

# 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:<br><b>U.S. Department of Housing and Urban Development</b><br><b>Single Family Housing – Office of Single Family Asset Management</b>  | 2. OMB Control Number:<br>a. <b>2502-0436</b> b. None   |     |                           |        |  |    |                                 |       |                          |      |                     |        |                               |  |                    |  |                |        |   |   |        |                             |        |                                    |        |                                |        |                          |        |                               |  |                    |  |                |  |
| 3. Type of information collection: (check one)<br>a. <input type="checkbox"/> New Collection<br>b. <input type="checkbox"/> Revision of a currently approved collection<br>c. <input checked="" type="checkbox"/> Extension of a currently approved collection<br>d. <input type="checkbox"/> Reinstatement, <b>without change</b> , of previously approved collection for which approval has expired<br>e. <input type="checkbox"/> Reinstatement, <b>with change</b> , of previously approved collection for which approval has expired<br>f. <input type="checkbox"/> Existing collection in use without an OMB control number<br>For b-f, note item A2 of Supporting Statement instructions.  | 4. Type of review requested: (check one)<br>a. <input checked="" type="checkbox"/> Regular<br>b. <input type="checkbox"/> Emergency - Approval requested by<br>c. <input type="checkbox"/> Delegated<br>5. Small entities: Will this information collection have a significant economic impact on a substantial number of small entities?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br>6. Requested expiration date:<br>a. <input checked="" type="checkbox"/> Three years from approval date    b. <input type="checkbox"/> Other (specify)                               |     |                           |        |  |    |                                 |       |                          |      |                     |        |                               |  |                    |  |                |        |   |   |        |                             |        |                                    |        |                                |        |                          |        |                               |  |                    |  |                |  |
| 7. Title:<br><b>Mortgagee's Request for Extension of Time Requirements</b>  |   |     |                           |        |  |    |                                 |       |                          |      |                     |        |                               |  |                    |  |                |        |   |   |        |                             |        |                                    |        |                                |        |                          |        |                               |  |                    |  |                |  |
| 8. Agency form number(s): (if applicable)<br><b>HUD-50012</b>   |   |     |                           |        |  |    |                                 |       |                          |      |                     |        |                               |  |                    |  |                |        |   |   |        |                             |        |                                    |        |                                |        |                          |        |                               |  |                    |  |                |  |
| 9. Keywords:<br><b>Housing, Mortgage, Foreclosure, Extension of Time</b>  |   |     |                           |        |  |    |                                 |       |                          |      |                     |        |                               |  |                    |  |                |        |   |   |        |                             |        |                                    |        |                                |        |                          |        |                               |  |                    |  |                |  |
| 10. Abstract:<br>This information collection is used as a "turnaround" document by mortgage lenders to request extension of time and for HUD to provide a response. For audit purposes, regulations require mortgagees to maintain claim files for three years after a claim is paid. Information in the claim file includes copies of the HUD approval with related claim documents to verify that HUD has authorized extensions of time on specific cases.  |   |     |                           |        |  |    |                                 |       |                          |      |                     |        |                               |  |                    |  |                |        |   |   |        |                             |        |                                    |        |                                |        |                          |        |                               |  |                    |  |                |  |
| 11. Affected public: (mark primary with "P" and all others that apply with "X")<br>a. Individuals or households      e. Farms<br>b. <b>P</b> Business or other for-profit      f. Federal Government<br>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")<br>a. Voluntary<br>b. <b>P</b> Required to obtain or retain benefits<br>c. Mandatory  |     |                           |        |  |    |                                 |       |                          |      |                     |        |                               |  |                    |  |                |        |   |   |        |                             |        |                                    |        |                                |        |                          |        |                               |  |                    |  |                |  |
| 13. Annual reporting and recordkeeping hour burden:<br><table style="width: 100%; border: none;"> <tr><td>a. Number of respondents</td><td style="text-align: right;">146</td></tr> <tr><td>b. Total annual responses</td><td style="text-align: right;">51,976</td></tr> <tr><td>  Percentage of these responses collected electronically</td><td style="text-align: right;">0%</td></tr> <tr><td>c. Total annual hours requested</td><td style="text-align: right;">8,316</td></tr> <tr><td>d. Current OMB inventory</td><td style="text-align: right;">4504</td></tr> <tr><td>e. Difference (+,-)</td><td style="text-align: right;">+3,812</td></tr> <tr><td>f. Explanation of difference:</td><td></td></tr> <tr><td>  1. Program change:</td><td></td></tr> <tr><td>  2. Adjustment:</td><td style="text-align: right;">+3,812</td></tr> </table> | a. Number of respondents  | 146 | b. Total annual responses | 51,976 | Percentage of these responses collected electronically | 0% | c. Total annual hours requested | 8,316 | d. Current OMB inventory | 4504 | e. Difference (+,-) | +3,812 | f. Explanation of difference: |  | 1. Program change: |  | 2. Adjustment: | +3,812 | 14. Annual reporting and recordkeeping cost burden: (in thousands of dollars)<br>Do not include costs based on the hours in item 13.<br><table style="width: 100%; border: none;"> <tr><td>a. Total annualized capital/startup costs</td><td style="text-align: right;">\$0.00</td></tr> <tr><td>b. Total annual costs (O&amp;M)</td><td style="text-align: right;">\$0.00</td></tr> <tr><td>c. Total annualized cost requested</td><td style="text-align: right;">\$0.00</td></tr> <tr><td>d. Total annual cost requested</td><td style="text-align: right;">\$0.00</td></tr> <tr><td>e. Current OMB inventory</td><td style="text-align: right;">\$0.00</td></tr> <tr><td>f. Explanation of difference:</td><td></td></tr> <tr><td>  1. Program change:</td><td></td></tr> <tr><td>  2. Adjustment:</td><td></td></tr> </table> | 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: |  |
