
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:

Signature of Senior Officer or Designee: X Wayne Eddins, Departmental Reports Management Officer, Office of the Chief Information Officer	Date:
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Supporting Statement for Paperwork Reduction Act Submissions

Applications for Housing Assistance Payments

OMB Control Number 2502-0182

(HUD-52670; HUD-52670-A, Part 1; HUD-52670-A, Part 2; HUD-52670-A, Part 3; HUD-52670-A, Part 4; HUD-52670-A, Part 5; HUD-52671-A/B/C/D)

A. Justification

1. This revision to the 2502-0182 information collection is being requested to implement separate Parts to form HUD-52670-A for Adjustments to Schedule of Tenant Assistance Payments Due (HUD-52670-A Part 3), Miscellaneous Accounting Request for Schedule of Tenant Assistance Payments Due (HUD-52670-A Part 4), and Approved Special Claims for Schedule of Tenant Assistance Payments Due (HUD-52670-A Part 5). Information relative to Adjustments, Miscellaneous Accounting Request and Special Claims is being removed from the Schedule of Tenant Assistance Payments Due (HUD-52670-A Part 1) and put on different Parts.

Since HUD-52670-A Part 1, HUD-52670-A Part 3, HUD-52670-A Part 4 and HUD-52670-A Part 5 don't involve any new information collection beyond what is already occurring, there is no increase or decrease in burden hours per response. HUD-52670-A Part 1 reflects the certifications that have been executed. HUD-52670-A Part 3 reflects adjustments due to changed certifications—an automatic calculation by the software with no user intervention. HUD-52670-A Part 4 and HUD-52670-A Part 5 change neither the Miscellaneous Accounting Request nor the Special Claims process. The difference involves providing each process its own form for reporting purposes to increase clarity. All new Parts are handled by the software with no impact on the user.

The new HUD-52670-A Parts, revisions to HUD-52670-A Part 1 and other HUD Multifamily Housing Program requirements involve enhancements to the HUD Tenant Rental Assistance Certification System (TRACS Release 202C) and Industry Vendor Software. System enhancements being implemented include changes to calculation algorithms that will cause reductions in overpaid rent subsidies in Multifamily Housing Rental Assistance Programs. Reducing overpaid rent subsidies is a HUD Program Initiative (Initiative 10) of the President Management Agenda (PMA) for Management and Performance.

An OMB emergency review is being requested to ensure TRACS Release 202C for the PMA, 2502-0204 and 2502-0182 enhancements is implemented August 2008. This emergency action is necessary because the task order responsible for developing and implementing TRACS Release 202C expires at the end of fiscal year 2008. TRACS implementation can't occur as scheduled without OMB approved forms relative to 2502-0204 and 2502-0182. Any delay in TRACS implementation will result in a need for additional funding and task order extension.

Information collected on the subject forms is authorized under four statutes that cover five major program areas. The statutes include:

- a. Section 101 of the Housing and Urban Development Act of 1965 for the Rent Supplement program.
- b. Section 236 of the National Housing Act for the Rental Assistance Payments (RAP) program.
- c. Section 8b of the U.S. Housing Act of 1937 for the various Section 8 programs under the Office of Housing.
- d. Section 811 of the Cranston-Gonzales National Affordable Housing Act covering both the 202/162 Project Assistance Contracts (PACs) and the 202/811 Project Rental Assistance Contracts (PRACs).

PACs – Created for Section 202 properties, the 162 program provide subsidies in the form of PACs to nonprofit sponsors to help make rents affordable in Section 202 projects developed for persons with disabilities. The term of a PAC is 20 years.

PRACs – The PRAC provides a rental subsidy to tenants in these properties and worked very similarly to assistance provided through Section 8 Housing Assistance Payment (HAP) contracts.

There are implementing regulations for each program area. They include:

- a. RAPs: 24 CFR 236.740
- b. Section 8 Housing programs: 24 CFR 5.506
- c. Section 8, 202 PACs or PRACs and 202/811 PRACs: 24 CFR 880.608f, 880.611c, 880.611d, 884.106c, 884.106d, 884.115a, 886.109c, 886.309d, 886.116a, 886.309g, 886.315d, 886.445c, 891.105, 891.435c, 891.445c, 891.635, 891.650c, 891.650d, 889.790c, 891.775.
- d. Section 202 PRACs, Section 811 PRACs: 891.445b

The Presidents Management Agenda and OMB Memorandum M-03-13:

- a. Program Initiative 10 – Department of Housing and Urban Development Management and Performance, Reduce Overpaid Rent Subsidies
- b. Improper Payments Information Act of 2002

Each program has an assistance payments contract. These contracts indicate HUD will make monthly assistance payments to owners/agents on behalf of the eligible households who reside in assisted units under the contracts.

