

# 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: <b>U.S. Department of Housing and Urban Development - Single Family Housing</b> Office of Housing, Single Family Housing, Office of Regulatory Affairs and Manufactured Housing	2. OMB Control Number: a. <b>2502-0243</b> 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. <input type="checkbox"/> Reinstatement, <b>without change</b> , of previously approved collection for which approval has expired e. <input type="checkbox"/> Reinstatement, <b>with change</b> , 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 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 type="checkbox"/> No 6. Requested expiration date: a. <input type="checkbox"/> Three years from approval date      b. <input type="checkbox"/> Other (specify)
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7. Title:  
**Interstate Land Sales Full Disclosure Requirements**

8. Agency form number(s): (if applicable)  
HUD-762

9. Keywords:  
Housing, Land Sales Registration

10. Abstract:  
The Interstate Land Sales Full Disclosure Act, 15 U.S.C. 1701, et seq., requires developers to register subdivisions or condominiums of 100 or more non-exempt lots or units with HUD. The developer must give each purchaser a property report that meets HUD's requirements before the purchaser signs the sales contract or agreement for sale or lease.

11. Affected public: (mark primary with "P" and all others that apply with "X") a. <input checked="" type="checkbox"/> Individuals or households      e. Farms b. <input checked="" type="checkbox"/> 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. <input checked="" type="checkbox"/> Voluntary b. Required to obtain or retain benefits c. <input checked="" type="checkbox"/> Mandatory
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13. Annual reporting and recordkeeping hour burden: a. Number of respondents      1011 b. Total annual responses      113,997 Percentage of these responses collected electronically      10% c. Total annual hours requested      34653 d. Current OMB inventory      24776 e. Difference (+,-)      +9877 f. Explanation of difference: 1. Program change: 2. Adjustment:      +9877 Based on developer's statements.	14. Annual reporting and recordkeeping cost burden: (in thousands of dollars) a. Total annualized capital/startup costs 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. Application for benefits      e. Program planning or management b. Program evaluation      f. Research c. General purpose statistics      g. <input checked="" type="checkbox"/> Regulatory or compliance d. Audit	16. Frequency of recordkeeping or reporting: (check all that apply) a. <input checked="" type="checkbox"/> Recordkeeping      b. <input checked="" type="checkbox"/> Third party disclosure b. <input 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 checked="" type="checkbox"/> Annually 7. <input type="checkbox"/> Biannually      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 type="checkbox"/> No	18. Agency contact: (person who can best answer questions regarding the content of this submission) Name: Anita Hart Phone: 202-708-0502 x2066
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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 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**  
**Interstate Land Sales Full Disclosure Requirements**  
OMB Control Number 2502-0243

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**A. Justification**

1. The Interstate Land Sales Full Disclosure Act requires land developers to register subdivisions or condominiums of 100 or more non-exempt lots or units and to provide each purchaser with a disclosure document designated as a property report, 15 U.S.C. 1703-1704. The Act protects consumers from fraud and abuse in the sale or lease of land, and was enacted in response to a nation-wide proliferation of developers of unimproved subdivisions who made elaborate, but fraudulent, claims about their land to unsuspecting lot purchasers. Information is submitted to HUD to assure compliance with the Act and the implementing regulations. HUD investigates developers who are not in compliance with the regulations.

A copy to the appropriate section of each statute and regulation mandating or authorizing the collection of information is attached.

Registration of Projects – 24 CFR 1710.100 - 1710.219 and 15 U.S.C. 1701

Property Reports Receipts for Lots Sold in Registered Projects – 24 CFR 1710.118 and 15 U.S.C. 1707(a)

Financial Statements (FS) – 24 CFR 1710.212(d) & 24 CFR 1710.112 and 15 U.S.C. 1705

Annual Reports for Registered Projects (AR) – 24 CFR 1710.310 and 15 U.S.C. 1705

Exemption Filing (including Multiple Site Exemption Projects) – 24 CFR 1710.15 & 1710.16 and 15 U.S.C. 1702(c)

Lot Information Statement and Property Report Receipts for Multiple Site Exemption Projects – 24 CFR 1710.15 and 15 U.S.C. 1702(c)

Annual Report for Exempted Projects – 24 CFR 1710.15(d) and 15 U.S.C. 1701

Advertising Disclaimers (AD) – 24 CFR 1715.50(a)

Restrictive Covenants – 24 CFR 1710.109(f)(1)(iii)

