

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 Mike Winiarski, Director, Organizational Policy, Planning and Analysis Division, HROA	Date:
Signature of Senior Officer or Designee: X Lillian Deitzer, Departmental Reports Management Officer	Date:

Supporting Statement for Paperwork Reduction Act Submissions

Supporting Statement for Form HUD-92330 Mortgagor's Certificate of Actual Cost

JUSTIFICATION

1. The Office of Housing seeks to extend the OMB Clearance approval 2502-0112. Section 227 of the National Housing Act (P.L. 479, 48 Stat. 12 USC, 1701 et. seq), along with sections 200.95 and 891.545, applicable portions of which are attached for reference, requires the certification of costs upon completion of improvements and prior to final endorsement of a mortgage. Section 814 of the Housing Act of 1954 (P.L. 560, 68 Stat., 590, 647, 12 USC, 1701 et. seq) requires the mortgagor to create and maintain records for auditing project costs.
2. Form HUD-92330 is used by mortgagees to obtain data from a mortgagor relative to the actual cost of a project. The mortgagor is required to certify to HUD the project's actual cost by submitting the form. HUD uses the cost information to determine the maximum insurable mortgage for final endorsement of an insured mortgage. Actual cost is defined in section 227(c) of the National Housing Act. Form HUD-92330 must be accompanied by an audited balance sheet certified by an accountant unless the project has less than 40 units, or if it is a refinancing or a purchase of an existing project under 207/223f or 232/223f. Failure to receive and review the cost certification data could result in the Department's over insurance of a mortgage in the violation of the law.
3. The form HUD-92330 is a PDF fillable document available on HUDCLIPS. The form may be downloaded for use, or it may be completed on line and then printed and signed. The principal sponsors and the general contractor complete the form. The applicants submit the completed form to the mortgagee for its review. The lender then submits the form to HUD on the behalf of the borrower and a determination of acceptability/unacceptability is made. Field office staff enters the information into the Development Application Processing (DAP) system.

DAP is a comprehensive, automated underwriting system that supports processing and tracking of HUD Multifamily Housing applications from pre-application through final closing. The system supports all functions of underwriting: Tracking and Administration of projects, Architectural and Engineering (A&E) Analysis, Cost Analysis, Valuation Analysis, and Mortgage Credit Analysis. DAP provides technical processing for 220, 221(d)(3), 221(d)(4), and 223(f) programs. It can also print forms from initial to final phase. DAP provides a centralized database that can be accessed nationwide for viewing and processing project information. DAP provides a uniform method for electronically entering, tracking, and processing applications. It is an automatic system that replaces a paper-driven system, including the ability to print necessary reports and forms. After technical processing is completed for each discipline, lenders can use the DAP system to submit their completed applications electronically to HUD.

DAP provides a measure of standardization among HUD field offices. It promotes the effective use of HUD resources throughout the United States by providing a nationwide database for project information. DAP is programmed to perform complex calculations and includes the ability to copy information. Users can generate and display a report or form to verify information; users can also print hardcopies. These functions minimize errors, eliminate repetitive data entry, and save valuable time.

The DAP system supports the process of submitting applications to HUD from approved lenders after completion of the pre-application and firm phases. HUD receives the applications both electronically and in hard copy, and conducts a review. Once HUD completes technical processing, lenders may submit applications electronically to HUD. Lenders also use DAP to track the status of applications. Once the MAP

Lender submits an application to HUD, the HUD Production Office staff sets the status of the application. A MAP Lender can view the status of applications in DAP.

4. Form HUD-92330 does not result in the duplication of information. This form is required to be submitted only once and the Department has no other form that requires this type of information.
5. By requiring this information only once upon completion of the project, the Department minimizes the burden on small businesses.
6. The data is used to verify the mortgagor's percentage of approved costs. Failure to review the cost certification data would result in over insurance of the mortgage in violation of the law and possible claims against the FHA Insurance Fund.
7. There are no special circumstances involved in this collection.
8. The collection of information was announced in the Federal Register on January 28, 2008 / Vol. 73, No. 18; pages 4889-4890. There were no comments received.

HUD is in constant contact with lenders regarding all phases of project applications. Ad hoc comments are taken into consideration in developing processing requirements. Input regarding public burden was received from HUD field staff.

9. No payments or gifts are provided to respondents.
10. No assurances of confidentiality have been provided beyond those provisions of the Privacy Act and Freedom of Information Act.
11. The collection does not contain information of a sensitive nature.
12. Based on an assessment of the number of projects endorsed under various sections of the Act over the last three years, HUD estimates there will be approximately 500 respondents required to submit form HUD-92330 once the project is completed.

	Number of Respondents	Frequency of Response	Total Responses	Hours per Response	Total Annual Burden	Hourly Rate	Total Annual Costs
Form HUD 92330, including audited balance sheet	500	1	500	8	4,000	\$30.00	\$120,000

The hourly rate is based on an estimated average annual salary for managers of \$62,400.

13. There is no annual cost burden to respondents resulting from the collection of information.
14. Projected Annual Costs to the Federal Government

	Number of Respondents	Frequency of Response	Total Responses	Hours per Response	Total Annual Burden	Hourly Rate	Total Annual Costs
Form HUD 92330, including audited balance sheet	500	1	500	8	4,000	\$30.00	\$120,000

The hourly rate is based on the rate of pay for a GS-12.

15. There are no program changes or adjustments in the collection.

16. The collection of information is not scheduled for publication.

17. HUD will not seek approval to avoid displaying OMB expiration date.

18. There are no exceptions to the certification statement.

B. Collection of Information Employing Statistical Methods.

This collection does not employ statistical methods.