
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:

Signature of Senior Officer or Designee:

Date:

X
Lillian L. Deitzer, Departmental PRA Officer

Supporting Statement for Paperwork Reduction Act Submissions

Procedures for Appealing Section 8 Rent Adjustments OMB Control Number 2502-0446

A. Justification

1. Title II, Section 221, of the National Housing Act requires that the Department of Housing and Urban Development (HUD) regulate rents for certain cooperative and subsidized rental projects. Under this legislation, HUD is charged with the responsibility of determining the method of rent adjustments and with facilitating these adjustments. Because rent adjustments are considered benefits to project owners, HUD must also provide some means for owners to appeal the decisions made by the Department or the Contract Administrator. This appeal process, and the information collection included as part of the process, play an important role in preventing costly litigation and in ensuring the accuracy of the overall rent adjustment process.
2. Owners of certain cooperative and subsidized multifamily housing rental projects are allowed two appeals under the Section 8 rent appeal process. The first appeal is made to the local HUD Office or Contract Administrator that rendered the initial rent adjustment decision, and the second appeal may be made to the Hub Director, who will designate an official to review any appeal. Each appeal must include a letter explaining the owner's disagreement and documentation outlining the requested rents, along with any other supporting documentation. This information must be submitted within 30 days of notification of denial of the rent adjustment request.
3. This information is not collected electronically and there are no plans to automate the process at this time because it requires either HUD staff or Contract Administrator staff to review the owner's supporting documentation to justify the appeal and compare it to the owner's original rent increase submission and determination of the rents by HUD or the Contract Administrator. At this time, automating this process is not feasible as it will not allow reviewers to adequately assess all pertinent materials due to the unique nature and project operation of every property while ensuring compliance with HUD regulations and guidelines as required by the business agreements. Furthermore, as more and more Housing Assistance Payment (HAP) Contracts are renewed, the cost to do so would far exceed the benefits achieved.
4. No similar information is being collected.
5. Some project owners may be considered small businesses. The collection of this information is the same for all project owners. A project owner determines whether or not to submit the information. The two burden hours per submission are not considered significant.
6. If this information were not collected as required, HUD would be in violation of the Statute. The information is collected, at the owner's discretion, when they wish to appeal a rent decision. The information could not be conducted less frequently. Failure to collect this information would hinder the Department's ability to provide owners with an opportunity to appeal rent adjustments.
7. The information must be submitted within 30 days of notification of denial of the rent adjustment request, as required by Section 516(c) of MAHRA.
8. In accordance with 5 CFR 1320.8(d), the agency's notice soliciting public comments was announced in the Federal Register on October 2, 2008 (Vol. 73, No. 192, pages 57380 and 57381). No comments were received.

Industry contacts included:

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Two of the persons listed above (Mr. Brown and Ms. Jett) represent Performance Based Contract Administrators (PBCAs), which is where owners/agents are required to submit their first appeal if they disagree with their Section 8 rent adjustment. Mr. Brown has received no appeals. Ms. Jett has received less than 10. Mr. Johnson reports that the management company that manages a significant number of Section 8 properties has not submitted any appeals. This may be due to their efforts to work closely with their PBCA in determining mutually agreed upon rents that can be fully supported by an approved budget. It takes an owner no more than two hours to prepare an appeal letter to a Section 8 rent adjustment because all of the documentation needed to justify the appeal has previously been prepared; it just needs to be pulled together with a cover letter providing the justification for the appeal. Since there are fifty-two HUD Field offices and fifty-three Project Based Contract Administrators offices that would probably receive more than one appeal letter we allotted for 400 respondents.

- 9. No payments or gifts are provided to the respondents.
- 10. There are no assurances of confidentiality provided to respondents.
- 11. The letters do not contain questions of a sensitive nature.
- 12. Estimated Burden and Annual Cost to Respondents:

Information Collection	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost Per Response	Annual Cost
Appeal Letter	400	1	400	2	800	\$45.00	\$36,000

The hourly rate is based on a blended estimate of project owner’s and clerical annual salaries, averaging \$72,800 annually.

- 13. There are no additional costs to the respondents.
- 14. Estimated Burden and Annual Cost to the Federal Government:

Information Collection	Number of Responses	Burden Hour Per Response	Annual Burden Hours	Hourly Cost Per Response	Annual Cost
Appeal Letter	400	10	4,000	\$46.00	\$184,000

The hourly rate is based on the annual salary of a GS-13, step 1.

- 15. This is an extension of a currently approved collection. That process encourages owners of eligible multifamily housing projects to restructure their FHA-insured mortgages and project-based assistance contracts before the year in which the contract expires. Consequently, the number of appeals is steadily declining.
- 16. The results of this 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.

B. Collections of Information Employing Statistical Methods

This collection of information does not employ statistical methods.