Owners sign a certification on the voucher forms, which states the following:

- a. Each tenant's eligibility and assistance payments was computed in accord with HUD's regulations, administrative procedures and the Contract, and are payable under the Contract;
 - b. All required inspections have been completed;
 - c. The units for which assistance is being billed are decent, safe, sanitary, and occupied or available for occupancy;
 - d. No amount included on the bill has been previously billed or paid;
 - e. All facts and data on which the payment request is based are true and accurate; and
 - f. That no payments have been paid or will be paid from the tenant or any public or private source for units beyond that authorized by the assistance contract, or lease, unless permitted by HUD.
2. Owners/agents submit the forms to their Contract Administrator (CA) or HUD's Tenant Rental Assistance Certification System (TRACS) for payment.

The Department's initiative to have our Section 8 inventory reviewed by a third party other than HUD staff instituted the use of PBCAs. These 53 entities review certifications and authorize an amount to be paid to the owner/agent based on that review and transmit both certifications and payment vouchers to the TRACS system, which then passes the authorized payment amount to the Line of Credit Control System (LOCCS). LOCCS then sends these authorized amounts to Treasury for payment. Owners/agents of Rent Supplement, RAP, PAC and PRAC contracts transmit their data directly to TRACS, which validates the accuracy of the calculations and passes the authorized payment amount to LOCCS for payment through the Treasury.

Every month, each owner/agent transmits applications for payment, as follows.

Each owner/agent transmits a HUD-52670, a monthly recap for all units and assistance payment category, the HUD-52670A-Part 1 to account for all regular assistance payments for assisted units, and HUD-52670-A Part 3 for adjustments required by move-ins, move-outs, terminations, unit transfers, retroactive corrections, annual recertifications, and gross rent changes that occurred since the last payment voucher.

Special claims forms (HUD-52670-A Part 2, HUD-52670-A Part 5, and forms 52671A through D) are only used for the Section 8, PAC, and PRAC programs. As special claims amounts are unit specific, there are generally multiple 52671A-Ds, which are listed on the 52670-A, Part 2, which recaps the attachments. The HUD-52670-A Part 5 provides an audit trail of the special claims and entity (CA or HUD Field Office) that approved the claim.

Miscellaneous Accounting Requests have been included on the HUD-52670-A Part 1. With these information collections, Miscellaneous Accounting Requests are being moved to HUD-52670-A Part 4 to provide increased clarity in reporting.

The Forms listed below are transmitted to either Field Office staff or the appropriate CA (traditional or PBCA) for review and/or approval. In the instance of HUD staff, approved amounts are returned to the owner/agent for transmission as part of the following months payment voucher to TRACS for payment through LOCCS. Traditional Contract Administrators and PBCAs review, approve, and authorize approved amounts during their 30-day processing time and transmit the approved amounts to TRACS for payment to owners/agents through LOCCS.

Form HUD-52670, Housing Owner's Certification and Application for Housing Assistance Payments – this form is submitted monthly by owners/agents to their CAs or HUD for each subsidy contract and provides basic information on the project, reports the number of contract units which are occupied by eligible tenants, and bills HUD for the housing assistance payments.

Form HUD-52670-A, Part 1, Schedule of Tenant Assistance Payments Due – this form is completed monthly by owners/agents and submitted to their CA or HUD so HUD/CA can pay owners the difference between the gross rent and the total tenant payment (housing assistance payment) according to regulations. Reasons for Adjustments, Total Adjustments and Total Misc. Accounting were removed from the form. Adjustments are on form HUD-52670-A Part 3 described below. Miscellaneous Accounting Requests are on form HUD-52670-A Part 4 described below.

Form HUD-52670-A, Part 3, Adjustments to Schedule of Tenant Assistance Payments Due – this form is completed monthly as needed by owners/agents and submitted to their CA or HUD so HUD/CA can review details of adjustments to assistance billings. Adjustments involve move-ins, move-outs, terminations, unit transfers, retroactive corrections, annual recertification's, and gross rent changes occurring since the last payment voucher.

Form HUD-52670-A, Part 4, Miscellaneous Accounting Request for Schedule of Tenant Assistance Payments Due – this form is completed monthly as needed by owners/agents and submitted to their CA or HUD so HUD/CA can review detail miscellaneous request for drug related expenses, service coordinators, field office initiated accounting adjustments, and owner/agent initiated accounting adjustments.

