark primary with "P" and all others that apply with "X")</p> <p>a. Voluntary</p> <p>b. <b>P</b> Required to obtain or retain benefits</p> <p>c. Mandatory</p>																																		
<p>13. Annual reporting and recordkeeping hour burden:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">a. Number of respondents</td> <td style="text-align: right;">14,758</td> </tr> <tr> <td>b. Total annual responses</td> <td style="text-align: right;">35,424</td> </tr> <tr> <td style="padding-left: 20px;">Percentage of these responses collected electronically</td> <td style="text-align: right;">0%</td> </tr> <tr> <td>c. Total annual hours requested</td> <td style="text-align: right;">123,984</td> </tr> <tr> <td>d. Current OMB inventory</td> <td style="text-align: right;">168,000</td> </tr> <tr> <td>e. Difference (+,-)</td> <td style="text-align: right;">-44,016</td> </tr> <tr> <td colspan="2">f. Explanation of difference:</td> </tr> <tr> <td style="padding-left: 20px;">1. Program change:</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">2. Adjustment:</td> <td style="text-align: right;">-44,016</td> </tr> </table>	a. Number of respondents	14,758	b. Total annual responses	35,424	Percentage of these responses collected electronically	0%	c. Total annual hours requested	123,984	d. Current OMB inventory	168,000	e. Difference (+,-)	-44,016	f. Explanation of difference:		1. Program change:		2. Adjustment:	-44,016	<p>14. Annual reporting and recordkeeping cost burden: (in thousands of dollars)                  Do not include costs based on the hours in item 13.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">a. Total annualized capital/startup costs</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td>b. Total annual costs (O&amp;M)</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td>c. Total annualized cost requested</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td>d. Total annual cost requested</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td>e. Current OMB inventory</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td colspan="2">f. Explanation of difference:</td> </tr> <tr> <td style="padding-left: 20px;">1. Program change:</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">2. Adjustment:</td> <td></td> </tr> </table>	a. Total annualized capital/startup costs	\$0.00	b. Total annual costs (O&M)	\$0.00	c. Total annualized cost requested	\$0.00	d. Total annual cost requested	\$0.00	e. Current OMB inventory	\$0.00	f. Explanation of difference:		1. Program change:		2. Adjustment:	
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<p>15. Purpose of Information collection: (mark primary with "P" and all others that apply with "X")</p> <p>a. Application for benefits    e. Program planning or management</p> <p>b. <b>X</b> Program evaluation    f. Research</p> <p>c. General purpose statistics    g. <b>P</b> Regulatory or compliance</p> <p>d. Audit</p>	<p>16. Frequency of recordkeeping or reporting: (check all that apply)</p> <p>a. <input type="checkbox"/> Recordkeeping    b. <input type="checkbox"/> Third party disclosure</p> <p>c. <input checked="" type="checkbox"/> Reporting:</p> <table style="width: 100%;"> <tr> <td>1. <input type="checkbox"/> On occasion</td> <td>2. <input type="checkbox"/> Weekly</td> <td>3. <input checked="" type="checkbox"/> Monthly</td> </tr> <tr> <td>4. <input type="checkbox"/> Quarterly</td> <td>5. <input type="checkbox"/> Semi-annually</td> <td>6. <input type="checkbox"/> Annually</td> </tr> <tr> <td>7. <input type="checkbox"/> Biennially</td> <td colspan="2">8. <input checked="" type="checkbox"/> Other (describe) AS required during the following period of a project's operation or when designated as a troubled project.</td> </tr> </table>	1. <input type="checkbox"/> On occasion	2. <input type="checkbox"/> Weekly	3. <input checked="" 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 checked="" type="checkbox"/> Other (describe) AS required during the following period of a project's operation or when designated as a troubled project.																										
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<p>17. Statistical methods:                  Does this information collection employ statistical methods?  <input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No</p>	<p>18. Agency contact: (person who can best answer questions regarding the content of this submission)                  Name: <b>Kimberly R. Munson</b>                  Phone: <b>(202) 708-1320, ext. 5122</b></p>																																		

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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  
Michael F. Hill, Deputy Assistant Secretary for Operations, HR

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Signature of Senior Officer or Designee:

Date:

X  
Wayne Eddins, Departmental Reports Management Officer,  
Office of the Chief Information Officer

# Supporting Statement for Paperwork Reduction Act Submissions

## Monthly Accounting Reports OMB Control Number 2502-0108 (Forms HUD-93479, HUD-93480, HUD-93481)

### A. Justification

1. Monthly Reports for Establishing Net Income (hereafter) collectively called Monthly Accounting Reports (MAR) provide HUD with financial data necessary to monitor the financial conditions of the project and to review contractual compliance during the selected periods of a project's operation or other information that indicates that the project is experiencing financial or management difficulties. The statutory authority for collection of monthly reports is contained in 24 CFR 200.105, Mortgagor Supervision. The administrative authority for this collection is referenced in HUD Handbook 4370.1, REV-2, Chapter 3-Monthly Accounting Reports. Copies of these authorities are attached along with copies of the HUD forms.
2. HUD Project Managers review the monthly accounting reports to evaluate a project's performance and for monitoring compliance. Similar to the annual review, the monthly review has three purposes:
  - evaluate compliance,
  - identify potential diversions, and,
  - assess project performance.