| a. Number of respondents  | 146   |     |                           |        |  |    |                                 |       |                          |      |                     |        |                               |  |                    |  |                |        |   |   |        |                             |        |                                    |        |                                |        |                          |        |                               |  |                    |  |                |  |
| b. Total annual responses   | 51,976  |     |                           |        |  |    |                                 |       |                          |      |                     |        |                               |  |                    |  |                |        |   |   |        |                             |        |                                    |        |                                |        |                          |        |                               |  |                    |  |                |  |
| Percentage of these responses collected electronically  | 0%  |     |                           |        |  |    |                                 |       |                          |      |                     |        |                               |  |                    |  |                |        |   |   |        |                             |        |                                    |        |                                |        |                          |        |                               |  |                    |  |                |  |
| c. Total annual hours requested   | 8,316   |     |                           |        |  |    |                                 |       |                          |      |                     |        |                               |  |                    |  |                |        |   |   |        |                             |        |                                    |        |                                |        |                          |        |                               |  |                    |  |                |  |
| d. Current OMB inventory  | 4504  |     |                           |        |  |    |                                 |       |                          |      |                     |        |                               |  |                    |  |                |        |   |   |        |                             |        |                                    |        |                                |        |                          |        |                               |  |                    |  |                |  |
| e. Difference (+,-)   | +3,812  |     |                           |        |  |    |                                 |       |                          |      |                     |        |                               |  |                    |  |                |        |   |   |        |                             |        |                                    |        |                                |        |                          |        |                               |  |                    |  |                |  |
| f. Explanation of difference:   |   |     |                           |        |  |    |                                 |       |                          |      |                     |        |                               |  |                    |  |                |        |   |   |        |                             |        |                                    |        |                                |        |                          |        |                               |  |                    |  |                |  |
| 1. Program change:  |   |     |                           |        |  |    |                                 |       |                          |      |                     |        |                               |  |                    |  |                |        |   |   |        |                             |        |                                    |        |                                |        |                          |        |                               |  |                    |  |                |  |
| 2. Adjustment:  | +3,812  |     |                           |        |  |    |                                 |       |                          |      |                     |        |                               |  |                    |  |                |        |   |   |        |                             |        |                                    |        |                                |        |                          |        |                               |  |                    |  |                |  |
| 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")<br>a. Application for benefits      e. Program planning or management<br>b. Program evaluation      f. Research<br>c. General purpose statistics      g. <b>P</b> Regulatory or compliance<br>d. <b>X</b> Audit   | 16. Frequency of recordkeeping or reporting: (check all that apply)<br>a. <input checked="" type="checkbox"/> Recordkeeping    b. <input type="checkbox"/> Third party disclosure<br>c. <input checked="" type="checkbox"/> Reporting:<br>1. <input checked="" type="checkbox"/> On occasion    2. <input type="checkbox"/> Weekly      3. <input type="checkbox"/> Monthly<br>4. <input type="checkbox"/> Quarterly      5. <input type="checkbox"/> Semi-annually    6. <input type="checkbox"/> Annually<br>7. <input type="checkbox"/> Biennially      8. <input type="checkbox"/> Other (describe) |     |                           |        |  |    |                                 |       |                          |      |                     |        |                               |  |                    |  |                |        |   |   |        |                             |        |                                    |        |                                |        |                          |        |                               |  |                    |  |                |  |
| 17. Statistical methods:<br>Does this information collection employ statistical methods?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   | 18. Agency contact: (person who can best answer questions regarding the content of this submission)<br>Name: <b>Leslie Bromer</b><br>Phone: <b>202-402-2309</b>   |     |                           |        |  |    |                                 |       |                          |      |                     |        |                               |  |                    |  |                |        |   |   |        |                             |        |                                    |        |                                |        |                          |        |                               |  |                    |  |                |  |