Form HUD-52670-A, Part 5, Approved Special Claims for Schedule of Tenant Assistance Payments Due – this form is completed monthly as needed by owners/agents and provides an audit trail of the special claims and entity (CA or HUD Field Office) that approved the claim. HUD-52670-A Part 5 provides a means (quick and easy way) for CA and HUD staff to confirm that HUD-52670-A Part 2 matches what the Owner/Agent actually is billing on the monthly voucher. Without HUD-52670-A Part 5, CA or HUD staff would have to review unformatted electronic transmissions to determine what is in the record (voucher).

Form HUD-52670-A, Part 2, Special Claims Schedule – this form is completed as needed by owners/agents so HUD can pay owners an amount to offset unpaid rent, tenant damages, and debt service losses. This form is always filed in conjunction with one or more of the forms listed below,

and is never filed alone. There are approximately 2,538 special claims filed each month. The four types of special claims each require supporting documentation, as shown below.

Form HUD-52671-A, Special Claims for Unpaid Rent/Damages – this form is completed as needed by owners/agents so HUD can pay owners an amount to offset losses due to unpaid rent and/or tenant damages. There are approximately 297 of these claims filed each month.

Documentation required:

- 1) Evidence owner took steps to collect debt
 - a. Copy of certified letter
 - b. Documentation that appropriate security deposit was collected from tenant
 - c. Documentation that matter was turned over to a collection agency
- 2) Damage documentation
 - a. Owner certification that claim was not result of normal wear and tear
 - b. Copy of move-in inspection report
 - c. Copy of repair cost breakdown with at least one of following: invoices, o/a certification of determination of useful life.

Form HUD-52671-B, Special Claims for Vacancies During Rent-up – this form is completed as needed by owners/agents so HUD can pay owners an amount to offset vacancy costs during rent-up. There are approximately 8 of these claims filed each month.

Documentation required:

- 1) Provide list of leased or available for lease on date of permission to occupy. Justification for all vacant units, explaining why they remained vacant.
- 1) Documentation that marketing began 90 days prior to occupancy: copies of advertisement, copies of waiting list, and copies of letters to rejected tenants.

Form HUD-52671-C, Special Claims for Regular Vacancies – this form is completed as needed by owners/agents so HUD can pay owners an amount to offset 60-day vacancies. There are approximately 2,227 of these claims filed each month.

Documentation required:

- 1) Copy of owner notice when learning of vacancy
- 2) Copy of voucher adjustment page that verifies move-out and move-in
- 3) Copy of reconditioning log
- 4) Copy of advertisements
- 5) Copy of Waiting list
- 6) Copy of information that shows reason for unit transfer.

Form HUD-52671-D, Special Claims for Debt Service – this form is completed as needed by owners/agents so HUD can pay owners an amount to help the contract remain viable during lengthy vacancy periods. There are approximately 6 of these claims filed each month.

Documentation required:

- 1) Copy of advertisements
- 2) Copy of un-audited financial statement
- 3) Written narrative explaining
 - i. Causes of vacancies
 - ii. Causes of financial problems
 - iii. Action taken to correct financial condition and prevent a reoccurrence
 - iv. Source of funds and time frame for paying off delinquent mort. & excess accounts.

3. HUD approves the expense of software programs and hardware at project expense to permit projects to automate the certification and payment process. Smaller projects, which are unable to afford the purchase of hardware and software, are permitted to use “service bureaus” that perform both the certification and payment voucher process, passing paper back to the site for signature and filing and transmitting the electronic data to the CA or HUD’s TRACS. Using automated software, vouchers and special claims are calculated based on automated certifications. Use of automation permits more accurate calculations and reduces inaccurate payments. With the conversion of Traditional Contract Administrator subsidy contracts from HUD’s Central Accounting and Program System (HUDCAPS) to TRACS in 2007, the level of automation increased substantially.
4. These information collections are not collected elsewhere.
5. Many smaller sites have reduced their burden hours using the techniques discussed in #3 above. These information collections do not have a significant impact on small businesses or other small entities.
6. If these collections are not conducted or are conducted less frequently, HUD would lose millions of dollars of erroneous payments. Correctly programmed software in use at project sites has helped the industry ensure more accurate calculations that in turn permit HUD to pay correct amounts for assisted tenants.
7. HUD is required by regulations and subsidy contracts to make payments on the first of each month to the owner/agents. These payments are HUD’s portion of the rent, and the receipt of that amount is required to ensure the financial integrity of the site. Less frequent payments could cause operating deficits and/or default as well as violate the regulations and subsidy contracts.
8. HUD established a working group in February 2007 to identify enhancements for TRACS Release 202C. The working group consists of HUD Industry Partners (Contract Administrators, Trainers and Software Vendors) and HUD staff. The working group conducted eight work sessions to determine the requirements for TRACS Release 202C. During these sessions, forms HUD-50059/HUD-50059-A relative to 2502-0204 and HUD-52670-A Part 1, HUD-52670-A Part 3, HUD 52670-A Part 4 and HUD 52670-A Part 5 relative to 2502-0182 were revised and designed. In January 2008, HUD posted the 2502-0182 forms and a list of the TRACS 202C enhancements to the HUD TRACS Announcement Web Page and invited Industry Partners to review and comment during a four week period. On March 13, 2008, HUD held the Quarterly TRACS Industry Meeting in Washington D.C. for approximately 130 Industry Partners (Contract Administrators, Owners/Agents, Service Bureaus, Trainers and Software Vendors). During the Industry Meeting, a special session was conducted where each form relative to 2502-0182 and 2502-0204 was presented to the attendees for open discussion. After the Industry Meeting, the Form Presentation was posted to the HUD TRACS Announcement Web Page for review. On April 9, 2008, HUD held a Virtual Meeting with 115 Contract Administrators and HUD staff where the forms and TRACS 202C enhancements were presented followed by a question and answer period. No comments from the Quarterly TRACS Industry Meeting, Postings or Virtual Meeting resulted in changes to the forms.

