## 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/Office of Asset Management

2. OMB Control Number:
a. **2502-0559**
b. ☐ None

3. Type of information collection: (check one)
- a. ☐ New Collection
- b. ☒ Revision of a currently approved collection
- c. ☐ Extension of a currently approved collection
- d. ☐ Reinstatement, **without change**, of previously approved collection for which approval has expired
- e. ☐ Reinstatement, **with change**, of previously approved collection for which approval has expired
- f. ☐ 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. ☒ Regular
- b. ☐ Emergency - Approval requested by
- c. ☐ Delegated

5. Small entities: Will this information collection have a significant economic impact on a substantial number of small entities?
☐ Yes ☒ No

6. Requested expiration date:
a. ☒ Three years from approval date b. ☐ Other (specify)

7. Title:
**Certification of Multifamily Housing Compliance with State and Local Housing Codes**

8. Agency form number(s): (if applicable)
HUD-9840

9. Keywords:
Multifamily, Housing, Purchase, HUD-Owned, HUD-Held

10. Abstract:
This collection is necessary for HUD to ensure that all properties owned by potential purchasers are in compliance with the state and local housing codes that are in the same locality as the project to be purchased.

11. Affected public: (mark primary with "P" and all others that apply with "X")
- a. **X** Individuals or households
- b. **P** Business or other for-profit
- c. Not-for-profit institutions
- e. Farms
- f. Federal Government
- g. **X** 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

13. Annual reporting and recordkeeping hour burden:

| | |
|---|---|
| a. Number of respondents | 14,758 |
| b. Total annual responses | 3 |
| Percentage of these responses collected electronically | 0% |
| c. Total annual hours requested | 1 |
| d. Current OMB inventory | 136 |
| e. Difference (+,-) | -135 |
| f. Explanation of difference: | |
| 1. Program change: | -135 |
| 2. Adjustment: | |

14. Annual reporting and recordkeeping cost burden: (in thousands of dollars)
Do not include costs based on the hours in item 13.

| | |
|---|---|
| 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: | |

15. Purpose of Information collection: (mark primary with "P" and all others that apply with "X")
- a. **X** Application for benefits
- b. Program evaluation
- c. General purpose statistics
- d. Audit
- e. Program planning or management
- f. Research
- g. **P** Regulatory or compliance

16. Frequency of recordkeeping or reporting: (check all that apply)
a. ☐ Recordkeeping b. ☐ Third party disclosure
c. ☒ Reporting:
1. ☒ On occasion 2. ☐ Weekly 3. ☐ Monthly
4. ☐ Quarterly 5. ☐ Semi-annually 6. ☐ Annually
7. ☐ Biennially 8. ☐ Other (describe)

17. Statistical methods:
Does this information collection employ statistical methods?
☐ Yes ☒ No

18. Agency contact: (person who can best answer questions regarding the content of this submission)
Name: **Angie Scott Hamilton**
Phone: **(202) 402-2601**

## 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: | Date: |
|---|---|
| X<br>Mike Winiarski, Director, Organizational Policy, Planning and Analysis Division, HROA | |

| Signature of Senior Officer or Designee: | Date: |
|---|---|
| X<br>Lillian Deitzer, Departmental Reports Management Officer | |

# Supporting Statement for Paperwork Reduction Act Submissions

Certification of Multifamily Housing Compliance with State and Local Housing Codes

## A. Justification

**1.** This information collection is necessary for HUD to monitor potential purchasers' current compliance with state or local government housing statutes, regulations, ordinances, and codes. This information collection requires potential purchasers of HUD-owned multifamily housing projects to certify that all projects owned and located in the same city or town as the project to be purchased are in compliance with state and local housing codes. This information is being collected in accordance with Section 219 of the Consolidated Appropriations Act of 2004 and the revised regulations at 24 CFR Part 200, Subpart H. A copy of these regulations is attached to this submission package.

