

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: X Michael F. Hill, Deputy Director, Office of Management, HRO	Date:
Signature of Senior Officer or Designee: X Lillian L. Deitzer, Departmental Reports Management Officer Office of Investment Strategies, Policy, and Management, Office of the Chief Information Officer	Date:

Supporting Statement for Paperwork Reduction Act Submissions

Automated Clearing House (ACH) Program Application Title I Insurance Charge Payments System (HUD-56150) 2502-0512

A. Justification

1. The Department, with guidance from the U.S. Department of the Treasury, has developed an electronic payment system utilizing the Automated Clearing House (ACH). This program is designed to process the collection of Title I Insurance charges electronically in lieu of sending checks and forms HUD-646, Reconciliation of Insurance Charges from the Title I Monthly Statement, by mail.

Section 201.31 of the Title I regulations, relating to payments of insurance charges, has been amended by the final rule that was published on March 14, 1995, in the Federal Register (Volume 60, Number 49, pages 13853-13855). This rule permits the Secretary to require Title I lenders to pay insurance charges through the ACH program.

2. The collection of this information is necessary for obtaining needed data from Title I lenders for use of the ACH program. This collection requirement is an ACH application, HUD-56150, which is located in the Automated Clearing House (ACH) Title I Insurance Charge Payments User's Manual. The Respondents are lenders who want to participate in the Title 1 insurance program.
3. Although the collection of information is not automated, the collection facilitates the electronic transfer of funds via effectively eliminating the need for manual, paper transactions. The small number of respondents (approximately 50 annually) does not allow for a cost effective means of conversion to an electronic reporting method.
4. The majority of this information is not collected by any other means. The key information is gathered on the HUD-56150 for participating in the ACH Program. This information isn't gathered anywhere else. The form only duplicates lender contact information which is needed to identify the submitter.
5. There is no impact on small businesses or entities. Small businesses or other small entities are not respondents.
6. The information is only collected once per lender with possible changes submitted occasionally. The impact of not conducting the collection would require ending the current electronic ACH premium collection program resulting in the need to revert back to the old paper, check-based payment method.
7. There are no special circumstances that would cause the information to be collected in an unusual manner.
8. The agency notice soliciting comments on the information collection for OMB #2502-0512 was published in the Federal Register on August 11, 2004 (Volume 69, Number 154, pages 48881-48882). No comments were received.

HUD consulted with three participants in the Title I program who have recently submitted the ACH application to HUD's Financial Operations Center. These three participants were asked to participate in a phone interview made up of 6 questions about the form. The interview addressed issues such as the level of difficulty in completing the form, level of difficulty in obtaining the data needed to complete the form, clarity of instructions on the form, length of time needed to complete the form and problems with disclosing information requested on the form. The interview also provided the participants the ability to add any additional comments they had about the form. The results of the interview questions are as follows:

- Difficulty to understand the form (ranked 1-5 with 1 being very easy) – average response was 1.7 out of 5.
- Difficulty in obtaining the data needed (ranked 1-5 with 1 being very easy) – average response was 2.3 out of 5.
- Clarity of instructions (ranked 1-5 with 1 being very easy) – average response was 1.7 out of 5.
- Length to complete (in minutes) – average response was 13 minutes.
- Problems disclosing data requested (Y/N) –all participants responded with “No”.

Only one additional comment was received from the participants. This comment was to acknowledge on of HUD's contract staff as being “great to work with...very helpful.”

9. No payments or gifts will be provided to respondents.

10. Respondents are assured of confidentiality by the protection of the Privacy Act of 1974.

11. No questions of a sensitive nature are involved.

12. HUD implemented the ACH payment system as the sole method for collecting Title I Insurance charge payments. Although the majority of the lenders have already signed up, those lenders will have to make changes periodically. The additional lenders that will sign up for the ACH program will use the following burden:

Respondent Burden:	Number/of respondents: 50
	Number of responses per respondents: One
	Hourly burden per response is estimated to be 15 minutes
	Total annual burden: 13 hours

This burden was based on historical collection information.

13. HUD estimates the annual cost to be \$15.00 per staff hour x 0.25 burden hours, or \$3.75 cost per respondent. The annualized cost for 50 respondents would be \$187.50. This is a one-time cost to respondents for the initial set-up in the ACH program. The rate of \$15.00 is based on lender employee costs.

The estimated annual cost per respondent will vary depending on the number of contract numbers and the method of transmission. The application form takes approximately 10 minutes to complete for the terminal input method. Those lenders using CPU-to-CPU transmission will take approximately 15 minutes. Most lenders have only one contract number.

14. Federal Government Costs: Number/frequency of responses: 50
Hourly burden per response is estimated to be 15 minutes
Cost per hour: \$20.00
Annualized costs: \$1,000.00

The rate of \$20.00 an hour is based on the hourly cost of the HUD contractor that processes the actual form.

15. There are no program changes but an adjustment is required because the number of respondents has decreased as the majority of lenders have already completed the form.
16. The results of the information collection will not be published.
17. We are not seeking approval to avoid displaying the expiration date.
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.