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## 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:<br><br>X<br>Mike Winiarski, Director, Organizational Policy, Planning and Analysis Division, HROA | Date: |
| Signature of Senior Officer or Designee:<br><br>X<br>Lillian Deitzer, Departmental Reports Management Officer                    | Date: |

# Supporting Statement for Paperwork Reduction Act Submissions

## Mortgagee's Request for Extension of Time OMB Control Number 2502-0436 (Form HUD-50012)

### A. Justification

1. Section 204(a) of the National Housing Act authorizes HUD to insure lenders against loss on approved single-family mortgages. In the event of default and foreclosure of an insured mortgage, the mortgagee is entitled to receive insurance benefits plus interest on such benefits from the date of default to the date of payment of the insurance benefits. Mortgagees must take certain actions within specific time limitations or within any additional time approved by the Secretary (24 C.F.R 203.355). Failure to request and complete an extension of time before the time limit for the action expires, may result in curtailment of interest (24 C.F.R. 203.363). A mortgagee must maintain a claim file containing documentation supporting all information submitted for claim payment for at least three years after a claim has been paid. All claim files for claims paid during a period relating to an unresolved or ongoing claim review must be maintained until final resolution of such review. Information to be maintained in the claim file includes receipts covering all disbursements as required by the fiscal data form, ledger cards covering the mortgage transaction, and any additional information or data relevant to the mortgage transaction or insurance claim (24 C.F.R 203.365(c) (2)).
2. The respondents are FHA lenders and mortgage servicers. A lender/mortgagee files form HUD-50012 if, for some reason, it is not possible to take certain actions within specific time limitations. If HUD finds, after notice of default, that the default was due to circumstances beyond the control of the mortgagee, HUD may, upon such terms and conditions as prescribed, approve the request of the mortgagee for an extension of the time for curing the default and time for commencing foreclosure proceedings or for acquiring title to the mortgaged property. The request for an extension of time must be filed with HUD prior to the expiration of the time frames. Mortgagees maintain copies of the HUD approval with related claim documents to document that HUD has authorized extensions of time on specific cases.

The current number of 146 respondents is based on actual requests received over a 12-month period by the NSC. Based on information from NSC and lenders regarding the time needed to complete the form, HUD has reduced the estimate of time required from 15 minutes to 10 minutes. The increase in burden hours is the result of the increase in the number of responses (51,976) from the previous submission of 28,150. HUD has an incentive payment plan for mortgagees who successfully use loss mitigation techniques with home retention options such as special forbearance, mortgage modification, and partial claim. The program has seen rapid growth, and the requests for extension of time to complete various actions has grown accordingly.