Voluntary Suspension Form – 24 CFR 1710.22

2. The respondents are developers (or attorneys or others who work for them). Developers must submit an initial Statement of Record (registration) to HUD and receive an effective date before they can offer lots for sale or lease. The Statement of Record includes the proposed property report and additional information and documents that support the developer's disclosures in the property report. The developer is responsible for ensuring that the registration is accurate and does not omit information needed for a purchaser to make an informed decision. Developers must give purchasers an effective property report before the purchaser signs the sales contract. Developers must submit amendments to their registrations if any information in their initial registration changes. They must also submit a consolidated filing if they offer additional lots for sale. Each year the developer must submit an annual financial statement and an annual report that is prepared in the format required by Section 1710.310 of the regulations. A developer may voluntarily suspend his registration by submitting a Voluntary Suspension form or through the Annual Report. There are no other forms. HUD reviews the submissions to ensure compliance with the provisions of the Act. The developer may request an Advisory Opinions if a developer has questions about the applicability of one of the exemptions from registration. HUD determination is required only if a developer claims an exemption from registration under the multiple site or substantial compliance exemption. The other 24 exemptions are self determining. Finally, HUD may require additional information from developers in response to investigations of complaints.

The Voluntary Suspension form (HUD 762) is included in this package. The form is voluntary and is a convenient way for developers to voluntarily suspend their registration. The form is not required or the only way that developers may close their registration. They may also end their registration through their annual report.

3. Ninety-nine percent of the transactions in this information requirement are constituted by third-party disclosures during land sales transactions. Approximately 50% prepare documents electronically and 75% advertise or display the property report on the web. Of registrations submitted to HUD approximately ten percent are submitted on CD or e-mail.

4. The State Certification Program is an effort to eliminate duplication. Developers in States that have an equivalent and certified land sales program may file a certified copy of the State filing to meet Federal requirements. In addition, 22 States accept a Federal registration as meeting State disclosure and consumer protection requirements.
5. The collection of this information does not impact small businesses. Developers who have subdivisions of fewer than 100 lots are exempt from registration. Almost all registered subdivisions have gross lot sales in excess of \$2 million.
6. The frequency of the information collection is determined by statute and/or regulation. Less frequent collection of the information would result in a property report not having the current information and purchasers not having proper information on which to base their purchases.
7. There are no special circumstances required by respondents to provide this information.
8. HUD solicited the comments of developers who prepare their own registrations in constructing the estimation of burden hours and costs. The agency notice soliciting comments on the information collection for OMB #2502-0243 was published in the Federal Register on April 30, 2008 Vol. 73, No. 84 page 23482. No comments were received..
9. There are no gifts or payments to respondents.
10. There is no assurance of confidentiality. The information collected is filed with HUD and available to the public.
11. There is no sensitive information being requested.
12. Burden Hours – Estimated Number of Respondents, Responses, and Burden Hours Per Annum

Information Collection	Number of Respondents	Frequency of Response	Responses per Annum	Burden Hrs Per Response	Annual Burden Hours	Hrly Cost Per Response	Registration Fees received 2007	Annual Cost
Annual Report	985	1	807	1	807	1	246000	246807
Annual Financial Statement (unaudited)		1	276	1	276	30		8280
Initial Registration		1	263	60	15780	75	227205	1,410,705
Consolidations		1	207	30	6210	75	168920	634670
Amendments		1	345	5	1725	75	21600	150975
Voluntary Suspension Form		1	63	.08	5	0		0
Exemptions	26	1	26	20	520	75	8500	47500
Third Party Disclosure (Property Report)		50	83700	.10	8370	5		41550
Ads Disclaimer		2	3200	.30	960	0		0
Maintain copy of Covenants Financial Statements and Receipts		50	25110	0	0	0		0
TOTALS	1011		113997	117.48	34653	337		2,540,487

985 Developers have 1674 active registrations. Most developers have financial statements as a matter of business. This is the amount to update the financial statements as required by the regulations.

The property report figure is based on 1674 subdivisions and 50 reports reproduced for each subdivision.

26 respondents requested an exemption order or an advisory opinion during 2007.

Developers are required to give each purchaser a copy of the covenants and financial statements by state law. There are no additional costs to the respondents. The receipt page is a part of the property report.

13. Estimates of Annualized Cost of the Federal Government.

Information Collection	Number of Respondents	Frequency of Response	Responses per Annum	Burden Hrs Per Response	Annual Burden Hrs	Hrly Cost Per Response	Annual Cost
Registrations	985	2	1961	4	7844	225	1764900
Compliance-complaints, investigations, etc.	534	1	534	16	8544	45	384480
TOTALS	1519						2,149,380

The hourly rate is based on the GS-13 scale. Annual Cost is partially offset by registration fees. In 2007 program office received registration fees of \$680759

15. This is an extension of an approved collection. The change in the number of respondents corrects the definition of respondents to the number of actual respondents as opposed to the number of subdivisions or number of purchasers. It also reflects that we have updated our records.
16. The results of the information collection will not be published.
17. HUD is 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.

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

The collection of information does not employ statistical methods.