

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	2. OMB Control Number: a. 2502-0554 b. <input type="checkbox"/> None
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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. 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)
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7. Title:
Request for Prepayment of Direct Loans on Sec 202 & 202/8 Projects

8. Agency form number(s): (if applicable)
HUD-9808

9. Keywords:
Housing, Mortgage, Prepayment, Termination, Mortgage Insurance

10. Abstract:
Request from owner to prepay a multifamily housing project mortgage financed under Sec.202 with inclusion of FHA insurance guidelines.

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. X Not-for-profit institutions g. 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
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13. Annual reporting and recordkeeping hour burden: a. Number of respondents 280 b. Total annual responses 280 Percentage of these responses collected electronically 0% c. Total annual hours requested 560 d. Current OMB inventory 300 e. Difference (+,-) +260 f. Explanation of difference: 1. Program change: 2. Adjustment: 260	14. Annual reporting and recordkeeping cost burden: (in thousands of dollars) 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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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. X 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 b. <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"/> Biannually 8. <input checked="" type="checkbox"/> Other (describe) <u>Reporting is voluntary based on the owner's decision to prepay the mortgage.</u>
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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: Veronica Lewis Phone: 202-708-3730 ext. 5122
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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 Assistant Secretary for Operations, HR	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

Prepayment of Direct Loans on Section 202 and 202/8 Projects with Inclusion of FHA Mortgage Insurance Guidelines

A. Justification

1. The collection of this information is necessary to review prepayment requests for Section 202 and 202/8 direct loans. The legal authority for collecting this information is provided under Section 811 of the American Homeownership and Economic Opportunity (AHEO) Act of 2000 and 24 CFR 891.530. Section 891.5309, Prepayment Privileges, states that the prepayment (whether in whole or in part) or the assignment or transfer of physical and financial assets of any Section 202 project is prohibited, unless the Secretary gives prior written approval. The section also states that the Secretary may not grant approval unless HUD has determined that the prepayment and/or refinancing of the loan is part of a transaction that will ensure the continued operation of the project, until the original maturity date of the loan, in a manner that will provide rental housing for the elderly and handicapped on terms at least as advantageous to existing and future tenants as the terms required by the original Section 202 loan agreement and any other loan agreements entered into under other provisions of law.
2. The information will be gathered and submitted by the owner in support of the prepayment request. The information consists of a written request for the prepayment using the form HUD-9808 or similar format; Mortgage; Mortgage Note; Housing Assistance Payment Contract; Regulatory Agreements; Subordinate Mortgage/Loans that may be in place; list of households currently residing in Section 8 or Rent Supplement assisted units; list of any commercial renters/leases; vendors that may be in place; detailed narrative explaining why the prepayment proposal is advantageous to the tenants; and a detailed narrative justifying the future use of the full rental assistance currently being provided to the project. HUD staff will review this information to determine if approval of the prepayment request can be granted.
3. After a thorough review, there are no plans to automate this collection of information. Information collected consists of significant prior documentation. Owners submit documents to the mortgagee and the mortgagee forwards the prepayment request via facsimile to HUD for review and processing
4. There is no duplication of similar information currently collected.
5. The collection of this information does not impact small businesses.
6. It would be impossible to review, process, and approve prepayment requests without a written request to determine the owner's proposal for the long-term affordability of the project after mortgage payment. Without the information, HUD would be unable to determine whether the prepayment and/or refinancing of the loan is part of a transaction that will ensure the continued operation of the project, until the original maturity date of the loan, in a manner that will provide rental housing for the elderly and handicapped on terms at least as advantageous to existing and future tenants as the terms required by the original Section 202 loan agreement and any other loan agreements entered into under other provisions of law.
7. There are no special circumstances associated with this information collection.
8. A Federal Register Notice was published on December 7, 2007. The public had sixty days to comment. No comments were received.

This office consulted with one HUD Program Center Director, one HUD Supervisory Project Manager and one HUD Project Manager concerning the information collection. The HUD Project Manager had no comments and felt that there was no revisions and/or clarification needed for the Notice. The HUD Program

Center Director indicated that there were no problems with obtaining the data that is required to fulfill the requirement of the Notice. However, there is a lot of room for interpretation in parts of the Notice. And the HUD Supervisory Project Manager indicated that the Notice is understandable. Her office has successfully prepaid/refinanced over 60 loans. She further stated that the recordkeeping/disclosure and reporting data elements is understood by her staff as well as the industry based on the consistency of the applications received and reviewed.

The Office of Asset Management is in the process of revising the prepayment procedures.

9. There will be no gifts or payments provided to respondents.
10. The information collected is not of a confidential nature; therefore, the Department does not assure confidentiality to respondents.
11. Respondents are not required to provide information of a sensitive nature.
12. Estimated Burden (includes both prepayments requiring HUD approval and those not requiring HUD approval.). HUD will receive approximately 280 requests from owners of Section 202 and 202/8 direct loan projects to prepay and/or refinance their direct loans.

	Number of Respondents	Annual Frequency	Total Responses	Hours per Response	Total Burden Hours	Cost per Hour	Total Cost
HUD-9808	280	1	280	2	560	\$25	\$14,000

The cost per hour is based on an estimated average annual salary of \$52,000.

13. There are no additional costs to the respondents.
14. Estimates of annualized costs to the Federal government:

Number of Responses	Hours per Response	Cost per Hour	Total Cost
280	1	\$32	\$8,960

The cost per hour is based on the salary for a GS-12, step 1.

15. There was an increase in the number of respondents and responses due to the Department receiving more requests from the owners to prepay a multifamily housing project mortgage financed under the Section 202 program.
16. The results of this information collection will not be published.
17. HUD is not seeking approval to avoid displaying the expiration date for this information collection.
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

There are no statistical methods used in this collection.