
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, Deputy 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

SUPPORTIVE STATEMENT FOR PAPERWORK REDUCTION ACT

SUBMISSIONS: LENDER QUALIFICATION FOR MULTIFAMILY ACCELERATED PROCESSING (MAP)

A. JUSTIFICATION

1. Department of Housing and Urban Development (HUD) has developed a loan processing procedure called Multifamily Accelerated Processing (MAP) under which they allow approved Lenders to prepare, process, and submit loan applications for Federal Housing Administration (FHA) multifamily mortgage insurance, subject to review by HUD staff. This procedure applies to loans processed under Sections 221(d) (3) and (4), Section 220, Section 232, and Section 223(f) of the National Housing Act. For example, whereas HUD staff under traditional processing would prepare the appraisal, the Lender prepares the appraisal under fast track, and a HUD appraiser reviews it.

HUD wants to be sure that only experienced multifamily Lenders be given the responsibilities for processing under MAP. In addition to being an FHA-approved multifamily mortgagee, a Lender must meet certain additional qualifications if it wishes to participate in MAP. There is no requirement that it participate in MAP because the traditional method of processing is still available, but most Lenders prefer to use MAP because it substantially shortens the HUD processing time. This collection of information is necessary for the Department to determine whether the applicants have the necessary qualifications and experience to handle the additional duties and responsibilities of a MAP Lender. The submission of the information is required for all applicants who wish to be MAP approved.

The collection of information set forth in Section 2.6 of the Multifamily Accelerated Processing Guide, including the requirement for submission of a Quality Control Plan, is necessary in order to determine which Lenders are qualified to use this form of national accelerated processing. The invitation for MAP Lender Approval is attached.

Regulation 24 CFR 202.5(h) "Quality control plans" is one of the requirements for approval as an FHA approved mortgagee. Single-family lenders have been subject to the requirement, but until recently, there has been an effort to assure compliance for multifamily lenders. Most multifamily lenders, however, do have quality control plans.

24 CFR 5 (h) reads as follows: The lender or mortgagee shall implement a quality control plan, acceptable to the Secretary, which assures compliance with the regulations and other issuances of the Secretary regarding loan or mortgage origination and Servicing.

2. FHA-approved lenders submit the quality control plan and additional information required to be approved for MAP. In particular, MAP requires that an underwriter with at least three years current experience in multifamily underwriting be on the staff of the Lender. This is one way to assure that those Lenders that are entrusted with the responsibilities of processing multifamily loans are actively in the multifamily lending business. MAP also requires information that gives evidence of the applicant's experience in multifamily lending. If a Lender has a record of recent assignments of mortgage loans to HUD (assignment is the procedure used in lieu of foreclosure), its ability to process new FHA-insured mortgage loans would be in question.

A component of the Lender's MAP application package is the submission of a Quality Control Plan (QC Plan) dealing with multifamily development. A copy of the Lender guidelines for development of a quality control plan is attached to this supporting statement. Each MAP Lender must develop and maintain acceptable QC Plan using standard guidelines prepared by the Lender Qualifications and Monitoring Division in order to ensure the integrity of the program.

Applications are submitted by mail or electronically to the Office of Multifamily Housing Development under the Deputy Assistant Secretary for Multifamily Housing, where designated personnel review them. Approvals will be posted on the web and the successful applicants notified by mail or e-mail or both. The same office will notify those who are disapproved or whose package of information is incomplete.

If a company has already prepared resumes of its principal officers and a printout of the multifamily loans it has made, it should not take more than a few hours to pull this information together and duplicate it. The applicant will also have to submit a narrative statement showing the nature of its operations. If it has not prepared resumes, a list of its multifamily loans, or a record of assignments of loans underwritten during the past five years, a longer time would be required. Average time for a company's preparation of the application package, including the Quality Control Plan, is estimated as twenty hours.

3. HUD permits electronic transmission of resumes, lists of multifamily mortgage loans, and other information required in the application. A certification to the truthfulness of the material submitted will be required by mail. Due to the length of the mortgage term a hard copy of submissions is required.

Existing MAP Lenders will be required to submit all documentation in both paper and electronic formats. Once received, all documentation will be made available on the HUD internal web so that the Hubs and Program Centers can access it. It's necessary for all documentation to be submitted in paper format so that HUD has a permanent and signed record of what was received electronically.

