

# 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: <b>U.S. Department of Housing and Urban Development</b> Office of Community Planning and Development		2. OMB Control Number: a. <b>2506-0161</b> 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, <b>without change</b> , of previously approved collection for which approval has expired e. <input type="checkbox"/> Reinstatement, <b>with change</b> , 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: <b>Section 108 Loan Guarantee Program Application</b>			
8. Agency form number(s): (if applicable) None			
9. Keywords: Housing, Community development, Section 108 Loan Guarantee			
10. Abstract: The information is needed to support applications for loan guarantee assistance. HUD staff will use the information to determine the eligibility of the activities proposed to be financed with Section 108 loan guarantee assistance and to ensure that the loan guarantee is an acceptable financial risk to the Federal government. Respondents are units of general local government, such as cities, towns, and counties.			
11. Affected public: (mark primary with "P" and all others that apply with "X") a. Individuals or households b. Business or other for-profit c. Not-for-profit institutions e. Farms f. Federal Government g. <b>P</b> State, Local or Tribal Government		12. Obligation to respond: (mark primary with "P" and all others that apply with "X") a. Voluntary b. <b>P</b> Required to obtain or retain benefits c. Mandatory	
13. Annual reporting and recordkeeping hour burden: a. Number of respondents 50 b. Total annual responses 50 Percentage of these responses collected electronically 10% c. Total annual hours requested 6,250 d. Current OMB inventory 11,250 e. Difference (+,-) - 5,000 f. Explanation of difference: 1. Program change: 2. Adjustment: -5,000		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) 0 c. Total annualized cost requested 0 d. Current OMB inventory 0 e. Difference 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. <b>P</b> Application for benefits b. Program evaluation c. General purpose statistics d. Audit e. Program planning or management f. Research g. Regulatory or compliance		16. Frequency of recordkeeping or reporting: (check all that apply) a. <input checked="" 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: Paul Webster Phone: 708-1871	

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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), 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.

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Signature of Program Official:  
Richard J. Kennedy  
Director, Office of Block Grant Assistance

X

Date:

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Signature of Senior Officer or Designee:

X

Date:

# Supporting Statement for Paperwork Reduction Act Submissions

## A. Justification

1. This justification requests review and approval of the extension of a currently approved collection requirements for grantees preparing Section 108 applications. The Section 108 application requirements conform to the requirements contained in the regulations entitled "Subpart M-Loan Guarantees" at 24 CFR 570 Subpart M (see Attachment #1) and apply to recipients under the Section 108 Loan Guarantee program ("Section 108").

The regulations governing the Section 108 program, authorizes HUD to guarantee and make commitments to guarantee the notes or other obligations issued by eligible public entities or by public agencies designated by eligible entities, for the purposes of financing (1) acquisition of real property, (2) housing rehabilitation, (3) economic development, (4) construction of housing by nonprofit organizations for homeownership, (5) the acquisition, construction, reconstruction, or installation of public facilities, or public works and site or other improvements. The application requirements are outlined at 24 CFR 570.704, and state in part, ". . . that the applicant must develop an application to include the community development objectives that the applicant proposes to pursue with the guaranteed loan funds; the activity or activities the applicant proposes to carry out with the guaranteed loan funds; and a description of the pledge of grants. . . ." The regulations implement section 108 of the Housing and Community Development Act of 1974, as amended (Pub.L. 93-383) (see Attachment #2 for the statutory provisions).