**2.** The respondents include potential purchasers of multifamily housing projects that are HUD-owned or secured by a HUD-held mortgage which are being foreclosed. This collection requires potential purchasers to certify that all other properties owned by the purchaser, and located in the same city or town as the project being purchased, are in substantial compliance with applicable state or local government housing statutes, regulations, ordinances, and codes. This collection also expands the scope of the participation and compliance requirements for HUD's Federal Housing Administration programs to include purchasers of multifamily housing projects from state or local governments, in cases where the property had previously been acquired by the state or local government from HUD. This information is be used by HUD staff to determine if the potential purchaser has honored its past legal and financial obligations prior to approval of the sale. Since the last submission, HUD revised its Note Sale requirements which impacted HUD's procedures for property disposition because it reduced the number of projects that are HUD-Held. As a result, HUD's current inventory reported for this submission is only three responses, which does not require OMB clearance. However, HUD is unable to guarantee that the number of respondents will remain constant; therefore, this collection seeks OMB approval in the event that there is an increase in the number of responses.

**3.** This information collection does not involve the use of automated electronic, mechanical, or other technological collection at this time. A one-page form (which will take about 15 minutes or less) is required and is available on HUD's website. Since it takes a short amount of time to complete and a program change has reduced the number of respondents, automation is not feasible for this form because of Department funding limitations.

**4.** There are no duplicate methods in place to collect and monitor this information.

**5.** This collection may impact small businesses if involved in purchasing a HUD-owned multifamily housing project. The collection will be reviewed during the approval period to determine if methods can be altered to minimize burden.

**6.** If this information is not collected or collected less frequently, the sale transactions could violate section 203(i) of the Housing and Community Development Act of 1978. Specifically, Section 203(i) of the Housing and Community Development Act of 1978 which authorizes the Secretary of HUD to manage or dispose of HUD-held multifamily housing projects and allows state and local governments the right of first refusal to purchase a multifamily housing project that is owned by the Secretary or subject to a mortgage held by the Secretary. HUD's regulations for the multifamily housing project disposition program are located at 24 CFR Part 290, Subpart H, which establishes HUD's standards for approval, disapproval, or withholding of action on principals based on past performance. In order to monitor compliance with these regulations, HUD requires certification of compliance for all projects in the locality of the project to be purchased (HUD and non-HUD related.)

7. There are no special reporting requirements.

8. This information is collected in a manner consistent with guidelines of 5 CFR 1320.6. The Notice announcing this collection of information appeared in the Federal Register dated April 28, 2008, page 22969. The 60-day comment period ended June 27, 2008. No comments were received.

9. There will be no gifts or payments to respondents.

10. The information collected is not of a confidential nature. HUD does not assure confidentiality to respondents.

11. There are no questions of a sensitive nature.

12. Estimates of annualized costs to Respondents

| Estimated Number of Respondents[1] | Frequency of Response (per annum)[2] | Total Number of Responses[3] | Burden Hours per Response | Total Annual Burden Hours | Cost per Hour[4] | Total Annual Cost |
|---|---|---|---|---|---|---|
| 14,758 | 1 | 3 | 0.25 | .75 | $15.00 | $11.25 |

1) Estimated Number of Respondents (Insured Inventory) reflects the number of properties in HUD's inventory that will only be affected if they go into foreclosure or become HUD-Held. The possibility of receiving 14,758 respondents in one year would mean all of HUD's insured portfolio would fail , which would be extremely rare .

2) The frequency of response is based on the number of times per year the respondent is required to submit this information.

3) Estimated Number of Responses is based on the average sale of HUD-owned projects in the last fiscal year (about 3 per year) . This number is based on surveying HUD's two Property Disposition Centers (Fort Worth and Atlanta).

4) Estimated Cost to respondents is based on the respondent or respondent's staff hourly rate to gather and list the projects on the certification form. Cost per hour was obtained from payscale.com.

13. There are no additional costs to purchasers.

**14. Estimates of annualized costs to the Federal Government**

| Estimated Number of Respondents | Estimated Number of Responses | Staff Hours per Response | Total Annual Burden Hours | *Cost per Hour | Total Annual Costs |
|---|---|---|---|---|---|
| 14,758 | 3 | .50 | 1.5 | $28.00 | $42.00 |

*Estimated cost per hour for HUD Staff (GS-12) to review and confirm the information submitted by the potential purchaser. Cost per hour obtained from Office of Personnel Management general service hourly wage chart for GS-12, Step 1.

15. The reduction in the number of respondents results from a program change. HUD no longer holds projects after foreclosure longer than a day or so; therefore, the HUD-owned inventory drastically decreased since the last submission.

16. The results of this collection will not be published.

17. HUD is not seeking approval not to display the expiration date for this information collection.

18. There are no exceptions to the Certification Statement identified in item 19.

## B. Collections of Information Employing Statistical Methods

This collection does not employ statistical methods.