

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 Office of Multifamily Housing Programs, Office of Housing Assistance and Grant Administration	2. OMB Control Number: a. 2502-0507 b. 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. <input type="checkbox"/> 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:
Annual Adjustment Factors (AAF) Rent Increase Requirement

8. Agency form number(s): (if applicable)
 HUD-92273-S8

9. Keywords:
 Housing, Rental assistance, Annual adjustment factors/Rent Increases

10. Abstract:
 Owners of project-based section 8 contracts that utilize the AAF as the method of rent adjustment provide this information which is necessary to determine whether or not the subject properties' rents are to be adjusted and, if so, the amount of the adjustment.

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. 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: <table style="width: 100%;"> <tr><td>a. Number of respondents</td><td style="text-align: right;">4,287</td></tr> <tr><td>b. Total annual responses</td><td style="text-align: right;">612</td></tr> <tr><td> Percentage of these responses collected electronically</td><td style="text-align: right;">85%</td></tr> <tr><td>c. Total annual hours requested</td><td style="text-align: right;">918</td></tr> <tr><td>d. Current OMB inventory</td><td style="text-align: right;">4,950</td></tr> <tr><td>e. Difference (+,-)</td><td style="text-align: right;">(4,032)</td></tr> <tr><td>f. Explanation of difference:</td><td></td></tr> <tr><td> 1. Program change:</td><td style="text-align: right;">(4,032)</td></tr> <tr><td> 2. Adjustment:</td><td></td></tr> </table>	a. Number of respondents	4,287	b. Total annual responses	612	Percentage of these responses collected electronically	85%	c. Total annual hours requested	918	d. Current OMB inventory	4,950	e. Difference (+,-)	(4,032)	f. Explanation of difference:		1. Program change:	(4,032)	2. Adjustment:		14. Annual reporting and recordkeeping cost burden: (in thousands of dollars) Do not include costs based on the hours in item 13. <table style="width: 100%;"> <tr><td>a. Total annualized capital/startup costs</td><td style="text-align: right;">\$0</td></tr> <tr><td>b. Total annual costs (O&M)</td><td style="text-align: right;">\$0</td></tr> <tr><td>c. Total annualized cost requested</td><td style="text-align: right;">\$0</td></tr> <tr><td>d. Total annual cost requested</td><td style="text-align: right;">\$0</td></tr> <tr><td>e. Current OMB inventory</td><td style="text-align: right;">\$0</td></tr> <tr><td>f. Explanation of difference:</td><td></td></tr> <tr><td> 1. Program change:</td><td></td></tr> <tr><td> 2. Adjustment:</td><td></td></tr> </table>	a. Total annualized capital/startup costs	\$0	b. Total annual costs (O&M)	\$0	c. Total annualized cost requested	\$0	d. Total annual cost requested	\$0	e. Current OMB inventory	\$0	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. 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 c. <input checked="" type="checkbox"/> Reporting: 1. <input 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 checked="" type="checkbox"/> Annually 7. <input type="checkbox"/> Biennially 8. <input type="checkbox"/> Other (describe)
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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: Gail Williamson Phone: (202) 708-3000, ext 2473
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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

Supporting Statement AAF Rent Increase Requirements Pursuant to the Housing Appropriations Act of 1995

A. Justification

1. On September 28, 1994, P.L. 103-327, "Department of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 1995," was enacted. This Act authorized HUD's spending authority for Fiscal Year 1995. Among the many measures developed in the bill, emphasis was placed on utilizing the mechanism in the Section 8 Housing Assistance Payment (HAP) contract language that permits an analysis on the reasonableness of the Annual Adjustment Factor (AAF) formula as it is applied to each project unit type. Under this law, review of the AAF under the Overall Limitation clause of the HAP contract would apply only to Section 8 New Construction and Substantial Rehabilitation properties where Section 8 rent levels for a unit type presently exceed the published existing housing fair market rents (FMRs). For Section 8 New Construction and Substantial Rehabilitation properties where rent levels for a particular unit type do not exceed the existing FMR and for all other Section 8 contract types without regard for current rent level, review under the overall limitation clause of the contract would not occur and the method of rent adjustment would be the appropriately published AAF. The result of the rent reasonableness test assures that contract rents do not exceed comparable market rents for the project area.
2. In order to receive a rent increase where rent levels for a specific unit type, in a Section 8 Substantial Rehabilitation or New Construction contract, exceed the existing FMR rent for that specific unit type, the owner must submit form HUD 92273-S8, Estimates of Market Rent by Comparison. This form must be completed by a non-identity of interest State certified appraiser, for each unit type (e.g. 1 BR, 2 BR, etc.). The HUD 92273-S8 must contain at least three examples of unassisted housing in the same market area for similar age, type and quality which indicate rent levels of similar unassisted housing are above the published FMRs. In addition, the owners must provide a certification.