These information collections were announced in the Federal Register on July 22, 2008 (Vol. 73, No. 141). No comments were received.

Industry contacts included:

Mr. Jim Willard
Interstate Realty Management
Company
1 E. Stow Rd.
Marlton, NJ 08053
(856) 988-5850

Mr. Michael Johnson
Alco Management
35 Union Avenue-Suite 200
Memphis, TN 38103
(901) 544-1705

Mr. Peter Lewis
Federal Management Company
Inc.
175 Federal Street, Suite 700
Boston, MA, 02110
(617)-482-8925 ext. 143

The persons listed above work for management companies with a significant number of Section 8 project-based properties and submit Application for Housing Assistant Payments and Special Claims on a regular basis. They are in agreement that the revised information collections will not change the average burden hours per response since the information is already being collected by software.

9. There are no gifts or any remuneration made to respondents.
10. HUD does not promise confidentiality.
11. There are no sensitive questions.
12. Burden hours for the collections of information:
 - a. HUD-52670, HUD-52670-A Part 1, HUD-52670-A Part 3, HUD-52670-A Part 4 and HUD-52670-A Part 5. HUD-52670 and HUD-52670-A Part 1 are submitted monthly while HUD-52670-A Part 3, HUD-52670-A Part 4 and HUD-52670-A Part 5 are submitted monthly as needed by all project-based contracts (Section 8, Rent Supplement, RAP, PAC and PRAC). There are a total of 21,787 contractors submitting these forms every month. Time to prepare the submission is 1 hour each month.
 - b. HUD-52670-A Part 2, HUD-52671-A, B, C and D. These forms are submitted, as needed, for the Section 8, PAC, and PRAC contracts eligible to receive additional assistance for items of Special Claims. These include Vacancies during rent-up, Vacancies after rent-up, Debt service claims, and Unpaid Rent and Tenant Damages. There are a total of 21,787 contracts eligible for one or more types of Special Claims payments. HUD-52670-A Parts 2 is always filed in conjunction with one or more of the other forms and is never filed alone.

For information on the documentation requirements, please see #2 above.

Information Collection	Number of Respondents	Frequency of Response	Number of Responses	Burden Hrs Per Response	Annual Burden Hrs	Hourly Rate	Total Annual Cost
Monthly Application for Payments							
HUD-52670				0.50			
HUD-52670-A pt 1				0.125			
HUD-52670-A pt 3				0.125			
HUD-52670-A pt 4				0.125			
HUD-52670-A pt 5				0.125			
	21,787	12	261,444	1.00	261,444	\$16.81	\$4,394,874
Special Claims Filing							
HUD-52570-A pt 2				0.33			
	2,538	12	30,456	0.33	10,050	\$16.81	168,941
Special Claims Supporting Documentation							
HUD-52671-A				0.33			
Documentation				1.00			
	297	12	3,564	1.33	4,740	\$16.81	79,674
HUD-52671-B				0.33			
Documentation				1.00			
	8	12	96	1.33	128	\$16.81	2,152
HUD-52671-C				0.33			
Documentation				1.00			
	2,227	12	26,724	1.33	35,543	\$16.81	597,478
HUD-52671-D				0.33			
Documentation				1.00			
	6	12	72	1.33	96	\$16.81	1,614
Support Docs Subtotal	2,538		30,456		40,507		680,918
Grand Totals	21,787		291,900		301,951		\$5,075,792

The hourly rate is based on an estimated annual salary of \$34,979 annually for owner/agent clerical help.

