
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

Multifamily Insurance Benefits Claim Package

OMB Control Number 2502-0418

(Forms HUD-2742, 2744-A, 2744-B, 2744-C, 2744-D, 2744-E, HUD-434, HUD-1044-D)

A. Justification

1. When terms of a multifamily contract are breached or when a mortgage meets conditions stated within the multifamily contract for an automatic assignment, the holder of the mortgage may file for insurance benefits. The law which supports this action is statute 12 USC 1713(g) and Title II, Section 207(g) of the National Housing Act. This Act provides in part “. . . the mortgagee shall be entitled to receive the benefits of the insurance as hereinafter provided, upon assignment, transfer, and delivery to the Secretary, within the period and in accordance with the rules and regulations to be prescribed by the Secretary of (1) all rights and interest arising under the mortgage so in default; (2) all claims of the mortgagee against the mortgagor or others, arising under the mortgage transaction; (3) all policies of title or other insurance or surety bonds or guaranties and any and all claims there under; (4) any balance of the mortgage loan not advanced to the mortgagor; (5) any cash or property held by the mortgagee, or to which it is entitled, as deposits made for account of the mortgagor and which have been applied in reduction of the principle of the mortgage indebtedness; and (6) all records, documents, books, papers and accounts relating to the mortgage transaction.” These provisions are further spelled out in 24 CFR Part 207, Subpart B – Contract Rights and Obligations. To receive these benefits, the mortgagee must prepare and submit to HUD the Multifamily Insurance Benefits Claims Package. The package consists of the following forms:

HUD-2741 - Instructions for Applications for Insurance Benefits Multifamily Mortgages

HUD-2742 - Fiscal Data Support of Claim for Insurance Benefits, Multifamily Mortgage

HUD –2744-A - Allocation of Mortgage Receipts and Disbursement-Schedule A

HUD-2744-B - Mortgagee’s Report of Project Collections-Schedule B

HUD-2744-C - Mortgagee’s Report of Project Disbursements-Schedule C

HUD-2744-D - Mortgagee’s Other Disbursements by Mortgagee-Schedule D

HUD-2744-E - Mortgagee’s Report of Special Escrow-Schedule E

HUD-434-Statement of Taxes

HUD-1044-D – Payment Information

2. When the terms of a multifamily contract are breached or when a mortgagee meets conditions stated within the multifamily contract for an automatic assignment, the holder of the mortgage may file for insurance benefits. To receive these benefits, the mortgagee must prepare and submit to HUD the Multifamily Insurance Benefits Claims Package. HUD uses the information collection to determine the insurance benefits owed to the mortgagee. HUD audits each form. From the information collected, the Government Accountability Office is able to audit HUD’s records. Also, the information is used by the Department of Justice in pursuit and defense of claims filed against or by the United States.
3. The collection of information does not involve the use of any technological collection techniques. The forms are mailed to HUD along with the originals of the mortgages, deeds, trusts, etc., as a part of the

Multifamily Benefits Claims package. It is not feasible to submit the forms electronically, separate from the claims package documentation, since many of the original documents require raised seals to be affixed to confirm authenticity from the issuing locality. . Estimated responses do not exceed 150.

4. No similar information is collected elsewhere. A review of Housing information collections reveals no duplication of information.
5. No small businesses or entities are affected.
6. The lender is required to submit to HUD the Multifamily Insurance Benefits Claims Package within 45 days after the mortgage is assigned or within the extended deadline. Respondents cannot obtain the benefits without applying. There would be curtailment of accrued interest on benefits payable to mortgagees. HUD’s inventory of unpaid claims would increase.
7. HUD requests the submission of an original and three copies. This is required to distribute the material to necessary departments for faster review of submissions and responses.
8. In accordance with 5 CFR 1320.8(d), the agency’s notice soliciting comments was announced in the *Federal Register* on April 28, 2008 Vol. 73, No. 82 /22968. (...comments). Additionally, an effort was undertaken to identify the amount of burden associated with the claim process. The following individuals were consulted: Capmark Mortgage, Teresa Juliani, (215) 328-1483. Heartland Bank, Angie Ingold, (314) 512-8987. Wachovia Multifamily Capital Inc., James Flakes, (301) 321-1209.
9. There is no decision to provide any payments or gifts to the lender except the payment of insurance benefits. This payment is the Department’s contractual obligation.
10. There is no assurance of confidentiality. HUD’s policy for providing confidentiality is that any information released to the public does not contain identifying information such as social security numbers. Such identification is deleted from the requested information prior to being released.
11. There are no questions of a sensitive nature.
12. It is estimated that 150 respondents (lenders) will annually submit a Multifamily Insurance Benefits Claims Package. This estimation is an average of 150 regular and 0 co-insured claims received in the last 3 years. Forms HUD-2744A, 2744C and 2744E are also used in the Multifamily Coinsurance Program to file a coinsurance claim. Other claim forms required for a Coinsurance Claim submission are in the Multifamily Coinsurance Claims Package (OMB Approval 2502-0420).

	Number of Respondents	Number of Responses	Total Responses	Hours per Response	Total Hours	Cost per Hour	Total Cost
Regular Claims							
HUD-434	150	1	150	.5	75.00	\$49.59	\$3,719
HUD-2741	150	1	150				
HUD-2742	150	1	150	.5	75.00	\$49.59	3,719
HUD-2744A	150	1	150	1.	150.00	\$49.59	7,738
HUD-2744B	150	1	150	.75	112.50	\$49.59	5,578
HUD-2744C	150	1	150	.5	75.00	\$49.59	3,719
HUD-2744D	150	1	150	.25	37.50	\$49.59	1,860
HUD-2744E	150	1	150	.25	37.50	\$49.59	1,860
HUD-1044D	150	1	150	.5	75.00	\$49.59	3,719
Total – Regular Claims	150		1,350		637.50		\$31,912
Co-Insured Claims							
HUD-2744A	0	1	0				

HUD-2744C	0	1	0				
HUD-2744E	0	1	0				
HUD-1044D	0	1	0				
Total – Co-Insured Claims	0		0				
Total – All Claims	150		1350.00				

The hourly cost is based on \$34.26/hour for professional staff (\$71,500 annually) for completing the information plus \$15.33/hour for clerical staff (\$32,000 annually) for copying and mailing.

13. There are no additional costs to the respondents.

14. The following expenses are incurred by HUD to obtain and process the requested information:

	HUD Review Hours per Year	Hourly Rate	Total HUD Review	Number of Claims	Cost per Claim	Total Contractor Cost	Total Cost
HUD Review -- 7 HUD employees x 20 hours per week x 52 weeks per year	7,280	\$34.26	\$249,413				\$249,413
Contractor examination cost – regular insurance claims				150	\$2,346	\$265,098	\$265,098
Contractor examination cost – co-insured claims							
Total – All Claims							514,511

The hourly cost for HUD employees is based on the rate of pay for a GS12-5.

15. This is an extension of previously approved collection. The adjustment in annual burden hours and responses is a more accurate reporting for this collection of information. This collection contains all information collection requirements for multifamily insurance benefits claims packages.

16. The information collected will not be published.

17. No approval is being sought to avoid displaying the expiration date for the OMB approval.

18. There are no exceptions to the certification statement identified in item 19 of the OMB 83-I.

B. Collections of Information Employing Statistical Methods

This information collection does not employ statistical methods.