4. A pre-condition for qualification as a MAP Lender is that the applicant be an FHA-approved mortgagee. Thus, MAP seeks not a new financial statement, but a copy of the one submitted to the HUD Lender Approval office. Resumes, as well, may be prepared for the Lender Approval office and the MAP approval office.
5. Because the volume of mortgage loans is smaller for a small business seeking to qualify, the amount of information to be submitted is less. The paperwork burden for a small business is considerably less than that of a large business with many branch offices.
6. If the information is not collected, then HUD will be unable to use these additional requirements to approve MAP Lenders. If accelerated processing were open to all FHA multifamily mortgagees, including those with virtually no experience in multifamily underwriting, there would be far less assurance that loans were soundly underwritten by the Lender. Without a Lender qualification process, it is quite possible that HUD would abandon its efforts to use Multifamily Accelerated Processing.
7. There are no special circumstances, as listed in OMB Form 83-1 (10/95) affecting this collection of information.
8. The Notice announcing this information collection was published in the Federal Register soliciting comments on August 2, 2007 (Volume 72, Number 148, and page 42422). No comments were received.

Four currently approved MAP Lenders were contacted to obtain comments on the information collection for MAP Lender approval. Erik P. Lindenauer, Managing Director, CapitalSource Mortgage Finance LLC (301-841-3756) advised the following: (a) instructions for applicants for MAP Lender approval are clear (b) the information requested is adequate (c) the format for providing the information was easy and (d) the availability of information to be provided was not hard to obtain. Peggy Lawrence, Vice President, Chief FHA Underwriter, Eastern Bank (617-897-1166) advised the following: (a) instructions for the applicants for MAP Lender approval are very clear (b) an appropriate amount of information is requested (c) the format for providing the requested information was easy and (d) she found only one exhibit (evidence of FHA approval) took longer to obtain because the bank was approved for FHA in the 1950's, but all other information was readily available. Chris Adair, President, AmeriSouth Financial, Inc. (601-952-0110) advised the following:

(a) the instructions are clear for applicants for MAP Lender approval are clear (b) the information requested is comprehensive and not too much (c) the format for providing the information was easy and (d) she only had difficulty finding out the status of past loans that were underwritten while employed at another mortgage company. Timothy Duncan, Director, Collateral Real Estate Capital, LLC (816-931-0175) advised the following: (a) instructions for applicants for MAP Lender approval are clear (b) an adequate amount of information is requested (c) the format for providing the requested information was easy and (d) it was not difficult to gather the information requested.

9. There are no payments or gifts given to respondents.
10. The Privacy Act of 1974 covers the respondents. Information regarding approved Lender staff is confidential and not subject to release under the Freedom of Information Act.
11. No sensitive questions are being asked in the collection of information.
12. Estimate of public burden:

Information Collection	Number of Respondents	Frequency of Response	Total Annual Responses	Hours per Response	Total Annual Burden Hours	Hourly Cost	Total Annual Cost
Application and Exhibits	2	1	2	20	40	\$20	\$800
Annual Certification	83	1	83	1	83	\$20	1,660
	85		85	Varies	123		\$2,460

The hourly cost is based on an estimate of an average annual salary of \$40,000 of lender personnel.

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

Information Collection	Total Annual Responses	Hours per Response	Total Annual Burden Hours	Hourly Cost	Total Annual Cost
Application, Exhibits & Annual Certification	85	2	170	\$25	\$4,250

The hourly cost is based on the average annual salary of a GS9, Step 5.

15. This is a request for an extension of a currently approved collection. Total burden hours are reduced because the number of applications is less. During the first year of MAP, there was large number of applications. Most of the Lenders that applied were accepted into the MAP Program. HUD now anticipates the annual number of respondents to the Invitation for MAP Approval on the Web will be approximately 2 per year however, lenders must recertify annually. There are currently 83 approved lenders in the MAP Program.
16. A list of approved MAP lenders will be published, but the information collected will not be published.
17. HUD is not requesting approval not to display the expiration date.
18. There are no exceptions to the “Certification Statement” identified in item 19 of Form OMB 83-1.