3. This information is not presently collected electronically although the Department has provided the form on its website in a form-fillable format and accepts the document via email or fax. The A43C Claims Subsystem has not received any development funds that would be needed to modify A43C to process or receive this information in any electronic manner. Until system funding will allow for an integrated collection and system update process, the Department has plans to provide mortgagees with a simpler method to request extensions of time. In 2009, we hope to have an interim solution, whereby lenders could submit certain extension requests and HUD could approve or reject these requests electronically, using a business service provider, and the results of these requests could be retrieved online; however, without the fore mentioned development funds, there would be no interface with A43C.
4. There is no duplication of information with the use of this collection.

5. The collection of this information will not have a significant impact on small businesses or other small entities. All mortgages in need of an extension of time will use the form. It is designed to reduce the burden on mortgagees by eliminating the need for letters of request.
6. The request is submitted only when the original mortgagee requires an extension of time. Mortgagees submitting claims for insurance benefits may not receive the full benefits to which they may be entitled if the information is not submitted in a timely manner.
7. There are no special circumstances in the collection of this information.
8. In accordance with 5 CFR 1320.8(d), the agency's notice soliciting public comments was announced in the *Federal Register* on , September 15, 2008 (Vol. 73, No. 179, page 53262 - 53262). No comments were received.

The agency has also contacted individuals, by means of telephone calls, who normally submit or review this information. These agencies include:

- the Mortgage Bankers Association (MBA) (Vicki Vidal),
- Countrywide Home Mortgage (Kim Lott), and
- HUD NSC (Susan Hunt).

None of the contacts had any complaints on the availability of the data, frequency of collection, clarity of instructions, format of recordkeeping, disclosure, reporting, or the data elements to be collected.

HUD periodically meets with members of the mortgage banking industry to discuss servicing and related issues concerning extensions and the use of Form HUD-50012.

9. There are no payments or gifts provided.
10. No assurances of confidentiality are given.
11. The collection requests no information of a sensitive nature.
12. Estimated burden and costs for respondents:

The National Servicing Center process approximately 12,108 HUD-50012's annually. Additionally, the Homeownership Centers, through the Management and Marketing contractors, process approximately 39,868 HUD-50012's annually for claim extensions.

| Information Collection | Number of Respondents | Frequency of Response (average) | Responses Per Annum | Burden Hour Per Response | Annual Burden Hours | Hourly Cost    | Total Annual Cost |
|------------------------|-----------------------|---------------------------------|---------------------|--------------------------|---------------------|----------------|-------------------|
| <b>HUD-50012</b>       | <b>146</b>            | <b>356</b>                      | <b>51,976</b>       | <b>.16</b>               | <b>8316</b>         | <b>\$28.00</b> | <b>\$232,848</b>  |

The hourly rate is based on an estimate of average salary of \$58,240 for lender personnel.

13. There are no additional costs to respondents.
14. Federal Cost

| Information Collection | Responses Per Annum | Burden Hour Per Response | Annual Burden Hours | Hourly Cost Per Response | Annual Cost |
|------------------------|---------------------|--------------------------|---------------------|--------------------------|-------------|
|------------------------|---------------------|--------------------------|---------------------|--------------------------|-------------|

|                  |               |            |              |                |                  |
|------------------|---------------|------------|--------------|----------------|------------------|
| <b>HUD-50012</b> | <b>51,976</b> | <b>.16</b> | <b>8,316</b> | <b>\$16.00</b> | <b>\$133,056</b> |
|------------------|---------------|------------|--------------|----------------|------------------|

The hourly rate is based on the average salary of GS-11 NSC staff who currently review the extension requests. The NSC is in transition to using a contractor for the initial review of extension requests. The hourly rate will be approximately \$14 per hour, with oversight by NSC staff.

15. This is an extension of a currently approved collection. The increase in the number of responses from the previous submission is a result of HUD's incentive payment plan for mortgagees who successfully use loss mitigation techniques with home retention options such as special forbearance, mortgage modification, and partial claim.
16. This information collection will not be published.
17. HUD is not seeking approval to avoid displaying the OMB 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**

This information collection does not employ statistical methods.