The numbers of respondents (21,787) is a current estimate determined from actual TRACS Active Subsidy Contracts data for 2007. Monthly Application for Payment and Special Claims Forms mentioned in the table above are submitted on a monthly basis (frequency of response –12). The burden hours per response are the same as the previous submission.

c. Since forms HUD-52670-A Part 1, HUD-52670-A Part 3, HUD-52670-A Part 4 and HUD-52670-A Part 5 don't involve any new information collections beyond what is already occurring, there is no increase or decrease in burden hours per response.

13. Industry Software Vendors must enhance their applications used by owners/management agents whenever information collections result in form changes. The applications are used by owners/management agents to create automated forms (facsimiles) and transmit data to HUD TRACS.

HUD consulted three Industry Software Vendors to determine cost burden estimates relative to HUD TRACS Release 202C.

Cost Burden Estimates

Vendor	Annualized Capital/Startup Cost	Annual Operation & Maintenance	Annualized Cost Requested	Annual Cost Requested
Vendor-A	\$0	\$201,567	\$201,567	\$604,701
Vendor-B	\$0	\$128,508	\$128,508	\$385,524
Vendor-C	\$0	\$287,567	\$287,567	\$862,701
Total	\$0	\$617,642	\$617,642	\$1,852,926
Average		\$205,881	\$205,881	\$617,642

14. Federal Government Costs. With the joint implementation of automation and PBCAs, few regular vouchers need manual review prior to payment. These will include new contracts as they come on line with occupancy, and those whose voucher amount exceeds a threshold amount already established in the Payments part of the TRACS system. We estimate these to be 10% of the 21,787 contracts or 2,179 a year. All Special Claims need Field office or CA review prior to being paid.

Information Collection	Number of Responses	Burden Hours Per Response	Annual Burden Hours	Hourly Rate	Total Annual Cost
HUD-52670-A pt 1	2,179	0.33	719	\$27.66	\$ 19,888
Hud-52670-A, Part 2 and HUD-52671A-D	30,456	0.33	10,050	\$27.66	277,983
Documentation	30,456	0.50	15,228	\$27.66	421,206
Totals	32,635		25,997		\$ 719,077

The hourly rate is based on the annual salary of GS-9 to review and approve or adjust the claims.

15. This is a revision of a currently approved collection. The adjustment in burden hours on Item 13 of the OMB 83-I is because the number of respondents completing forms 52670, and 52670-A part 1 decreased to 21,787. The decrease reflects a more accurate accounting of the number of respondents. The current number of responses for 52670-A part 2, 52671-A, B, C, and D was calculated using the level of special claims submissions paid through TRACS during calendar year 2007. This equated to 29,929 claims paid plus an additional two percent (approximately 527) submitted and rejected, for a total of 30,456 claims. There was an increase in special claims from the previous submission. The decrease in contracts accounted for the decrease in total annual burden hours. The adjustment to Item 14 is a result of Industry Software Vendors who must enhance their applications used by owners/management agents whenever information collections result in form changes.

16. The results of these collections will not be published.

17. All forms will be posted on HUD’s Website (www.hudclips.org) and will contain the OMB expiration date. However, forms produced by automated systems will not display or print the OMB expiration date.

HUD is seeking approval not to display/print the expiration date on forms included in these information collections. To reduce the burden on Vendors, HUD is requesting approval for Vendor software applications to reference/display the HUDCLIPS URL (www.hudclips.org). HUDCLIPS contains official HUD forms depicting the OMB expiration date and OMB control number. When OMB changes an expiration date on a form, HUD loads the form with the new expiration date onto HUDCIPS. Allowing Vendor’s to use screens, facsimiles and reference HUDCLIPS eliminates the need for software vendors to change their existing applications to accommodate new OMB mandated expiration dates. The attachment titled “VendorA 50059 Steps.zip” contains Vendor screens shots used to create facsimiles of the HUD-50059.

Whenever a HUD form changes or a new form is added, Industry Vendors must perform the software development life cycle phases (Analysis, Design, Development, Testing and Implementation, etc.) to ensure the change gets implemented at roughly 21,800 HUD Business Partner sites. With a number of HUD forms being relatively static, only the form expiration date changes over time. Vendors incur unnecessary cost when modifying their software applications to accommodate changing expiration dates. An expiration date change in vendor software adds no value.

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

These information collections do not employ statistical methods.