2. Information will be collected from applications submitted by units of general local government (e.g., cities, towns, and counties). The applicants will submit information describing how the guaranteed loan funds will be used, how the activities carried out with these funds will meet a national objective of the CDBG program, and how the guaranteed loan will be repaid. The submission will also include certifications of compliance with applicable laws. Information collected pursuant to the application requirements will be reviewed and analyzed by HUD staff at the Field Office and Headquarters level to determine compliance with statutory requirements on eligibility, compliance with national objectives requirements of the CDBG program, and whether the loan guarantee constitutes an acceptable financial risk to the Federal government.
3. A community which is applying for Section 108 assistance can submit its application as part of the consolidated action plan (2506-0117) electronically, using software provided to communities by HUD. Most portions of the Section 108 application would consist primarily of narratives and certifications. Further, HUD will accept application materials submitted via electronic formats but must be able to verify that all signatures and endorsement are properly authorized.
4. HUD has made every effort to avoid duplication of information collection and record keeping. Section 108 loan guarantees represent a discretionary source of funding for local governments above and beyond the formula-driven CDBG program. While local governments have the ability to incorporate a Section 108 loan application into their annual CPD action plan, the "open window" aspect of the Section 108 program allows local governments to develop and submit applications at any time as opposed to limiting the application to the window associated with development of the local government's annual action plan.
5. Eligible applicants for Section 108 loan guarantees are units of general local government or their designated public agencies. The information collection covered by this justification does not apply to other entities such as small businesses.
6. The information must be collected in order for HUD to make a determination whether a decision to extend the loan guarantee commitment represents an acceptable financial risk to the Federal Government.
7. An application for Section 108 guaranteed loan assistance is elective on the part of local government based upon their desire to utilize the Section 108 program. For any given project, applicants submit an application at a time of their choosing. The minimal application documentation requirements are identified at 24 CFR 570.704 and applicable recordkeeping requirements are those generally applicable to the CDBG program since Section 108 loan funds are defined as CDBG funds. There is no requirement for submission of any sort of proprietary or confidential information nor is any pledge of confidentiality made beyond those authorized by statutes such as the Freedom of Information Act.

8. The Notice soliciting comments on the proposed information collection activity for the Section 108 program was published in the *Federal Register* on March 14, 2007 at 72 FR 11897. No public comments were submitted in response to the Notice. The Department's Headquarters and Field Office staff members consult with applicants on a recurring basis, and periodically with public interest group staff and other program participants, to obtain their views on the availability of information submitted in connection with Section 108 applications and whether they have a clear understanding of the collection and recordkeeping requirements. In addition, because Section 108 is administered as part of the CDBG program and the information collection requirements of the programs coincide, consultations undertaken in connection with the CDBG program (e.g., in meetings with public interest groups) provide feedback that is considered in establishing information collection requirements for the Section 108 program.
9. HUD makes no payments or gifts to applicants for Section 108 loan guarantees funds.
10. Section 108 applications are subject to Freedom of Information Act requirements. The applicant, not HUD, will maintain records of other information collected. Information on activities and expenditures of grant funds is public information and is generally available for disclosure. Recipients of loan guarantees are responsible for ensuring confidentiality when public disclosure is not required. Recipients may assure additional confidentiality where doing so would not be inconsistent with the requirements of the Freedom of Information Act and the Privacy Act.
11. Local government applicants for Section 108 assistance are not requested to respond to questions of a sensitive nature.
12. Estimated Burden to Respondents:

	Number of Respondents	Annual Responses	Hours per Response	Total Burden Hrs	Hourly Cost	Total Cost
Application/Annual Plan	50	50	80	4,000	x \$18	= \$72,000
General record keeping	50	50	45	2,250	x \$18	= \$40,500
Total Burden	50	50	125	6,250	x \$18	= \$112,500

This estimate is based on recent local government utilization of the Section 108 program.

13. There are no additional costs.
14. HUD's annual cost of administering aspects of the Section 108 program is \$742,500. This is the FY 2007 salary and expense appropriation for the Section 108 program pursuant to the Federal Credit Reform Act of 1990.
15. The burden hours are reduced because reductions in funding levels reduced the number of applications submitted.
16. HUD does not publish Section 108 applications nor are there any plans for publication.
17. HUD will display the expiration date.
18. HUD seeks no exceptions to the Certification for Paperwork Reduction Act.

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