In cases where rent levels for a specific unit type in a Section 8 New Construction or Substantial Rehabilitation contract do not exceed the existing FMR for that specific unit type, and for all other Section 8 types where rents are adjusted by the AAF, regardless of current rent levels, the owner must submit the number of units in which turnover occurred since the last contract anniversary for each unit type. Based on the results of the Rent Comparability Study (RCS) and turnover rates, contract rents may or may not be adjusted.

3. An original signature is needed on all applicable HUD forms. Therefore, these documents must be printed, completed, and signed. The form 92273-S8 and the Notice H 02-10 (extended notice H 03-14), are available for download online. Form 92273-S8 is not yet automated, pending the development of a Department-wide standard for electronic signatures. However, once automated, it will not save the respondent in terms of burden. Furthermore, the number of responses for this collection will continue to decline and eventually phase out over time since Section 8 contracts expiring in FY1999 and later years must renew according to the requirements of the Multifamily Assisted Housing Reform and Affordability Act of 1997.
4. No similar information is being collected.
5. This collection will not have a significant economic impact on small businesses or entities.

6. If this information were not collected as required in the Notice, HUD would be in violation of the FY 1995 Appropriations Act, which instructs the Department to review AAF rent adjustment requests under the overall limitation clause of the Housing Assistance Contract. Furthermore, project owners wouldn't be able to collect correct rent payments.
7. There are no special reporting requirements.
8. In accordance with 5 CFR 1320.8(d), this information collection soliciting public comments was announced in the *Federal Register* on April 9, 2008 (Volume 73, Number 69, Pages 19235-19236).comments were received.
9. No other payments or gifts or annual adjustments are supplied by HUD to the respondents.
10. There is no assurance of confidentiality to respondents.
11. The forms do not contain questions of a sensitive nature.

12. Estimated Public Burden:

Number of Respondents	Responses Per Annum	Total no. of Responses	Hours per Response	Total Hours	Hourly Rate	Total Cost
4,287	1	612	1.5	918	\$33.54	\$30,790

Figures representing *The Number of Respondents* and *The Number of Responses* were provided by the Programming Division. They capture the current populations for the purpose of this submission. The hourly rate is based on a GS 12 step 1 salary of \$69,764. The first entry in the table is the total number of respondents that will have to complete either appendix three or appendix four should the property request a rent increase. The total number of responses represented above reflects the actual number of respondents that requested a rent increase in FY 2007. This data was obtained from two of HUD's subsystems; the Real Estate Management System (REMS) and the Tenant Rental Assistance Certification System (TRACS).

13. There are no additional costs to respondents.

14. Estimated Government Burden:

Average time to review a response is 0.50 hour. The hourly rate for review of the response is \$33.54 (GS 12, Step 1).

Annual Responses	Hours Review per Response	Total Hours	Hourly Rate	Total Cost
612	0.5	306	\$33.54	\$10,263

15. The number of responses has decreases since the last submission and will continue to decrease over time because there are fewer owners who are using the AAF as the method of rent adjustment for their properties. The population of these properties is decreasing annually, and therefore the responses will decease annually. Beginning in FY1999, any project-based section 8 contract that expires must renew according to the requirements of the Multifamily Assisted Housing Reform and Affordability Act which do not use the AAF as the method of rent adjustment.
16. HUD does not plan to publish the results of this collection.
17. HUD is not seeking to not display the expiration date of OMB approval.
18. There are no exceptions to the Certification Statement.

B. Collections of Information Employing Statistical Methods

No statistical methods are used in this collection.