The review procedures require HUD staff to review individual transactions and to analyze month-to-month trends in cash flow, occupancy, rent collections, and liquidity.

Monthly Accounting Reports are submitted to local HUD offices on the tenth day of each month by owners or management agents of HUD-insured or Secretary-held projects. MARs are required during the following period of a project's operation:

- During the initial rent-up period from the date of initial occupancy through the date of sustaining (95%) occupancy;
- During the term of any project workout, modification agreement of Financial Assistance Contract and;
- Anytime the project is in default under the original terms of the mortgage.

HUD may also require monthly accounting reports if:

- The review of the annual audited financial statement indicates that (1) the project is in poor financial condition; (2) has poor or missing internal controls; or (3) the owner or agent diverted project operating funds; or
- The project develops vacancy problems after initial rent-up or experiences problems in collecting tenant rents. A drop in the percentage of collection indicating management or collection problems that may later be reflected in more serious financial or maintenance problems.

Field Office staff use MARs to assess the need for remedial actions to correct the project deficiencies or head off potential default of the project mortgage. Form HUD-93479 is used to report net income for a specified period, form-93480 reports the owner's schedule of disbursements, and form HUD-93481 reports the owner's schedule of accounts payable. All forms are used to analyze the project's owner's costs and determine financial compliance.

3. Owners and agents may, in some cases, submit automated statements in lieu of the monthly accounting reports. Conditions for approving submissions of automated reports are included in Handbook HUD 4370.1 REV-2 Reviewing Annual and Monthly Financial Reports. Automation of this process is not feasible at this time because the respondent may be required to submit additional information in support of the monthly accounting reports. In addition, original signatures are required from respondents to certify that the information submitted is true and accurate. Benefit cost analysis are underway to determine cost effectiveness, feasibility, and available resources of automating this collection.
4. This information is not collected and/or available from other sources.
5. The impact on small businesses such as accounting firms and Management Agents is necessary to collect and prepare financial data required for the completion of the MARs. Management Agents are responsible for maintaining books and records for audit purposes. An Independent Public Account (IPA) must review financial statements submitted by owners. The IPA will either express an opinion on the accuracy of the financial statements or issue a disclaimer. The burden could be minimized when the continuous review of monthly and annual reports indicate that the project owner/agent has taken the necessary corrective action(s) and the project is no longer experiencing financial or management difficulties.
6. Less frequent data collection would decrease the Department's ability to monitor debt collection on HUD-held projects and would increase the potential for fraud, diversions, defaults, and assignments.
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;**  
Financial statements are submitted monthly per standard industry custom.
8. This information collection is conducted in a manner consistent with the guidelines of 5 CFR 1320.8(d). The Notice for this collection was announced in the *Federal Register* on ...
9. There will be no payments or gifts to respondents.
10. No assurances of confidentiality are provided.
11. There are no questions of a sensitive nature.

**12. The following table is the Estimated Number of Respondents, Responses, and Burden Hours Per Annum**

Form *	Number of Respondents	*Responses	Frequency of Responses per Annum	Total Responses	House Per Annual Response	Annual Burden Hours	**Cost Per Hour	**Total Annual Cost
HUD-93479	14,758	2,952	12	35,424	1.50	53,136	\$18.00	\$956,448
HUD-93480	14,758	2,952	12	35,424	1	35,424	\$18.00	\$637,632
HUD-93481	14,758	2,952	12	35,424	1	35,424	\$18.00	\$637,632
<b>Total</b>	<b>14,758</b>			<b>35,424</b>		<b>123,984</b>		<b>\$2,231,712</b>

\* This estimate is based on 20% of HUD's Insured and HUD-Held portfolio.

\*\*Estimated hourly costs are based on respondent's staff hours to gather documents and complete the forms.

13. There are no additional capital/startup costs associated with the collection of information.

14. Estimates of annualized cost to the Federal government

Form *	Number of Respondents	Responses	Frequency of Responses per Annum	Total Responses	Staff Hours Per Response	Total Review Hours	*Cost Per Hour	**Total Annual Cost
HUD-93479	14,758	2,952	12	35,424	.25	8,856	\$27.00	\$239,112
HUD-93480	14,758	2,952	12	35,424	.25	8,856	\$27.00	\$239,112
HUD-93481	14,758	2,952	12	35,424	.25	8,856	\$27.00	\$239,112
<b>Total</b>								<b>\$717,336</b>

\*Hourly cost based on a GS-12, Project Manager charged with reviewing the monthly accounting reports.

15. This is an extension of a currently approved collection. An adjustment was made to reflect the current number of respondents and responses based on information available in HUD systems.

16. The results of this information will not be published.

17. The expiration date will be displayed on the HUD forms associated with this information collection.

18. There are no exceptions to certification statement in item 19.

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**B. Collections of Information Employing Statistical Methods**

There statistical methods used for collection of this information.