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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) 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:  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**  
**Application and Reporting for Hospital Project Mortgage Insurance / Section 242**  
**2502-0518**

**A. Justification**

1. The subject information is necessary for the Department to ascertain if a project qualifies for mortgage insurance under Section 242 of the National Housing Act (public law 12 USC 1715z-7).

**§ 242.41 Certification of cost requirements.** Before initial endorsement of the mortgage for insurance, the mortgagor, the mortgagee, and HUD shall enter into an agreement in form and content satisfactory to HUD for the purpose of precluding any excess of mortgage proceeds over statutory limitations. Under this agreement, the mortgagor shall disclose its relationship with the builder, including any collateral agreement, and shall agree:

- (a) To execute a Certificate of Actual Costs, upon completion of all physical improvements on the mortgaged property.
- (b) To apply any cost savings in accordance with the provisions in 242.42.

2. A hospital applicant seeking mortgage insurance provides the information (mortgagor (hospital)/mortgagee (bank)/HUD Officials. HUD uses the information to determine the viability of an applicant (healthcare facility) proposal for mortgage insurance; basic eligibility criteria; underwriting standards; feasibility study; and adequacy of state and/or local certifications, approvals or waivers. Pending: Revision To The Hospital Mortgage Insurance Program-will need to ensure via paper or email that the mortgagor/mortgagee/insuring entity has provided fire insurance for the insured property

New request

HUD seeks approval of a new form, the HUD-93305-M-H, Agreement and Certification. This information is necessary to insure proper recordation of project costs, identify and monitor identity of interests between the Mortgagor and General Contractor, subcontractors, suppliers, or equipment lessors and agree upon procedures when such identity of interests arises, and to insure conformity with the National Housing Act and Regulations promulgated pursuant thereto.

3. The collection is not automated. With only 18 respondents per year, it is not cost-effective to automate the collection.
4. The information or similar information, is not collected elsewhere.
5. The act does not affect small businesses, only hospitals.
6. Without the information, HUD would have insufficient information to determine the viability of hospitals applying for mortgage insurance. Review of such information is necessary to protect government funds from the risk of multiple millions of dollars in claims).
7. For --Form 92013--Monthly reporting is required only for those hospitals (13 at present) on HUD's PWL (Credit Watch List-These are the health care facilities that because of sub-par operational performance are being closely watched by OIHCF in order to fend off the possibility of default). HUD views this as an exception to normal reporting and requests no burden hours. With respect to Form 93305, there is only a (1) time reporting/signature requirement for this document.
8. The Notice announcing this information collection was published in the Federal Register soliciting comments on February 20, 2008 (Volume 73, Number 34, and page 9350). There were no comments received.
9. There are no payments or gifts to respondents.
10. Guarantees of confidentiality are provided to those parts of an applicant's data that are proprietary under the Freedom of Information Act. For the most part, if information is disclosed, it is given out in aggregate (amount of mortgage insurance granted in one year for all applicants, etc.).
11. There are no questions of a sensitive nature.

12. Estimated Annual Burden.

	Number of Respondents	Frequency of Response	Total Annual Responses	Hours per Response	Total Annual Burden Hours	Hourly Cost	Total Annual Costs
<b>Total – 92013-HOSP</b>	<b>18</b>	<b>1</b>	<b>18</b>	<b>1003</b>	<b>17,458</b>	<b>\$100</b>	<b>\$1,745,800</b>
Revision To The Hospital Mortgage Insurance Program	18	1	18	.05 hrs	1.5 hrs	\$100	\$150
<b>Total – 93305 – M-H</b>	<b>18</b>	<b>1</b>	<b>18</b>	<b>6</b>	<b>108</b>	<b>\$100</b>	<b>10,800</b>
<b>Total – 2502-0518</b>	<b>18</b>	<b>1</b>	<b>18</b>	<b>1</b>	<b>18</b>	<b>\$100</b>	<b>\$1,800</b>
Total – 92415 *	<i>See Note Below</i>						
<b>Total</b>	<b>18</b>		<b>36</b>	<b>1009</b>	<b>17,566</b>		<b>\$1,756,600</b>

\* This form was approved previously by OMB (see 2502-0029) and is not due to expire until 07/31/2009. Consultation with mortgage bankers, hospitals, and their counsel were used to estimate the burden hours.

13. Additional costs to respondents

There is no capital or start-up cost component. All costs fall under operation, maintenance and purchase of services.

14. Cost to the Federal Government for processing applications.

Annual Responses	Hours to Process	Cost per Hour	Cost per Application	Total Government Cost
18	1,000	\$45.00	\$45,000	\$810,000

Hourly cost is based on the salary of a GS 13/5 to process.

15. Program changes and adjustments include the addition of one form. Section 242.41 requires that the mortgagor, the mortgagee, and HUD to enter into an agreement. HUD requests approval of new form HUD-93305-M-H, Agreement and Certification. The burden hours and annual costs of this new form are described in #12.

16. The information will not be published.

17. There is no approval being sought not to display the expiration date.

18. There are no exceptions to the certification statement.

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

There are no statistical methods used in this collection.